

The Depository Trust Company  
**IMPORTANT**  
Executive

**B#:** 2579  
**DATE:** October 30, 2001  
**TO:** All Participants and DRS Transfer Agents  
**CATEGORY:** Executive Notices  
**FROM:** Joe Trezza, Product Manager  
**ATTENTION:** Partner/Officer, Ops Mgrs, IS Support, Transfer Mgrs  
**SUBJECT:** Direct Registration System (DRS)  
Rescheduling of Pending Processing Enhancements

DTC has been requested to delay the implementation of certain DRS processing enhancements due to the impact to participants and transfer agents from the events following September 11, 2001. After consulting with the Securities and Exchange Commission (SEC), DTC has agreed to change the scheduled implementation date for these DRS processing enhancements **from November 1, 2001 to the new scheduled implementation date of November 30, 2001.**

As previously conveyed in Important Notice B# 2366, dated August 17, 2001, and Important Notice B# 2529, dated October 18, 2001, at the bequest of industry members, including the Securities Industry Association (SIA) and the Securities Transfer Association (STA), DTC filed a rule change with the SEC to implement two processing enhancements relative to DRS and the Profile Modification System (Profile):

1. All participant Withdrawal-by-Transfer (WT) requests that do not specify a preference for a certificate will default to a request for a DRS book-entry position (an "S" transaction) on the books of the issuer or its agent.
2. All securities issues currently eligible for DRS but not yet in Profile must migrate to Profile.

DTC filed the rule change with the SEC in May 2001 (Release No. 34-44696; File No. SR-DTC-2001-7), to implement the new processing rules. In mid-August 2001, the SEC approved the rule filing.

## Agent Information

The DTCC Agent Liaison group will continue to work with their DRS transfer agent contacts to support and encourage the DRS to Profile migration efforts. DRS transfer agents are **urged** to continue to migrate issuers to Profile as the issuer consents to the migration, thus eliminating a “last minute rush” to add issuers to Profile. Currently, there are over 300 DRS eligible issues with over 125 issuers participating in Profile. It is anticipated that all eligible DRS securities issues will be part of Profile **on/or before November 30, 2001**

Transfer agents who have questions about this notice or about the migration of DRS securities issues to Profile should contact their Agent Liaison:

|                   |              |  |
|-------------------|--------------|--|
| Amat Jallo        | 212-855-4437 | <a href="mailto:ajallo@dtcc.com">ajallo@dtcc.com</a>       |
| Barbara Besdansky | 212-855-4432 | <a href="mailto:besdansky@dtcc.com">besdansky@dtcc.com</a> |
| Sal DiPaola       | 212-855-4431 | <a href="mailto:sdipaola@dtcc.com">sdipaola@dtcc.com</a>   |
| Charles Blake     | 212-855-4433 | <a href="mailto:cblake@dtcc.com">cblake@dtcc.com</a>       |

## Participant Information

It is expected that participants will take steps to default their WT processing system to “S” for statement for all eligible DRS securities issues unless otherwise instructed by the investor. DTC is in the process of making programming changes that will automatically default to “S” any DRS WT transaction request that does not contain a statement or certificate indicator. This programming change will go into effect with WT transactions received beginning with the processing cycle of **November 30, 2001**.

While not directly related to the SEC rule, DTC has learned that certain transfer agents intend to no longer accept paper based transaction requests from participants. Instead, these transfer agents intend to require participants to process requests through Profile to transfer investor DRS book-entry positions to street accounts.

Participants and limited participants must be part of the Profile Surety Program (PSP) and have a valid PSP number to process transaction requests through Profile. For more information on PSP and for an application to join the program, please contact your relationship manager or refer to Important Notice B# 1058 dated February 21, 2001 and reprinted on March 21, 2001. You can access a copy of the notices on the web site, [www.dtc.org](http://www.dtc.org).

Participants with general questions about DRS, Profile and Surety should contact their relationship manager.

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