

The Depository Trust Company

IMPORTANT

B#: 2048

DATE: May 24, 2001

TO: All Participants

CATEGORY: Executive Notices

FROM: General Counsel's Office

ATTENTION: All Officers, Cashier

SUBJECT: Segregated Accounts for Settlement of Nasdaq Europe Trades

It is expected that on or about June 8, 2001 Nasdaq Europe, an exchange established under the laws of Belgium, will begin listing U.S. securities on its European Trading System. In order to facilitate the settlement of these securities, prior to such date, Nasdaq Europe plans to approve DTC as a settlement location for trades executed on Nasdaq Europe ("NE trades") in DTC-eligible securities. To allow Nasdaq Europe to designate DTC as an approved settlement location, DTC must agree to provide Nasdaq Europe, upon request, with information that it has pertaining to the settlement at DTC of NE trades. In order for DTC to be able to provide this information, DTC must require its Participants to effect the settlement of such transactions in a manner that separately identifies them from the Participant's other settlement activity and authorize DTC to provide information related to such trades to Nasdaq Europe.

Beginning June 8, 2001, DTC will require that the settlement of NE trades be effected in a separate subaccount that will be established by the Participant solely for the settlement of NE trades. If it is determined that a more automated solution should be developed in the future, DTC will make the necessary systems changes to allow Participants to designate settlement activity as relating to NE trades by entering a special activity code in their deliver order instructions. If such systems changes are made Participants will be required to use the activity code to identify NE trades. Participants will be kept informed via Important Notices if DTC determines that it will automate the identification of settlement activity related to NE trades.

General questions should be directed to Diane Brennan at (212) 855-3320. Questions regarding setting up a subaccount should be directed to Pablo Cubi at (212) 855-4931.