

# The Depository Trust Company

## **IMPORTANT**

### **PREM ELIGIBILITY**

**B#:** 0684-06

**DATE:** December 22, 2006

**TO:** All Participants

**CATEGORY:** Reorganization

**FROM:** Diane Palermo and Joe Clemente

**ATTENTION:** Officers/Cashiers/Corporate Actions Management

**SUBJECT:** Escrow Positions to Become  
PREM Eligible

DTC currently maintains positions resulting from mandatory corporate actions in Escrow CUSIPs created to represent participants' positions for potential future distributions. Since many of these CUSIPs may never make an additional distribution, participants have requested that DTC make provisions to have these issues made eligible for the PREM function on PTS/PBS; thereby allowing participants to take those positions off their books and records.

Effective January 2, 2007, DTC will enable all existing Escrow CUSIPs, created as a result of a Mandatory Corporate Action, to become PREM eligible. This will allow participants to PREM their positions in those issues. Participants are cautioned that positions in these CUSIPs incur a long position surcharge of \$0.17 per month. Once an Escrow CUSIP has been PREM eligible for six years, it will automatically incur a long position fee of \$7 per month. All of these charges can be avoided by using the PREM function to remove the position at your earliest convenience.

Should any of these CUSIPS actually distribute proceeds, DTC will reverse the PREMEd positions and credit the participants appropriately.

Questions regarding use of the PREM functions can be directed to Joe Clemente, Securities Processing Product Manager, at (212) 855-2425 / [jpclemente@dtcc.com](mailto:jpclemente@dtcc.com). Questions regarding Escrow positions should be directed to Diane Palermo, Reorganization Manager, at (813) 470-1136 / [dpalermo@dtcc.com](mailto:dpalermo@dtcc.com).