

IMPORTANT NOTICE

The Depository Trust Company



#: B5422-09
Date: 8/28/2009
To: All Participants
Category: Settlement
From: Jack Manuel / Settlement Product Management
Attention: Settlement Manager/Managing Director/Cashier
Subject: Options Symbology Initiative (OSI) – Premium Payment Orders (PPOs)

In Important Notice # 5017-09 dated May 26, 2009, the Depository Trust Company (DTC) outlined modifications to its Payment Order system for Premium Payment Orders (PPOs) resulting from the industry-wide Options Symbology Initiative.

Subject to approval from the Securities Exchange Commission (SEC), a migration period for automated users will begin on October 30, 2009 in preparation for the required implementation date scheduled for February 12, 2010. In order to prepare for both the migration period and implementation date, DTC will make available its User Acceptance Testing (UAT) region to Participants beginning on September 21, 2009. At this time, Participants can conduct automated testing using new input and output file formats. Prior to testing, Participants must contact the Participant Interface Planning (PIP) group to ensure their account(s) are set up properly in the test region. The PIP group can be reached via email at pipequests@dtcc.com or by calling (888) 382-2721 and selecting option #5, then option #3. DTC's UAT region will remain open and available to participants through February 11, 2010.

Listed below is the proposed timeline for this initiative as well as the user guide documents that contain the new input and output file formats for PPOs.

Proposed timeline – PPOs

May 2009	Updated version of PPO user guides was made available on the web.
September 21, 2009 – February 11, 2010	DTC's Participant test system (U region) will be available for Participants to begin testing.
October 30, 2009 – February 11, 2010	Migration period to new input and output formats (Participants can submit old or new formats).
October 30, 2009	Participants must use the Premium Payment Orders function in the Participant Browser Service (PBS) for all manual input. The Participant Terminal Service (PTS) will be disabled for all PPO input and reclaims through the POLU function and ART functions.
February 12, 2010	Participants must fully convert to new automated input and output formats. Old formats will no longer be supported.

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File Formats – PPOs

1) POL 1/5 (5.22): Payment Orders Instructions.

- Used by participants to program MQ & NDM/FTP input of PPO transactions.
- For PPO processing, DTC has created a new input record called VERSION 02, which has a new record length = 323 characters
- During the migration period participants can submit using this new input record Version 02 or continue to submit using their current input format, Version 01.
- Effective February 12, 2010, participants will be required to submit PPOs using this new input record (Version 02).
- Participants can access this user guide from the below link.
http://www.dtcc.com/products/documentation/asset/ccf/settlement/22pol1_5.pdf

2) CFDPOC (5.04): Payment Orders via CCF2

- DTC will not make modifications to this input format. Participants who currently use this input file format must move to another form of input for PPOs.
- Participants can access this user guide from the below link.

3) MQ PO (20.02): Payment Order Output (For SPO, PPO and ACATS Payorder)

- Used by participants to describe the receipt of Machine Readable Output (MRO) associated with PPO transactions.
- DTC will not be producing Version 1 and Version 2 of this output. Instead, DTC has taken existing filler, beginning on position 399 and ending on position 424, and used it for the new extended format of the fields affected by the OSI.
- During the migration period, both sets of fields, the original and new OSI extended fields, will be populated. Participants should program to receive the new extended data by February 12, 2010, when data in the original fields will no longer be populated.
- Participants can access this user guide from the below link.
<http://www.dtcc.com/products/documentation/asset/ccf/settlement/02Payment.pdf>

4) PARTPO (5.13): DTC Participant Account Return Payment Order.

- Used by participants to describe the receipt of NDM/FTP output associated with PPO transactions.
- The DTF System will be modified to use existing filler in their machine-readable output PART PO records to define the new, expanded PPO fields.
- During the migration period, both the original and new OSI extended fields will be populated.
- Effective February 12, 2010, participants will be required to use the new formats.
- Participants can access this user guide from the below link.
<http://www.dtcc.com/products/documentation/asset/ccf/settlement/13PARTPO.pdf>

Questions regarding this Important Notice may be directed to your DTCC Relationship Manager, the Settlement Hotline at 1-888-360-3822 or the undersigned at 212-855-5921.

Jack Manuel, Product Management (jmanuel@dtcc.com).