

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 9685

DATE: March 23, 2000

TO: All Participants

FROM: Corporate Trust Services

ATTENTION: Operations and Administrative Management

SUBJECT: New 'Pend' Feature for DWAC Deposits

Background

The Deposit/Withdrawal at Custodian (DWAC) function enables participants to submit online deposit and withdrawal requests directly to FAST transfer agents and receive same day updates to their DTC accounts after agents have approved the transactions. FAST agents are able to approve the requests up to 6:30 p.m. ET on the day the transactions are submitted utilizing the PTS function, CDWC, which automatically updates DTC's FAST balances accordingly. Unapproved requests are dropped from the system, requiring participants to re-enter all details of the requests on subsequent business days until they are approved by the agent.

DWAC Enhancement

Effective March 30, 2000, the DWAC function will be enhanced to allow deposit requests to remain in the system for three (3) business days, inclusive of the day of request, pending agent approvals: thus, deposit transactions submitted on Monday will be available for agents to approve or cancel up to Wednesday (the third business day) until 6:30 p.m. ET, when the DWAC function closes. Transactions that have not been approved by the third business day will be flagged as a 'drop' and made available 'for inquiry only' on the next business day. DWAC will default to current day transactions for inquiries, unless the deposit request's date of submission is entered.

The new 'pend' feature is designed to provide agents additional time to acknowledge (ie., approve/cancel) deposit requests and reduce rework for participants who are subject to re-entering deposit items that have been dropped from the system. Agents who currently reject deposits at the end of the day have been requested to allow deposit requests to remain on the system for the three business days, pending documentation from participants. If additional information is not received, agents may then reject the items with appropriate comments.

Please note, the 'pend' feature is not available for withdrawal requests. Any questions regarding DWAC or this notice may be directed to Armando Di Biase, Manager, at (212) 855-4480.