



## Important Notice

### The Depository Trust Company

<b>B #:</b>	15693-21
<b>Date:</b>	8/3/2021
<b>To:</b>	All Participants
<b>Category:</b>	Operations/Reorganizations
<b>From:</b>	Asset Services – Corporate Actions Transformation Product Management Team
<b>Attention:</b>	Operations Managers/Technology Managers/Cashiers/Officers
<b>Subject:</b>	Procedures for Exchanging a Money Market Instrument (MMI) for a Non-MMISecurity in the Event an Issuing Paying Agent (IPA) Incorrectly Issues a MMISecurity

As DTC previously announced, securities that have the option to be redeemable, in whole or part, for equity or other securities (“Maturity for Stock”) are not eligible for the DTC Money Market Instrument (MMI) Program. DTC’s eligibility requirements mandate that all securities in the DTC MMI Program be redeemable for cash only. Please reference DTC Important Notice 3755-08 dated July 18, 2008, and subsequent notices related to MMI securities.

In the event an IPA has failed to follow this MMI eligibility requirement (or any other MMI eligibility requirements) and a security is erroneously issued as a MMI CUSIP, DTC will accommodate requests to exchange the erroneously issued MMI CUSIP for a non-MMIS CUSIP if the following conditions are met.

To initiate an exchange, the following documentation must be sent to DTC Mandatory Reorg by no later than five business days prior to the exchange date at [MandatoryReorgAnnouncements@dtcc.com](mailto:MandatoryReorgAnnouncements@dtcc.com):

- A notice from the IPA on their company letterhead must include (i) the reason for the exchange, (e.g., security was incorrectly issued as an MMI CUSIP), (ii) the MMI CUSIP number, (iii) the new Non-MMIS CUSIP number, (iv) the security description, and (v) the rate of exchange. This notice must also include the DTC indemnification language, (reference *Appendix A*).
- A notice from the Issuer on their company letterhead must acknowledge the referenced CUSIP(s) was issued incorrectly as a MMI security and request DTC to announce and process the exchange. This notice must also include the DTC indemnification language, (reference *Appendix A*).
- A written acknowledgement from the IPA to be billed the applicable eligibility and exception processing fees for each CUSIP exchange. Specifically, IPAs will be billed \$7500 per CUSIP for the exception processing fee and \$1,000 for the eligibility fee.
- IPA will provide (i) the new non-MMIS CUSIP for each exchange, (ii) a copy of the prospectus, and (iii) offering document or offering statement describing terms of the non-MMIS security. DTC Underwriting may require additional documentation for eligibility such as a Letter of Representations (also known as “LOR”) for book-entry only issues.

**Note: DTC will not announce an exchange or make a Non-MMIS CUSIP eligible that will mature 30 days or less from the eligibility date nor perform an exchange from a CUSIP that will mature 30 days or less from the exchange date. In the event the exchange date conflicts with an**

**announced corporate action, e.g., partial call. DTC reserves the right to reject any request received that we determine is within these timeframes. If an exchange cannot be performed for a MMI that pays stock at maturity, the IPA is responsible to pay holders the stock entitlement.**

DTC reserves the right to request revised or additional documentation from the agent and/or issuer as it deems necessary to process the requested exchanges.

If the IPA determines they will facilitate the process to perform the MMI to non-MMI exchange outside of DTC Reorg processing systems, or for purposes of paying MMI holders the stock entitlement, a Securities Position Report (also known as “SPR”) can be ordered by registered users via our SPR Portal. New users can click [here](#) to register for SPR.

Questions about this notice can be directed to your Relationship Manager or the Mandatory Reorganization mailbox at [MandatoryReorgAnnouncements@dtcc.com](mailto:MandatoryReorgAnnouncements@dtcc.com).

## **APPENDIX A – DTC Indemnification Language**

[INSERT INDEMNITOR’S NAME] hereby agrees to jointly and severally indemnify and defend DTC and Cede & Co., and each of their respective subsidiaries and affiliates, officers, directors, employees, agents and attorneys, (the "Indemnitees") against, and hold the Indemnitees harmless from, any Losses<sup>1</sup> and Legal Actions<sup>2</sup> suffered or incurred by the Indemnitees resulting from, relating to, arising out of or in connection with [INSERT THE NATURE OF THE REQUEST](the “Request”), except as a result of the Indemnitees willful misconduct or gross negligence or fraud. By way of example but not by way of limitation, this indemnity applies to Legal Actions between and/or among [INSERT INDEMNITOR’S NAME] and/or Indemnitees.

[INSERT INDEMNITOR’S NAME] represent and warrant that we are duly authorized to execute this indemnity.

---

<sup>1</sup> “Losses” means and includes all losses, liabilities, damages, judgments, liabilities, payments, obligations, costs and expenses (including, without limitation, any costs of investigation and legal fees and expenses incurred in connection with, resulting from, relating to, arising out of or in connection with the Request), regardless of whether or not any liability, payment, obligation or judgment is ultimately imposed against the Indemnitees.

<sup>2</sup> “Legal Action” means and includes any claim, counterclaim, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation before any federal, state or foreign court or other tribunal, or any investigative or regulatory agency or self-regulatory organization.