

The Depository Trust Company

IMPORTANT

REMINDER

B#: 3138R

DATE: April 15, 2002

TO: All Participants

CATEGORY: Executive Notices

FROM: Tony Alizzi, Managing Director

ATTENTION: Managing Partner, Officer, Cashier, Ops Mgrs., IT Mgrs.

SUBJECT: Account Transaction Processor (ATP) Conversion

As part of its technology renewal initiative, DTC is upgrading its core books and records system, the Account Transaction Processor (ATP) system. Within the depository, ATP maintains all participant positions, processes all position-related accounting transactions, enforces collateral rules, recycles pending transactions, and calculates settlement balances. The change will eliminate a proprietary BDAM-based data file structure currently used in ATP and migrate the application to an industry-standard relational database management system, DB2. This new version of ATP will begin processing transactions for the settlement day of Friday, April 19, beginning with the night cycle at approximately 7:30 p.m. on Thursday, April 18. Although DTC does not anticipate any problems with the conversion, participants are asked to follow certain procedures – described below – in the event a problem does develop.

DTC anticipates the implementation of the new version of ATP will be transparent to participants. None of the system changes related to the implementation impact any external DTC interfaces – no inquiries, reports or data transmissions have been modified.

DTC has tested this new version of ATP extensively. We have run a production parallel for more than a year with no differences in activity or positions detected. Additionally, both versions of ATP have been running in tandem in production to ensure the CPU utilization experienced with the new version of ATP does not negatively impact DTC's overall production environment. In the unlikely event that the new system does not perform properly once it is converted into full production operation, we have the capability to fall back to the prior version intra-day. Fallback testing has been performed, simulating a fallback situation at various

points in the processing day; under mid-morning and early-afternoon scenarios(at the peak processing times), it took approximately one hour to fallback to the old version.

We ask that all participants be aware of this conversion and understand that, while the likelihood of any systems problem from the conversion, including a situation necessitating a fallback, is minimal, in such an event special procedures will be needed. If you experience any processing problems or anomalies on April 18 or the days following, please report your findings immediately to DTCC's Customer Support Center at (888) 382-2721 (select Main Menu Option 1- Technical). It is essential that you should not resubmit or reprocess any transactions prior to discussing your situation with the Customer Support Center.

We appreciate your assistance in this conversion. If you have any questions on this notice, please contact your Relationship Manager.