

The Depository Trust Company

IMPORTANT

B#: 3877

DATE: October 01, 2002

TO: All Participants

CATEGORY: Executive Notices

FROM: General Counsel's Office

ATTENTION: Managing Partner/Officer, Operations Partner/Officer

SUBJECT: Rule Change Regarding Multilateral Cross
Guaranty Agreement

The Securities and Exchange Commission has approved The Depository Trust Company's ("DTC") rule change for authority to enter into a Multilateral Netting Contract and Limited Cross-Guaranty (the "Multilateral Agreement") with Emerging Markets Clearing Corporation ("EMCC"), Government Securities Clearing Corporation ("GSCC"), MBS Clearing Corporation ("MBSCC"), National Securities Clearing Corporation ("NSCC"), and The Options Clearing Corporation ("OCC"). The Multilateral Agreement became effective on October 1, 2002. In addition, the rule change also amends the existing Amended and Restated Netting Contract and Limited Cross-Guaranty between NSCC and DTC, so that there will be no conflict or priority issue with the limited cross-guaranty provisions of the Multilateral Agreement.

The Multilateral Agreement contains a guaranty from each clearing agency party thereto to each other clearing agency party that can be invoked in the event of a default of a common member. The guaranty provides that the excess resources of a defaulting common member remaining after the defaulting common member's obligations to the guaranteeing clearing agency have been satisfied will be allocated among all clearing corporations to whom the defaulting common member has obligations that remain unsatisfied. The guaranty is limited to the amount of a defaulting common member's resources remaining at the guaranteeing clearing agency.

The full text of the rule change, which were attached to DTC's Important Notice #2473, may be obtained by visiting DTC's website at www.dtc.org.

Questions regarding this rule change may be directed to Diane L. Brennan, Director - Risk Management ((212) 855-3320).