

# THE DEPOSITORY TRUST COMPANY

# **IMPORTANT**

## **IMPORTANT NOTICE**

**B#:** 9710

**DATE:** March 31, 2000

**TO:** Participants and Other Users

**FROM:** Joe Arney, Ken Scholl, Ann Vece

**ATTENTION:** Operations Manager, Managing Partner/Officer

**SUBJECT:** **FEE REVISIONS**

This notice outlines fee revisions that will be effective April 1, 2000. These revisions will more closely align revenues with estimated costs. The affected services are listed below:

- TradeSuite® Software and Communications Software
- PIM - Pre-Issuance Messaging
- Pass-Through Charges for Transfer Agent Fee-Bearing Issues
- Security Reporting Service (SRS) & Security Position Listing (SPL)
- New York Window

Service fees for new TradeSuite® software products and for certain customer training activities are also being established effective April 1, 2000.

## TradeSuite® Software and Communications Software

DTC introduced windows-based software in 1996, beginning with a SID module for investment managers. During the past 4 years, eight versions have been released with modules currently available as follows:

<u>Investment Manager</u>	<u>Broker-Dealer</u>	<u>Agent Custodian Bank</u>
! SID	! SID	! SID
! Confirm/Affirm	! Confirm/Affirm	! Confirm/Affirm
! NOE/II	! NOE/II	
! Near Match		

Many new features have been added to the software during the past 4 years with no associated fee increase including:

- ! Import/Export functionality
- ! International fields
- ! Security identifier translation
- ! BIC/ID Number correction
- ! Cancel and correct functionality
- ! Advanced inquiry and reporting capabilities

The attached revised fee schedule reflects increased fees for the TradeSuite® software and its dial-in communications component.

### DTC TradeSuite<sup>K</sup> Directory on CD

This directory is now available on CD-Rom and includes listings of ID numbers for all TradeSuite users including Investment Managers, Broker-Dealers and Agent (Custodian) Banks. The same information can be accessed when on-line with DTC via the TradeSuite® software.

### TradeSuite® - Ticket In Lieu Software for DTC TradeHub<sup>K</sup>

This is new workstation software for custodian banks. It enables the printing of ISITC - formatted trade notification messages sent by investment managers via DTC TradeHub<sup>K</sup>. The software enables custodians to access these messages prior to fully automating their interface to DTC TradeHub<sup>K</sup>.

### TradeSuite® Server

This new software can reside on a PC or a LAN server. Currently available for investment managers, it allows for automatic scheduling of confirm retrieval from DTC and allocation/affirmation transmissions to DTC. The software, if residing on a LAN server, can be accessed by multiple PC desktop users.

### Other Communications/Software

Due to increased communications and software support costs, the fee for other dial-in software (EZTYM/TALK-THRU Software) is being increased.

All other communications fees for TradeSuite users are borne directly by the users, except for Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T.) network sender fees which DTC passes through to users receiving output via S.W.I.F.T.

### **PIM**

DTC is increasing the fee for Pre-Issuance Messaging (PIM) which allows Commercial Paper Dealers and Issuing Paying Agents to communicate with one another using DTC as a hub.<sup>1</sup>

### **Pass-Through Charges for Transfer Agent Fee-Bearing Issues**

Transfer Agent fees have been increasing over the years. DTC now pays a fee of more than \$20 in about 50% of all fee-bearing security transfers. In order to fully recover the cost of Transfer Agent services, DTC is increasing these pass-through charges.

### **Security Reporting Service (SRS) and Security Position Listing (SPL)**

DTC will increase prices for most SRS and SPL reports. These reports list banks and brokers who held position in a given security.

### **New York Window**

DTC's NY Window acts as the back office for approximately 150 Participants by processing physical receive and delivery activity. The fees are being increased to recover the cost of the NY Window operation.<sup>2</sup>

### **Training**

In response to the ever-increasing demand for instructor-led customer training, and costs associated with conducting that training, fees are being established for most customer-specific training activities. DTC University will continue to present group training programs (such as FOCUS, The Investment Manager Exchange Program (TIME), the Participant Orientation Program, and TradeSuite® workshops for Brokers, Agents, and Investment Managers) free of charge.

Attachment "A" details all fee revisions effective April 1, 2000.

Questions on this notice can be directed to your Relationship Manager.

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<sup>1</sup>PIM users were previously informed of this fee increase.

<sup>2</sup>NY Window users were previously informed of the fee increases and the overall impact on their firms.

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**THE DEPOSITORY TRUST COMPANY  
2000 REVISED DTC SERVICE FEES**

<u>Service</u>	<u>Present Fee</u>	<u>Revised Fee</u>
I. DTC TradeSuite <sup>SM</sup> Service		
▪ Dial-in Terminal Service: Ability to dial in to the TradeSuite service via personal computer to receive reports (EZTYM/TALK-THRU Software)	\$ 800.00 per year	\$2,000.00 per year
▪ Ability to dial in to the TradeSuite service via TradeSuite <sup>®</sup> personal computer software (per location)		
• Connection charge	\$ 500.00 per year	\$1,000.00 per year
• For access to TradeSuite <sup>®</sup> software based on the number of copies obtained		
- one	\$ 500.00 per year	\$1,000.00 per year
- two	\$ 800.00 per year	\$1,600.00 per year
- three	\$1,100.00 per year	\$2,200.00 per year
- four	\$1,350.00 per year	\$2,700.00 per year
- five	\$1,600.00 per year	\$3,200.00 per year
- more than five	\$1,600.00 per year and an additional \$ 200.00 per year for each copy beyond five	\$3,200.00 per year and an additional \$ 300.00 per year for each copy beyond five
▪ DTC TradeSuite <sup>SM</sup> Directory on CD A CD containing all ID numbers for Investment Managers, Brokers and Custodians	N/A	\$300.00 per year per copy
▪ DTC TradeHub <sup>SM</sup> - Ticket in Lieu Software Allows Custodians to print messages from the DTC TradeHub <sup>SM</sup> to the local workstation	N/A	\$2,000.00 per year per copy
▪ TradeSuite <sup>®</sup> Server Allows users to schedule a retrieve of confirmations from DTC to a local database and to export the messages to their propriety systems. Can schedule a transmission of allocations and affirmations to DTC for processing.	N/A	\$2,000.00 per year per copy



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**2000 REVISED DTC SERVICE FEES**

**Service**

**Present Fee**

**Revised Fee**

IV. Proxy Listings

- Security Position Listing (SPL)
  - SPL - Lists those banks and brokers who held position in a particular CUSIP (stock or bond) on a specific date. \$ 70.00 per listing \$75.00 per listing
- Fax Copy SPL
  - Additional per listing charge when Fax service is specifically requested. \$ 15.00 per listing No Change
- Record Date SPL
  - SPL for a declared Record Date - used for dividend disbursement, voting rights or annual meetings. \$ 25.00 per listing No Change
- Extra Copy SPL
  - Additional fee for the reproduction of previously compiled SPL information. Each time the information is provided (including information provided to the same recipient in different media) the requestor is charged. \$ 25.00 per listing No Change
- Weekly Expires on
  - Weekly Security Position Listing Service - Provides SPL information on a particular CUSIP for a contract period of 12 months commencing on the charge date. The prior weeks daily SPL data is provided on the first business day of the following week. \$1,700.00 per year \$1,850.00 per year
- Additional CUSIP \$ 425.00 per year No Change

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**Service**

**Present Fee**

**Revised Fee**

- Monthly Expires on
  - *Monthly Security Position Listing Service* - SPL information for one CUSIP the last business day of a month provided for a contract period of 12 months commencing on the charge date. \$340.00 per year \$375.00 per year
  - Additional CUSIP \$170.00 per year No Change
  - Dividend Expires on
    - *Dividend/Record Date Position Listing Service* - Provides an SPL for a specific CUSIP, for declared record dates (maximum of four) for a contract period of 12 months commencing on the charge date. \$115.00 per year \$125.00 per year

V. New York Window

**Receives:**

- ESS<sup>(1)</sup>/FOSS<sup>(2)</sup> Receives:
  - 1 - 100 Receives/day \$ 6.00 \$ 5.99 per receive (average of fees paid)
  - 101 - 150 Receives/day \$ 5.00
  - More than 150 Receives/day \$ 4.00
- OTW<sup>(3)</sup> Receives (including Govt' Receives):
  - 1 - 50 Receives/day \$ 12.00 \$ 12.00 per receive (average of fees paid)
  - 51 - 100 Receives/day \$ 10.00
  - More than 100 Receives/day \$ 8.00

- (1) ESS - Envelope Settlement Service
- (2) FOSS - Funds Only Settlement Service
- (3) OTW - Over the Window
- (4) SIC - Securities Info Center
- (5) Beginning April 1, 2000 single fees will apply to ESS/FOSS Receives, OTW Receives and OTW Deliveries regardless of the daily volumes in these services.

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**2000 REVISED DTC SERVICE FEES**

<u>Service</u>	<u>Present Fee</u>	<u>Revised Fee</u>
▪ Branch Receives W/O SIC <sup>(1)</sup>	\$ 2.50 per receive	\$ 6.50 per receive
▪ Branch Receives with SIC	\$ 3.50 per receive	\$ 8.60 per receive
▪ Internal-Cross Receives	\$ 7.00 per receive	\$ 9.70 per receive
<b><u>Deliveries:</u></b>		
▪ ESS <sup>(1)</sup> /FOSS <sup>(2)</sup> Deliveries	\$ 6.00 per delivery	\$10.10 per delivery
▪ OTW <sup>(3)</sup> Deliveries (including Gov't Deliveries)		
- 1 - 100 Deliveries/day	\$12.00	\$12.00 per delivery
- 101 - 150 Deliveries/day	\$10.00	(average of fees paid)
- More than 150 Deliveries/day	\$ 8.00	
▪ Internal-Cross Deliveries	\$ 7.00 per delivery	\$ 9.70 per delivery
<b><u>Transfers:</u></b>		
▪ Transfers (Restricted)	\$15.00 per transfer	\$45.48 per transfer
▪ Transfers (Regular & Gov't)	\$15.00 per transfer	\$25.69 per transfer
▪ Direct Clearing Transfers	\$14.50 per transfer	No Change
<b><u>Reorganizations:</u></b>		
▪ Short-Term Redemptions	\$15.00 per redemption	\$34.92 per redemption

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<u>Service</u>	<u>Present Fee</u>	<u>Revised Fee</u>
<b><u>Physical Processing:</u></b>		
▪ DTC Deposits	\$ 3.50 per deposit	\$ 4.20 per deposit
▪ DTC Legal Deposits (Examination only)	\$ 3.50 per deposit	\$ 5.50 per deposit
▪ DTC Rejects	\$ 3.50 per reject	\$ 4.00 per reject
▪ COD Pickup	\$ 3.50 per item	\$ 4.00 per item
<b><u>Vault:</u></b>		
▪ Vault Custody	\$ .05 per CUSIP/per day	No Change
<b><u>Other:</u></b>		
▪ Return to Customer	\$ .10 per security	\$ .30 per security
▪ Return to Customer	\$12.00 per trip	No Change
▪ Daily Balancing	\$25.00 per day	\$15.00 per day
▪ Special Handling	\$35.00 per hour	\$37.83 per hour
▪ Messenger Services (accommodation)	\$ 7.50 per hour	No Change

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<u>Service</u>	<u>Present Fee</u>	<u>Revised Fee</u>
VI. Customer Training		
▪ One day Training	N/A	\$1,000 per day plus expenses
▪ Half day Training	N/A	\$ 650 per half day plus expenses
▪ Video Conference	N/A	Depending upon length of session day or half day rate plus video conferencing costs.
▪ Train-the-Trainer - For organizations which have trainers to train their employees on DTC services.	N/A	\$1,000 per day plus expenses
▪ Performance Reviews: Participant performance reviews are conducted on a by-request basis. These reviews involve several phases.		
- Phase I - Preparation involves multiple weeks of preparation by multiple departments (Relationship Managers, Trainers, Participant Interface Planning).	N/A	Preparation: \$85 per hour.
- Phase II - Conduct the Review involves one or more visits of multiple days at the customer's site.	N/A	Conduct Review at customer Site: \$1000 per day.
- Phase III - Report Preparation involves documenting the findings and recommendations.	N/A	Report Preparation: \$85 per hour.
- Phase IV - Follow-up involves continuing discussions with the customer to determine which recommendations they implemented and benefits derived.	N/A	Follow-up: \$85 per hour.