

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

Filing by The Depository Trust Company

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * Amendment * Withdrawal Section 19(b)(2) * Section 19(b)(3)(A) * Section 19(b)(3)(B) *

Pilot Extension of Time Period for Commission Action *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The proposed rule change is to terminate the Sealed Envelope Service which is part of DTCs Custody Service.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Candice Last Name * Dalin
Title * Director and Associate Counsel
E-mail * cdalin@dtcc.com
Telephone * (212) 855-7632 Fax (212) 855-3265

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 08/22/2013 Managing Director and General Counsel

By Larry E. Thompson

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Persona Not Validated - 1356725050802

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

[Add](#) [Remove](#) [View](#)

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

[Add](#) [Remove](#) [View](#)

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

[Add](#) [Remove](#) [View](#)

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

[Add](#) [Remove](#) [View](#)

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G

Exhibit 3 - Form, Report, or Questionnaire

[Add](#) [Remove](#) [View](#)

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

[Add](#) [Remove](#) [View](#)

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

[Add](#) [Remove](#) [View](#)

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

[Add](#) [Remove](#) [View](#)

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change.

(a) The Depository Trust Company is filing this rule change in order to terminate the Sealed Envelope Service, which is part of DTC's Custody Service. The text of the proposed change is attached hereto as Exhibit 5.

(b) Not applicable

(c) Not applicable

2. Procedures of the Self-Regulatory Organization.

(a) The Business and Products Committee of DTC's Board of Directors approved the proposed rule change on August 13, 2013.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) In 2002, DTC launched the Sealed Envelope Service (the "Service") as a service extension to DTC's Custody Service.¹ The Service was designed to provide physical custody to Participants for documents or instruments that are not securities, such as loan agreements, wills, deeds, mortgages, contracts and option agreements. The Service strictly prohibits the deposit of securities certificates as well as tangible assets such as currency, gold coins or jewelry. DTC initially launched the Service in response to a request from Participants to assist in fully outsourcing their vaults to DTC. Subsequently, there has not been much use of the Service by Participants, and it is, accordingly, not economically efficient to maintain the Service.

Currently, DTC allows for these non-security items to be held in custody in a Sealed Envelope in one of DTC's vaults. The envelopes are such that the contents cannot be viewed when sealed. DTC does not open any sealed envelopes, but x-rays all packages and envelopes received to assure no dangerous contents. DTC also assigns a user-CUSIP number for tracking and record keeping purposes. The depositing Participant is required to list the contents of the envelope on the outside of the envelope. Participants balance their sealed envelopes daily with DTC in the same manner as they presently do for securities held in the Custody service. DTC does not verify the contents of the envelope and this has presented a concern since DTC has no way of knowing whether the contents qualify for the Service.

As part of the Hurricane Sandy storm recovery, DTC has determined that it is not recovering its costs from usage of the Service by only a few Participants. Only fifteen Participants currently use the Service, with one of those Participants representing approximately 85% of the total volume. All fifteen of these Participants have been notified of DTC's intention to discontinue the Sealed Envelope Service and none of the

¹ Securities Exchange Release Act No. 34-46018 (June 3, 2002) 67 FR 39454 (June 7, 2002) [SR-DTC-2002-03].

Participants have objected. Accordingly, upon approval by the SEC, DTC will terminate the Sealed Envelope Service. DTC will work with the Participants that currently use the Service to develop a timeline that is not unduly burdensome to return the existing sealed envelope inventory.

(b) DTC believes the proposed rule change, as described above, is consistent with the requirements of the Act, specifically Section 17A(b)(3)(F),² and the rules and regulations thereunder applicable to DTC, because the change, which terminates the Service, eliminates risk to the depository associated with the safeguarding of items in DTC's physical custody and therefore enhances DTC's ability to safeguard securities or funds in its custody or control or for which it is responsible.

4. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not been solicited or received.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

² 15 U.S.C. 78q-1(b)(3)(F).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Changes to DTC's Procedures.

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2013-10)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company in order to terminate the Sealed Envelope Service, which is part of The Depository Trust Company's Custody Service. _____

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II and III below, which Items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

As more fully discussed below, the proposed rule change is to terminate the Sealed Envelope Service, which is part of DTC's Custody Service.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Purpose

In 2002, The Depository Trust Company ("DTC") launched the Sealed Envelope Service (the "Service") as a service extension to DTC's Custody Service.³ The Service

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 46018 (Jun. 3, 2002) 67 FR 39454 (Jun. 7, 2002) (SR-DTC-2002-03).

was designed to provide physical custody to Participants for documents or instruments that are not securities, such as loan agreements, wills, deeds, mortgages, contracts and option agreements. The Service strictly prohibits the deposit of securities certificates as well as tangible assets such as currency, gold coins or jewelry. DTC initially launched the Service in response to a request from Participants to assist in fully outsourcing their vaults to DTC. Subsequently, there has not been much use of the Service by Participants, and it is, accordingly, not economically efficient to maintain the Service.

Currently, DTC allows for these non-security items to be held in custody in a sealed envelope in one of DTC's vaults. The envelopes are such that the contents cannot be viewed when sealed. DTC does not open any sealed envelopes, but x-rays all packages and envelopes received to assure no dangerous contents. DTC also assigns a user-CUSIP number for tracking and record keeping purposes. The depositing Participant is required to list the contents of the envelope on the outside of the envelope. Participants balance their sealed envelopes daily with DTC in the same manner as they presently do for securities held in the Custody Service. DTC does not verify the contents of the envelope and this has presented a concern since DTC has no way of knowing whether the contents qualify for the Service.

As part of the Hurricane Sandy storm recovery, DTC has determined that it is not recovering its costs from usage of the Service by only a few Participants. Only fifteen Participants currently use the Service, with one of those Participants representing approximately 85% of the total volume. All fifteen of these Participants have been notified of DTC's intention to discontinue the Service and none of the Participants have objected. Accordingly, upon approval by the SEC, DTC will terminate the Service. DTC will work with the Participants that currently use the Service to develop a timeline that is not unduly burdensome to return the existing sealed envelope inventory.

Statutory Basis

DTC believes the proposed rule change, as described above, is consistent with the requirements of the Act, specifically Section 17A(b)(3)(F),⁴ and the rules and regulations thereunder applicable to DTC, because the change, which terminates the Service, eliminates risk to the depository associated with the safeguarding of items in DTC's physical custody and therefore enhances DTC's ability to safeguard securities or funds in its custody or control or for which it is responsible.

B. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

⁴ 15 U.S.C. 78q-1(b)(3)(F).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or by sending an e-mail to rule-comment@sec.gov. Please include File No. SR-DTC-2013-10 on the subject line.
- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington D.C. 20549-1090.

All submissions should refer to File Number SR-DTC-2013-10. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C §552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington D.C. 20549-9303. Copies of such filing also will be available for inspection and copying at

DTC's principal office and on DTC's Web site at www.dtc.org All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

Custody Service Guide

About Custody:

Cent-Denominated Securities

Cent-denominated securities are eligible for the Custody Services. As with regular positions, cent positions are maintained to five decimal places under contra-CUSIPs. Before updating any transaction, the depositing Participant should ensure that the CUSIP is eligible for cents processing by checking the PTS/PBS Security Inquiry (GWIZ) function's Information screen.

~~Sealed Envelopes Said to Contain~~

~~A Participant may deposit important documents that may or may not be non-securitized paper financial assets through the Sealed Envelope service. These include, but are not limited to:~~

- ~~• Wills~~
- ~~• Deeds~~
- ~~• Contracts~~
- ~~• Letters of Credit~~
- ~~• Annuities~~

~~DTC will not accept and safekeep tangible assets such as currency, gold, coins or jewelry.~~

~~DTC does not open any sealed envelopes, but for security reasons it reserves the right to x-ray all packages and envelopes received. If a Participant wishes to view or remove the contents of a sealed envelope, the Participant must withdraw that envelope using the regular custody withdrawal procedure.~~

~~Due to the nature of these instruments and the fact that the envelope contents cannot be verified, DTC does not accept any liability should the envelope be lost, stolen or destroyed. Depositing participants assume full liability as well as responsibility for replacement of lost, stolen or destroyed contents of a sealed envelope. Sealed envelopes can only be returned to the depositing Participant and cannot be used for third party mailings or settlement activity.~~

Custody Services

About the Service

Custody Services include deposits and safekeeping, withdrawals, and transfers of securities that are eligible or, in some cases, ineligible for all of DTC's services.

DTC's Regular Custody Services provides a Participant with a convenient method for outsourcing the custody and processing of physical securities for those securities that are not eligible for DTC book-entry services. Some of the types of securities for which you can use these services are:

- securities that are not eligible for full depository services
- Foreign securities
- Government securities
- Restricted securities
- Private Placements and Safekeeping

A Participant deposits the physical certificates and any accompanying documents into DTC's secure vault and DTC can then perform the physical processing on its behalf, such as transferring certificates.

A Participant may also withdraw certificates easily. DTC will mail them to the depositing Participant, or deposit the position into its general free account for credit on the next business day. The Participant may have foreign securities forwarded to a global custodian or shipped to an overseas agent. You can have government securities presented to the Treasury Department or Federal Reserve Bank of New York (FRBNY). DTC will also clip coupons and present them through our Coupon Collection Service (CCS).

Attributes of the Service

DTC's Custody Services frees the depositing Participant from the cumbersome physical handling of securities that are not eligible for DTC full-service processing. Deposit these securities into Custody and DTC will:

- Handle transfers
- Process withdrawals, mailing certificates to the depositing Participant or depositing position into its general free account at DTC
- Deliver certificates to other agencies, including global custodian and overseas agents
- Present government securities to federal agencies
- Affix the depositing Participant's official facsimile signature and medallion guarantee stamp to securities being transferred
- Clip coupons

How the Custody Service Works

First, the depositing Participant must prepare the physical certificates to be deposited, then using our online system (CUST), or a CCF deposit file or MDH system, the depositing Participant must enter its custody information. The Participant may then send the certificates to DTC.

Once DTC has examined the deposit, the physical certificates are placed in a DTC secure vault and unique reference numbers are assigned.

Once the deposit is accepted and recorded, you can withdraw and transfer securities easily, issuing your instructions via the PTS/PBS function CUST.

Deposits

DTC examines deposits, reviewing the securities for negotiability as well as ensuring the accuracy of the data the Participant transmits in the "deposit expectancy file".

- A Participant may request a SIC verification at any time through our Branch Deposit Service (optional service). DTC will provide a file to SIC using the Participant's FINS number and access code.
- DTC will identify and create reorg deposits when applicable

A Participant may deposit securities or documents into custody using:

- Participant Terminal System (PTS)/Participant Browser System (PBS) functions
- Computer-to-Computer Facilities (CCF) file transmission
- Mainframe Dual Host (MDH)
- MQ Messaging Protocol

As a safekeeping service for deposited securities DTC provides:

- Security in a DTC secure vault. DTC's vault and certificate-handling practices ensure tight security and accurate processing. Inventories are segregated in various locations, sometimes referred to as "boxes". The depositing Participant may move certificates from one box to another to reflect changes in the status of the securities.
- Assignment of a unique reference identification number to all deposits. Each certificate received into custody is identified by your customer account number. At any time the depositing Participant may update the customer's account number on certificates.
- Continuous random audit checks. Auditors for the depositing Participant or its custodial customer may occasionally require access to the custody inventory. Given 24 hours' notice, DTC will provide a secure space under camera surveillance where securities can be examined.

- Availability of detailed information on every certificate, including certificate number, registration, negotiability status, and restricted indicator and access to images of your certificates or documents through CUST. See Imaging.

Items Accepted

- Stocks (negotiable, non-negotiable, and restricted)
- Bonds
- DTC eligible securities
- DTC ineligible: open-ended mutual funds, short-term money market instruments, foreign securities, interest only, limited partnerships, promissory notes, private placements, customer-registered custodial assets.
- Gold certificates

Items Not Accepted

- Wills, deeds, insurance policies, mortgage papers
- Terminal output of stock record positions
- Vouchers or cash for airline tickets
- Legal correspondence on client assets
- Liquidity Letters of Credit
- Bank account applications
- Bills of sale
- Contracts of prevailing wage certificates
- Agreements
- Permanent loan certificates
- Assignment of real estate
- Sponsor's retained interest certificates
- Individual Retirement Accounts (IRA) statements
- Annuities
- Tax returns

~~**Note: These items are accepted via the Sealed Envelope Said To Contain service. DTC reserves the right to modify the list of accepted items at its sole discretion.**~~
