

THE BDUG QUARTERLY

Volume 1

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2004 STEERING COMMITTEE

Robert D. Becker
Chairperson
National City Bank
(216) 257-4575 · fax (216) 257-4692
email robert.becker@nationalcity.com

Scott A. Joers
Vice Chairperson
U.S. Bank, N.A.
(414) 905-5434 · fax (651) 767-9197
email scott.joers@usbank.com

Anita Higgins
Secretary
Trustmark National Bank
(601) 208-7777 · fax (601) 208-6016
email ahiggins@trustmark.com

Bridget Melberg
Treasurer
Wells Fargo Bank, NA.
(612) 667-2000 · fax (612) 667-2159
email bridget.m.melberg@wellsfargo.com

Margaret S. Bond
Meetings and Arrangements
Union Bank of California
(415) 296-6923 · fax (415) 291-7697
email margaret.bond@uboc.com

Joette Carroll
Membership
Manufacturers & Traders Trust Company
(716) 842-5516 · fax (716) 842-5796
email jcarroll@mandtbank.com

John R. Hosty
Vendor Relations
The Northern Trust Company
(312) 557-9664
email jrhosty@ntrs.com

Todd Rhodes
Constitution/By-Laws and Audit
First National Bank of Omaha
Omaha, NE 68197
(402) 633-3499 · fax (402) 341-6556
email trhodes@fnni.com

Dennis Callahan
Communications
Investors Bank & Trust
(617) 937-6256 · fax (617) 937-3152
email dennis.callahan@ibtco.com

2004 & Beyond by Bob Becker, Chairman, BDUG Steering Committee

I hope that you enjoy the inaugural issue of the BDUG quarterly newsletter. The aim of this newsletter is to provide the BDUG membership with another vehicle to learn about DTCC and industry initiatives as well as to share the direction of the BDUG organization. The BDUG Steering Committee views this newsletter as a key component of our strategy to support DTCC and the industry and to “champion” the issues of our membership.

As for the 2004 annual meeting in Savannah this September, the meeting planning is well underway and we have another compelling and exciting agenda that we will share with you shortly. As a teaser, the agenda will include topics on corporate action processing, mutual fund processing, insurance processing, trade processing, business contingency planning and many other relevant topics.

Although we are confident that we will once again have a great agenda for the 2004 annual meeting, we are very concerned about the decline in attendance at recent meetings. To reverse this trend, the Steering Committee is working with DTCC, who firmly supports BDUG, to develop strategies to improve the attendance at the upcoming annual meeting and to grow our membership. As a first step, we plan to expand the focus of the agenda (as you get a glimpse of above) to draw additional attendees from within our current membership base. This year, we will include sessions that will be of great interest to your mutual fund and insurance areas as well as to the investment management and brokerage firms that are affiliated with your organizations. We **need** you to actively promote the annual meeting to each of these areas that are within, or that are associated with, your organization to increase the participation at the annual meeting.

The Steering Committee, and me personally, are anxious to hear from you about this newsletter, our upcoming annual meeting and other issues that are important to you. Please do not hesitate to contact any Steering Committee member with questions, concerns or suggestions. I look forward to seeing everyone in Savannah from September 26th – 29th!

Did You Know – ACATS for Banks/Cost Basis Reporting

That over 25 banks now participate in the Automated Customer Account Transfer Service (ACATS) and that the SIA’s Customer Account Transfer Division has formed a subcommittee to further increase the numbers of banks and broker/dealers participating in the ACATS for Banks Program. Also, DTCC plans to roll out an enhancement to their new Cost Basis Reporting Service in 2004 that will allow PC Web users to receive and deliver cost basis information along with customer account transfers. For additional information on either of these initiatives, please contact Bill Kapogiannis at 212-855-5667 or at bkapogiannis@dtcc.com.

BDUG Membership

For BDUG membership inquiries or to update BDUG contact information for your organization, please contact Joette Carroll at jcarroll@mandtbank.com

2003 BDUG Annual Meeting Survey Results Available for Review

The 2003 annual meeting survey results are available for review at the following web page (<http://www.dtc.org/dtccpublic/html/indlinks/indlinks.htm>). The results were overwhelmingly positive and reinforce the value of our annual meeting. If you have any questions or comments about the survey results, please contact Dennis Callahan, Communications, BDUG Steering Committee, at 617-937-6256 or at dennis.callahan@ibtco.com.

BDUG Seeks to Open Member Dialogue on Key Industry Documents

The SEC is seeking comment on its [Securities Transaction Settlement Concept Release # 33-8398](#) by June 16 outlining methods to improve the safety and operational efficiency of the U.S. clearance and settlement system and to help the U.S. securities industry achieve straight-through processing. First, the Commission is seeking comment on whether the Commission should adopt a new rule or the self-regulatory organizations should be required to amend their existing rules to require the completion of the confirmation and affirmation process on trade date ("T+0") when a broker-dealer provides delivery-versus-payment or receive-versus-payment privileges to a customer. Second, the Commission is seeking comment on the benefits and costs associated with implementing a settlement cycle for most broker-dealer transactions that is shorter than three days ("T+3"). Third, the Commission is seeking comment on reducing the use of physical securities.

Additionally, DTCC is seeking comment on its "[Strategy for Processing Interruptions](#)" paper that addresses interruptions in daily processing due to unscheduled closings (either an unscheduled closing of exchanges and markets or a broader closing affecting settlement with Fed), or an interruption due to a protracted system software failure. DTCC published this paper as a draft plan to advise participants of the approaches it would follow to handle these types of incidents, and to encourage participants to assess impact of these approaches on their own operations.

BDUG encourages its Membership to thoroughly read through each of these documents if they have not already done so and to share your individual or organizational viewpoint on each with the Steering Committee. Based on the quantity and quality of responses from our Membership, the Steering Committee will determine whether or not BDUG should opine as an organization on either paper. All comments should be directed to Dennis Callahan, Communications, BDUG Steering Committee, at 617-937-6256 or at dennis.callahan@ibtco.com

BREAKING NEWS!!!

DTCC's Introduces Global Corporate Action (GCA) Messaging Service with Free Trial Period

The GCA Messaging Service a centralized, real-time communications system that automates point-to-point corporate action messaging among custodians, investment managers and broker/dealers worldwide and is available on an extended free trial basis for any custodian or investment manager that acts by the end of May. There are no implementation fees and the process is easy to integrate with current processing. If you are interested in participating in the free trial, contact Ann Vece at 212-855-3210 or avece@dtcc.com.

The Steering Committee Needs to Hear from You!!!

Tell us what you think about the newsletter, suggestions for the 2004 annual meeting agenda and how the Steering Committee can serve you better. We want to know! Please also keep in mind that we need candidates to replace Steering Committee Members that are due to roll off the Committee at the end of this year. All comments and/or suggestions should be directed to Dennis Callahan, Communications, at 617-937-6256 or at dennis.callahan@ibtco.com.

Save The Date!

BDUG Annual Meeting

September 26 – September 29, 2004

**Westin Savannah Harbor Golf Resort & Spa
Savannah, GA 31421**

Meeting Agenda & Registration Forms To Follow Shortly!

For any additional information on the annual meeting, contact Margaret Bond, Meetings & Arrangements at margaret.bond@uboc.com