

# The Depository Trust Company

## IMPORTANT

**B#** 2554-07

**Date:** November 15, 2007

**TO:** All Participants

**CATEGORY:** Reorganization

**FROM:** DTC Reorganization Department

**ATTENTION:** Issuing and Payment Agents, MMI Custodians/Dealers

**SUBJECT:** Procedures for Processing MMI Extendible Right to Retain events

Effective immediately, The Depository Trust Company (DTC) is implementing the following procedures for processing MMI Extendible issues with a Put feature - Right to Retain. To implement the new procedures, the new security representing positions not retained should be made eligible at DTC upon issuance of the Right to Retain notice or no later than five days before the expiration date. The new procedures are being fully implemented with all IPA's with the exception of JPMorganChase and Wells Fargo.

Upon receipt of the Right to Retain notice from the IPA with the new security (new CUSIP #) and maturity date, DTC will create two announcements for processing the retained and non-retained allocations. Those participants wishing to retain should submit instructions through the PTS/PBS PUT function. Participants that do not make an election will automatically be allocated by DTC into the new CUSIP. Allocations of retained and non-retained positions will occur on expiration date +1.

DTC will chill Deliver Orders (DOs) as of the close of business on expiration date and will not release the chill on the DOs until the allocation of retained & non-retained positions has been completed.

Please be advised that failure by the IPA to make the "new" CUSIP eligible by the stated time frame will delay participant allocations. In addition, the following process will occur: DTC will move the non-retained position into a temporary Contra CUSIP # pending eligibility of the new CUSIP #. Upon eligibility, DTC will allocate the retained and non-retained positions. The issue will remain chilled until the allocation occurs.

Extendible issues processed by JPMorganChase and Wells Fargo will not follow the process outlined above. These IPAs will continue to allocate the non-retained position

via DO and, upon notification from them, DTC will delete positions in the target CUSIP. As in the revised procedures, DO chills will remain in place until after the allocation occurs.

Questions about the notice should be directed to Anthony Cotroneo, (813) 470-1050, Jim Prochaska (212) 855-7210, or Ed Lopez (813) 470-1191.