

OMB APPROVAL	
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Page 1 of <input type="text" value="13"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No. SR - <input type="text" value="2006"/> - <input type="text" value="14"/> Amendment No. <input type="text"/>
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Proposed Rule Change by **The Depository Trust Company**  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		
Date Expires <input type="text"/>					

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

The purpose of the proposed rule filing is to amend the Certificate of Organization to provide for the issuance of an additional 500,000 shares of DTC Series A Preferred Stock.

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Allison"/>	Last Name	<input type="text" value="Finnegan"/>
Title	<input type="text" value="Senior Associate Counsel"/>		
E-mail	<input type="text" value="afinnegan@dtcc.com"/>		
Telephone	<input type="text" value="(212) 855-3283"/>	Fax	<input type="text"/>

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date

By  (Name)       (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Larry Thompson, lthompson@dtcc.com

1. Text of Proposed Rule Change.

- (a) The purpose of the proposed rule filing submitted by The Depository Trust Company (“DTC”) is to amend the Certificate of Organization to provide for the issuance of an additional 500,000 shares of DTC Series A Preferred Stock (“Preferred Stock”). Doing so will reduce the aggregate amount of cash deposits to the Participants Fund of all DTC Participants and replace it with a corresponding amount of Preferred Stock.
- (b) Not applicable.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

- (a) The Depository Trust Company received approval to increase its Preferred Stock capital, the subject of this filing, from the Board of Directors at the August 23, 2006 meeting.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) In 1999, DTC’s Certificate of Organization was amended to provide for up to \$150 million of Preferred Stock as thereafter authorized by the Board of Directors.<sup>1</sup> In February 2000, the Board determined to increase the capital of DTC by issuing 750,000 shares of variable rate, noncumulative, nonvoting Series A Preferred Stock, at the par value of \$100 per share, and to reduce the mandatory deposits to the Participants Fund by a corresponding amount.<sup>2</sup> DTC Participants are required to purchase and own shares of the Series A Preferred Stock in proportion to their use of DTC services. DTC treats the Series A Preferred Stock held by Participants substantially the same as the mandatory cash deposits made by Participants to the Participants Fund for purposes of collateralizing securities transactions, limiting net debit positions, implementing default procedures and allocating unrecovered losses.

In order to further increase capital,<sup>3</sup> DTC is proposing to amend its Certificate of Organization to provide for the issuance of an additional 500,000 shares of Series A Preferred Stock, at the par value of \$100 per share, and to further reduce mandatory cash

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<sup>1</sup> This amended Certificate of Organization was the subject of a DTC rule filing approved by the Commission (SR-DTC-99-08, Rel. No. 34-41529).

<sup>2</sup> This restructuring of DTC’s Participants Fund was the subject of a rule filing approved by the Commission (SR-DTC-00-02, Rel. No. 34-43197).

<sup>3</sup> DTC, as a depository institution, is subject to risk-based capital guidelines issued by the Board of Governors of the Federal Reserve. To be considered “well capitalized” under these guidelines, DTC must maintain a Tier I Leverage Ratio of at least 3% and Tier I Risk Based Capital Ratio of at least 8%. The issuance of the additional Series A Preferred Stock will enable DTC to continue to meet these requirements.

deposits by a corresponding amount.<sup>4</sup> DTC Participants will be required to collectively purchase the 500,000 additional shares of the Series A Preferred Stock.

(b) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder applicable to DTC. The proposed rule change will not affect the safeguarding of funds or securities in DTC's custody and control, or for which it is responsible.

4. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Members, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2).

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) DTC requests that the Commission accelerate effectiveness of the proposed rules changes pursuant to Section 19(b)(2). The Commission's granting of accelerated effectiveness would enable DTC to finalize the issuance of the additional 500,000 shares of Series A Preferred Stock before the end of 2006.

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<sup>4</sup> The issuance of an additional 500,000 shares will increase the outstanding amount of Preferred Stock to \$125 million and reduce the mandatory cash portion of the Participants Fund deposit to \$475 million, maintaining the total mandatory amount at \$600 million.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.

Exhibit 5 - Text of the proposed rule change.

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_ ; File No. SR-DTC-2006-14)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by THE DEPOSITORY TRUST COMPANY ("DTC") relating to changes to the Certificate of Organization to provide for the issuance of an additional 500,000 shares of DTC Series A Preferred Stock ("Preferred Stock"). Doing so will reduce the aggregate amount of cash deposits to the Participants Fund of all DTC Participants and replace it with a corresponding amount of Preferred Stock.

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Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on \_\_\_\_\_, DTC filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The text of the proposed rule change is attached hereto as Exhibit 5.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(i) In 1999, DTC's Certificate of Organization was amended to provide for up to \$150 million of Preferred Stock as thereafter authorized by the Board of Directors.<sup>1</sup> In

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<sup>1</sup> This amended Certificate of Organization was the subject of a DTC rule filing approved by the Commission (SR-DTC-99-08, Rel. No. 34-41529).

February 2000, the Board determined to increase the capital of DTC by issuing 750,000 shares of variable rate, noncumulative, nonvoting Series A Preferred Stock, at the par value of \$100 per share, and to reduce the mandatory deposits to the Participants Fund by a corresponding amount.<sup>2</sup> DTC Participants are required to purchase and own shares of the Series A Preferred Stock in proportion to their use of DTC services. DTC treats the Series A Preferred Stock held by Participants substantially the same as the mandatory cash deposits made by Participants to the Participants Fund for purposes of collateralizing securities transactions, limiting net debit positions, implementing default procedures and allocating unrecovered losses.

In order to further increase capital,<sup>3</sup> DTC is proposing to amend its Certificate of Organization to provide for the issuance of an additional 500,000 shares of Series A Preferred Stock, at the par value of \$100 per share, and to further reduce mandatory cash deposits by a corresponding amount.<sup>4</sup> DTC Participants will be required to collectively purchase the 500,000 additional shares of the Series A Preferred Stock.

(ii) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder applicable to DTC. The proposed rule change will not affect the safeguarding of funds or securities in DTC's custody and control, or for which it is responsible.

**B. Self-Regulatory Organization's Statement on Burden on Competition.**

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

**C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.**

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

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<sup>2</sup> This restructuring of DTC's Participants Fund was the subject of a rule filing approved by the Commission (SR-DTC-00-02, Rel. No. 34-43197).

<sup>3</sup> DTC, as a depository institution, is subject to risk-based capital guidelines issued by the Board of Governors of the Federal Reserve. To be considered "well capitalized" under these guidelines, DTC must maintain a Tier I Leverage Ratio of at least 3% and Tier I Risk Based Capital Ratio of at least 8%. The issuance of the additional Series A Preferred Stock will enable DTC to continue to meet these requirements.

<sup>4</sup> The issuance of an additional 500,000 shares will increase the outstanding amount of Preferred Stock to \$125 million and reduce the mandatory cash portion of the Participants Fund deposit to \$475 million, maintaining the total mandatory amount at \$600 million.

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to [rule-comment@sec.gov](mailto:rule-comment@sec.gov). Please include File No. [XX] on the subject line.
- Paper comments should be sent in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090.

All submissions should refer to File Number [XX]. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room Section 100 F Street, NE, Washington DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to the file number above and should be submitted within \_\_\_\_\_ days after the date of publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Nancy M. Morris

**CERTIFICATE OF AMENDMENT**  
**OF THE**  
**ORGANIZATION CERTIFICATE**  
**OF**  
**THE DEPOSITORY TRUST COMPANY**

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**Under Section 8005 of the Banking Law**

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The undersigned, for the purpose of amending the Organization Certificate of the Depository Trust Company, does hereby certify:

1. The name of the Corporation is the Depository Trust Company.
2. The Organization Certificate was filed by the Superintendent of Banks on March 20, 1973.
3. Article THIRTEENTH of the Organization Certificate is hereby amended to increase the number of shares of Series A Preferred Stock that the Corporation is authorized to issue by an additional 500,000 shares, providing for an aggregate of 1,250,000 authorized shares of Series A Preferred Stock, par value \$100 per share, for an aggregate of \$125,000,000, having the relative rights, preferences and limitations of the shares of Preferred Stock as previously fixed by the Board of Directors of the Corporation. The amended text of Article THIRTEENTH is set forth below with strikethrough text indicating deletions and underlined text indicating additions to the current text:

**THIRTEENTH.** The Corporation shall have the authority to issue ~~750,000~~ 1,250,000 shares of Series A Preferred Stock (the "Series A Stock") having the relative rights, preferences and limitations set forth herein:

- (a) Definitions. For purposes of this Article THIRTEENTH, the following terms shall have the following meanings:

The term "Common Stock" shall mean the Common Stock of the Corporation, par value \$100 per share.

The term "Dividend Date" for a Dividend Period shall mean the last Business Day of the first calendar month following such Dividend Period.

The term "Dividend Period" shall mean a calendar quarter (or part thereof with respect to any shares of Series A Stock that are not outstanding during an entire calendar quarter).

The term "Dividend Rate" for a Dividend Period shall mean a rate (expressed as a percentage) which is derived from a fraction, the numerator of which is  $A(1-B)$  and the denominator of which is  $B(C-1) + 1$ , where:

A = the weighted average rate of interest paid by the Corporation on Required Participants Fund Deposits to the Participants Fund during the Dividend Period

B = the aggregate effective rate of federal, state and local income tax imposed on the Corporation, as determined on the relevant Dividend Date

C = the federal dividends received deduction on dividends received by a corporation (other than dividends received by a small business investment company or qualifying dividends), as in effect on the relevant Dividend Date

The term "Junior Stock" shall mean the Common Stock of the Corporation, par value \$100 per share, and any other stock of the Corporation ranking as to dividends or distributions of the assets of the Corporation junior to the Series A Stock.

The term "Participant" shall have the meaning given to such term in the Rules.

The term "Participants Fund" shall have the meaning given to such term in the Rules.

The term "Preferred Stock" shall mean the Preferred Stock of the Corporation, par value \$100 per share, including the Series A Stock.

The term "Required Participants Fund Deposit" shall have the meaning given to such term in the Rules.

The term "Rules" shall mean the Rules of the Corporation, as in effect from time to time

The term "Settlement Account" shall have the meaning given to such term in the Rules.

- (b) Issue. All shares of Series A Stock issued by the Corporation shall be issued at a price per share equal to the par value of the Series A Stock. The Corporation may issue shares of Series A Stock in fractions where necessary to effect the share transfers and distributions required by the Rules, which

fractions may be expressed in decimal units of one-hundred-thousandth of a share.

- (c) Dividends. Dividends on shares of Series A Stock shall be payable, when and as declared by the Board of Directors of the Corporation, on each Dividend Date at the Dividend Rate for the immediately preceding Dividend Period. Dividends shall not be cumulative.
- (d) Purchase of Shares. The Corporation may, at any time and from time to time, subject to applicable provisions of the Banking Law, purchase some or all outstanding shares of Series A Stock.
- (e) Redemption of Shares. The Corporation may, at any time and from time to time, subject to applicable provisions of the Banking Law, redeem some or all outstanding shares of Series A Stock at a redemption price per share equal to the par value of the Series A Stock plus accrued and unpaid dividends thereon to the redemption date. If less than all outstanding shares of Series A Stock are to be redeemed, the shares to be redeemed shall be selected by the Corporation pro rata or by lot or in such other equitable manner as the Board of Directors of the Corporation shall determine. Notice of such redemption (and the number of shares to be redeemed if less than all) shall be sent to each holder of record of shares of Series A Stock by mail, telecopy, electronic transmission or personal delivery. On the redemption date, without any action required on the part of any record holder of shares of Series A Stock, the shares of Series A Stock of such holder subject to redemption shall be redeemed by the Corporation and (I) on such redemption date, an amount equal to the aggregate par value of the redeemed shares of Series A Stock shall be (A) credited to the Settlement Account of the holder if the holder is then a Participant or (B) wired to an account specified by the holder if the holder is not then a Participant, and (ii) on the last Business Day of the first calendar month following the calendar year in which such redemption occurs, an amount equal to the accrued and unpaid dividends on the redeemed shares to the redemption date shall be (A) credited to the Settlement Account of the holder if the holder is then a Participant or (B) wired to an account specified by the holder if the holder is not then a Participant.
- (f) Voting. Except as otherwise set forth below or required by the Banking Law, shares of Series A Stock shall have no voting power. Without the consent of the holders of shares of Series A Stock entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all shares of Series A Stock then outstanding, the Corporation may not (a) create any class or series of stock which shall have parity with or a preference over any outstanding shares of Series A Stock with respect to dividends or distribution of the assets of the Corporation or (b) alter or change the provisions of the Organization Certificate of the Corporation so as to adversely affect the voting power, preferences or special rights of the holders of the Series A Stock.

- (g) Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Stock shall be entitled to receive, out of the assets of the Corporation available for distribution to stockholders, before any distribution of the assets of the Corporation shall be made to the holders of Junior Stock, an amount per share equal to the Issue Price plus any accrued and unpaid dividends thereon to the distribution date. After payment to the holders of the Series A Stock of the full preferential amounts provided for in this Paragraph (g), the holders of the Series A Stock shall be entitled to no further participation in any distribution of the assets of the Corporation. The consolidation or merger of the Corporation with or into any other corporation, or the sale of substantially all the assets of the Corporation in consideration for the issuance of equity securities of another corporation, shall not be regarded as a liquidation, dissolution or winding up of the Corporation within the meaning of this Paragraph (g) if such consolidation, merger or sale of assets does not in any way impair the voting power, preferences or special rights of the holders of the Series A Stock.
- (h) Limitations on Dividends on Junior Stock. So long as any shares of Series A Stock are outstanding, the Corporation shall not declare any dividends on any Junior Stock or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation (other than Junior Stock) unless, on the date of such declaration or setting apart or distribution, the Corporation shall not be in default with respect to any of its obligations on the Series A Stock.
- (i) Stock Certificates. All outstanding shares of Series A Stock shall be represented by a single certificate held in custody by the Corporation. The ownership of shares of Series A Stock shall be evidenced by entries made on the books of the Corporation. The certificate representing all outstanding shares of Series A Stock shall bear the following legend:

"THE SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THIS INSTRUMENT AND THE SHARES REPRESENTED HEREBY ARE SUBJECT TO ALL TERMS, CONDITIONS AND RESTRICTIONS, INCLUDING RESTRICTIONS ON WHO MAY BE REGISTERED BY THE ISSUER AS A HOLDER HEREOF, CONTAINED IN THE RULES OF THE DEPOSITORY TRUST COMPANY AS THE SAME MAY FROM TIME TO TIME BE AMENDED AS THEREIN PROVIDED, TO ALL OF WHICH SUCH HOLDERS, BY ACCEPTANCE HEREOF, ASSENT. A COPY OF SAID RULES, TO WHICH REFERENCE IS HEREBY MADE, IS ON FILE IN THE OFFICE OF THE SECRETARY OF THE DEPOSITORY TRUST COMPANY. THIS INSTRUMENT AND THE SHARES REPRESENTED HEREBY SHALL NOT BE TRANSFERABLE AT ANY TIME UNLESS SUCH TRANSFER IS CONSISTENT WITH THE

TERMS OF SAID RULES, AND (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME, IS IN EFFECT WITH RESPECT TO SUCH SHARES AT SUCH TIME, OR (ii) COUNSEL REASONABLY SATISFACTORY TO THE DEPOSITORY TRUST COMPANY HAS GIVEN IT AN OPINION TO THE EFFECT THAT SUCH TRANSFER AT SUCH TIME WILL NOT VIOLATE THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME."

4. This amendment of the Organization Certificate was authorized by the Board of Directors at a meeting held on October 25, 2006.

IN WITNESS WHEREOF, the undersigned has subscribed this certificate on this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Richard B. Nesson, Secretary