

IMPORTANT NOTICE

The Depository Trust Company



#: B-6313-10
Date: March 19, 2010
To: All Participants
Category: Settlement/Underwriting
From: Stephen Wasserman
Attention: Settlement Manager/Managing Director/Cashier
Subject: Institutional Delivery (ID) Net Service Enhancement

The Depository Trust Company ("DTC") recently filed a rule change regarding the ID Net Service ("ID Net") with the Securities and Exchange Commission ("SEC") as effective upon filing. ID Net allows broker-dealer Participants to have the ability to net all eligible affirmed institutional transactions at DTC against Continuous Net Settlement ("CNS") transactions at the National Securities Clearing Corporation ("NSCC").

Eligibility for ID Net processing is based on the underlying security being processed, the type of transaction submitted for processing, and the timing of affirmation. Most equity securities that are eligible for CNS are eligible for ID Net processing. However, DTC initially excluded the following from ID Net: (1) Corporate and municipal bonds and Unit Investment Trust ("UIT") issues; (2) New Issue securities; (3) Securities that are IPO tracked since the use of omnibus accounts will bypass the tracking system; (4) Trades in issues that are currently undergoing a mandatory or voluntary reorganization; (5) Trades in CUSIPs with a CNS buy-in; and (6) Trades in securities appearing on the SEC's Regulation SHO list. At that time, DTC noted that since the Service was a new one and in order to ensure that the system ran smoothly, it was excluding certain securities that could potentially have a relatively high rate of delivery failure or may disrupt normal processing of transactions in the ID Net Service. It also noted that as experience with the Service grows, it would reevaluate the exclusion of certain issues.

Since the implementation of ID Net, the Service has operated with minimal disruption, thus allaying the concerns regarding the addition of certain securities previously excluded from the Service. In order to enhance processing efficiency and at the request of its Participants, DTC is expanding the ID Net Service to allow for the addition of any security that is eligible for CNS processing from time to time and at DTC's discretion. DTC will notify its Participants via Important Notice when it decides to make a security eligible for ID Net.

Effective March 26, 2010, Unit Investment Trust (UIT) issues will become eligible for ID Net processing. In addition, on March 26th, the current ID Net trade-level exclusion for securities appearing on the SEC's Regulation SHO list will be removed. Expanding the securities eligible for ID

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Net enables Participants to realize additional processing efficiencies and cost savings through use of the Service.

For more information, contact Stephen Wasserman, Director, Settlement Product Management, at 212-855-3270 (swasserman@dtcc.com) or DTCC Relationship Management at (800) 422-0582.