

The Depository Trust Company

IMPORTANT

B#: 0936

DATE: November 10, 2000

TO: All DTCC Participants

CATEGORY: Reorganization

FROM: Reorganization/Redemptions Department

ATTENTION: Managing Partner/Officer, Cashier, Operations, Manager, and
Reorganization/Redemptions Manager

SUBJECT: MANDATORY REORG DEPOSIT DEFERRED ALLOCATION

Effective November 9, 2000, DTCC enhanced the Mandatory Reorg Deposit service by allowing Participants to defer stock for stock allocations on the DAMP input option until DTCC receives the associated entitlements from the exchange agent. Prior to this enhancement, allocation of entitlements on all stock for stock issues, with an effective date of less than 3 years, would be allocated on the business day after deposit date. Now, Participants have the option to select within DAMP, for deposit types 029 (regular) and 030 (legal) only, whether or not they want the allocation to take place up front or upon receipt of entitlements by DTCC. A new field on the DAMP screen titled "Defer Allocation" is required to be populated with an "N" for Automatic Allocation and a "Y" for Defer Allocation, as it relates to your choice for allocation of entitlements. This enhancement allows Participants to control their own risks associated to their shareholders securities.

Attached to this notice are examples of the DAMP and REOG (RIPS) screens that will be used to select the option and track the status of your deposits. Early next year, we will be enhancing the Branch Deposit System (BDS) to allow those Participants, using this method of depositing securities, to also have the capability to choose the timing of allocation.

Questions or comments regarding this notice should be directed to Brian DeNigris, Supervisor, at (212) 855-2106, Robert Melillo, Manager, at (212) 855-2006, Richard Lehmann, Manager, at (212) 855-2007, or Fred O'Neill, Group Director, at (212) 855-5066.