

OMB APPROVAL	
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Page 1 of <input type="text" value="14"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No. SR - <input type="text" value="2007"/> - <input type="text" value="06"/> 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"/> Extension of Time Period for Commission Action <input type="checkbox"/> Date Expires <input type="text"/>			Rule		
			<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)	

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 this filing is to amend the Rules of DTC regarding hearing procedures afforded to an Interested Person, and (where practicable and/or beneficial), harmonize them with similar rules of DTCs affiliates, NSCCand FICC.

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="Associate Counsel"/>		
E-mail	<input type="text" value="afinnegan@dtcc.com"/>		
Telephone	<input type="text" value="(212) 855-3283"/>	Fax	<input type="text" value="(212) 855-3215"/>

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 officer.

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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

- (a) The text of the proposed rule change is annexed hereto as Exhibit 5.
- (b) Not applicable
- (c) Not applicable

2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change has been approved by the Credit and Market Risk Management Committee of The Depository Trust Company (“DTC”) on December 13, 2006.

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

(a) The purpose of this filing is to amend the Rules of The Depository Trust Company (“DTC”) regarding hearing procedures afforded to an Interested Person¹, and (where practicable and/or beneficial), harmonize them with similar rules of DTC’s affiliates, the National Securities Clearing Corporation (“NSCC”) and Fixed Income Clearing Corporation (“FICC”).

Substantive changes to the rules are as follows:

(i) Minor Rule Violation Plan

Currently under DTC’s Rules, an Interested Person subject to disciplinary action has a right to a hearing before a member or members of a Panel selected by the Chairman of the Board from a Pool of Persons employed by or partners of Participants. Unless otherwise stipulated by all parties, including the Corporation, the Panel shall be comprised of the following number of members:

- hearing relating to fines of \$5,000 or less, one Panel member;
- hearings other than those specified in the clause above, at least two Panel members. In the event that the two Panel members are unable to reach a decision, the matter shall be heard by the Board of Directors.

Instead, DTC is proposing to adopt a “minor rule violation plan” (“Minor Rule Violation Plan”) within the meaning of Rule 19d-1(c)(2) of the Securities Exchange Act,

¹ A Participant or Pledgee, applicant to become a Participant or Pledgee or issuer of a Security, as the case may be (an “Interested Person”).

as amended (the “Act”), pursuant to which a self-regulatory organization may deem certain rule violations minor in nature. Consistent with Rule 19d-1(c)(2) of the Act, DTC will designate those rule violations for which a fine may be assessed in an amount not to exceed \$5,000 as a minor rule violation. A minor rule violation which is contested by a member and not waived by DTC may be appealed to a panel (“Minor Rule Violation Panel”) comprised of three officers of the Corporation.

(ii) Hearings for All Other Violations and Minor Rule Violation Appeals

For matters: (a) involving a violation of DTC’s Rule or Procedures for which a fine in an amount of over \$5,000 is assessed, (b) involving applicants for participation, or (c) involving other disciplinary actions (i.e., to which the Minor Rule Violation Plan does not apply), or for appeals from a Minor Violation Panel decision adverse to an Interested Person, the Interested Person will be entitled to a hearing before three members of a panel (a “Panel”) selected by the Chairman of the Board from a pool (a “Pool”) of Persons employed by or partners of Participants. Persons shall be appointed members of the Pool by the Board of Directors. Decisions of the Panel will be final, however, the full Board of Directors will retain the right to modify any sanction or reverse any decision of the Panel that is adverse to the Interested Person.

(iii) Administrative Changes: Uniformity in Timeframes

An Interested Person currently has five business days from the date on which the Corporation first informed it of a sanction by which to request a hearing. DTC is proposing that within seven business days, down from fifteen, after filing such request with the Corporation, or three business days in the case of summary action taken against the Interested Person, the Interested Person will be required to submit to the Corporation a clear and concise written statement setting forth the action or proposed action of the Corporation with respect to which the hearing is requested, the basis for objection to such action, whether the Interested Person intends to attend the hearing and whether the Interested Person chooses to be represented by counsel at the hearing. FICC and NSCC are proposing to adopt similar timeframes under separate Rule filings.

(b) Section 17A(b)(3)(G) of the Act requires that the rules of a clearing agency provide that its Participants be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction. Section 17A(b)(3)(H) of the Act requires, among other things, that the rules of a clearing agency, in general, provide a fair procedure with respect to the disciplining of Participants. DTC believes that the adoption of a minor rule violation plan furthers the statutory objective of providing a fair procedure for disciplining Participants, and will provide DTC with the ability to impose a meaningful sanction for those rule violations that do not necessarily rise to a level meriting a full disciplinary proceeding. Accordingly, the proposed changes promote the prompt and accurate clearance and settlement of securities transactions and

are therefore consistent with the requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder applicable to DTC.

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

DTC does not believe that the proposed rule change will impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments relating to the proposed rule change have been solicited or received. DTC will notify the Securities and Exchange 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) Not applicable

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

Minor Rule Violation Plans are based upon Rule 19d-1(c) of the '34 Act. The proposed rule change is being filed simultaneously with corresponding proposed rule changes of the Fixed Income Clearing Corporation and National Securities Clearing Corporation.

9. Exhibits

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

Exhibit 5 – Proposed Rule Text.

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2007-06)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by THE DEPOSITORY TRUST COMPANY (“DTC”) relating to changes to existing hearing procedures.

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) The purpose of this filing is to amend the Rules of The Depository Trust Company (“DTC”) regarding hearing procedures afforded to an Interested Person¹, and (where practicable and/or beneficial), harmonize them with similar rules of DTC’s affiliates, the

¹ A Participant or Pledgee, applicant to become a Participant or Pledgee or issuer of a Security, as the case may be (an “Interested Person”).

National Securities Clearing Corporation (“NSCC”) and Fixed Income Clearing Corporation (“FICC”).

Substantive changes to the rules are as follows:

(i) Minor Rule Violation Plan

Currently under DTC’s Rules, an Interested Person subject to disciplinary action has a right to a hearing before a member or members of a Panel selected by the Chairman of the Board from a Pool of Persons employed by or partners of Participants. Unless otherwise stipulated by all parties, including the Corporation, the Panel shall be comprised of the following number of members:

- hearing relating to fines of \$5,000 or less, one Panel member;
- hearings other than those specified in the clause above, at least two Panel members. In the event that the two Panel members are unable to reach a decision, the matter shall be heard by the Board of Directors.

Instead, DTC is proposing to adopt a “minor rule violation plan” (“Minor Rule Violation Plan”) within the meaning of Rule 19d-1(c)(2) of the Securities Exchange Act, as amended (the “Act”), pursuant to which a self-regulatory organization may deem certain rule violations minor in nature. Consistent with Rule 19d-1(c)(2) of the Act, DTC will designate those rule violations for which a fine may be assessed in an amount not to exceed \$5,000 as a minor rule violation. A minor rule violation which is contested by a member and not waived by DTC may be appealed to a panel (“Minor Rule Violation Panel”) comprised of three officers of the Corporation.

(ii) Hearings for All Other Violations and Minor Rule Violation Appeals

For matters: (a) involving a violation of DTC’s Rule or Procedures for which a fine in an amount of over \$5,000 is assessed, (b) involving applicants for participation, or (c) involving other disciplinary actions (i.e., to which the Minor Rule Violation Plan does not apply), or for appeals from a Minor Violation Panel decision adverse to an Interested Person, the Interested Person will be entitled to a hearing before three members of a panel (a “Panel”) selected by the Chairman of the Board from a pool (a “Pool”) of Persons employed by or partners of Participants. Persons shall be appointed members of the Pool by the Board of Directors. Decisions of the Panel will be final, however, the full Board of Directors will retain the right to modify any sanction or reverse any decision of the Panel that is adverse to the Interested Person.

(iii) Administrative Changes: Uniformity in Timeframes

An Interested Person currently has five business days from the date on which the Corporation first informed it of a sanction by which to request a hearing. DTC is proposing that within seven business days, down from fifteen, after filing such request

with the Corporation, or three business days in the case of summary action taken against the Interested Person, the Interested Person will be required to submit to the Corporation a clear and concise written statement setting forth the action or proposed action of the Corporation with respect to which the hearing is requested, the basis for objection to such action, whether the Interested Person intends to attend the hearing and whether the Interested Person chooses to be represented by counsel at the hearing. FICC and NSCC are proposing to adopt similar timeframes under separate Rule filings.

(ii) Section 17A(b)(3)(G) of the Act requires that the rules of a clearing agency provide that its Participants be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction. Section 17A(b)(3)(H) of the Act requires, among other things, that the rules of a clearing agency, in general, provide a fair procedure with respect to the disciplining of Participants. DTC believes that the adoption of a minor rule violation plan furthers the statutory objective of providing a fair procedure for disciplining Participants, and will provide DTC with the ability to impose a meaningful sanction for those rule violations that do not necessarily rise to a level meriting a full disciplinary proceeding. Accordingly, the proposed changes promote the prompt and accurate clearance and settlement of securities transactions and are therefore consistent with the requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder applicable to DTC.

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

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. Please include File No. SR-DTC-2007-06 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 SR-DTC-2007-06. 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

Bolded, underline language indicates proposed additions made by this filing

~~**Bolded, Strikethrough text**~~ indicates proposed deletions made by this filing

DEPOSITORY TRUST COMPANY

RULE 22 - RIGHT TO CONTEST DECISIONS

Section 1. A Participant or Pledgee, applicant to become a Participant or Pledgee or issuer of a Security, as the case may be (an “Interested Person”), shall have an opportunity to be heard on any decision of the Corporation:

- (a) which proposes to deny the applicant’s application to become a Participant or Pledgee;
- (b) to cease to act for the Participant pursuant to Rule 10, 11 or 12;
- (c) to summarily suspend and close the Accounts of the Participant or Pledgee pursuant to the Exchange Act;
- (d) to terminate its agreement with the Pledgee, as provided in Section 3 of Rule 2;
- (e) which proposes to impose a disciplinary sanction pursuant to Rule 21; or
- (f) any determination of the Corporation that an Eligible Security shall cease to be such.

Section 2. An Interested Person may request an opportunity to be heard by filing with the **Secretary of the** Corporation, within the applicable time period specified by these Rules, a written request for a hearing setting forth (a) the action or proposed action of the Corporation with respect to which the hearing is requested, ~~(b) a copy of the statement sent by the Corporation describing the action or proposed action and (c) the name of the Interested Person and its representative who may be contacted with respect to the hearing~~ and **(b) the name of the Interested Person and its representative who may be contacted with respect to the hearing**. Within [15] **seven** Business Days after the Interested Person files such written request with the Corporation, or three Business Days in the case of summary action taken against the Interested Person pursuant to the Exchange Act, the Interested Person shall submit to the Corporation a clear and concise written statement setting forth with particularity the action or proposed action of the Corporation with respect to which the hearing is requested, the basis for objection to such action and whether the Interested Person chooses to be represented by counsel at the hearing. **If the written statement contests the Corporation’s determination that the**

Interested Person has violated a Rule or a Procedure, the statement must specifically admit or deny each violation alleged and detail the reasons why the Rules or the Procedures alleged to have been violated are being contested. Any alleged violation not specifically denied shall constitute an admission to that violation. The Corporation may reject the statement if it fails to set forth a prima facie basis for contesting the violation.

The failure of the Interested Person to file the written request referred to above within the time period required by these Rules and/or the failure of the Interested Person to submit the written statement referred to above within the time period specified above shall constitute a waiver by the Interested Person of its right to a hearing. The Corporation shall notify the Interested Person in writing of the date, place and hour of the hearing at least five Business Days prior to the hearing.

~~*Section 3. The hearing shall be before a member or members of a panel (a "Panel") selected by the Chairman of the Board from a pool (a "Pool") of Persons employed by or partners of Participants. Persons shall be appointed members of the Pool by the Board of Directors or the Chairman of the Board. Unless otherwise stipulated by all parties, including the Corporation, the Panel shall be comprised of the following number of members:*~~

~~*(a) hearing relating to fines of \$5,000 or less, one Panel member;*~~

~~*(b) hearings other than those specified in clause (a) above, at least two Panel members.*~~

~~*In the event that the two Panel members are unable to reach a decision, the matter shall be heard by the Board of Directors.*~~

~~*Notwithstanding the above, the Panel shall not include any Person who had responsibility for the action or proposed action of the Corporation as to which the hearing relates.*~~

Section 3. If an Interested Person desires to dispute a fine imposed by the Corporation and complies with the requirements described above regarding filing a written request for a hearing and a written statement, the Corporation shall automatically conduct a review of the disputed fine. The Corporation may examine the written statement submitted by the Interested Person and/or arrange a meeting with the Interested Person to discuss the disputed fine. If the Corporation determines to waive the fine, it shall inform the Board of Directors (or an authorized Committee thereof) of its determination and its reasons thereof. The Board of Directors or Committee, as applicable, may, in its discretion, determine to reinstate any fine waived by the Corporation. If the Corporation determines not to waive the fine as a result of the review process, the Interested Person shall be entitled to a hearing pursuant to this Rule. The Corporation shall advise the Interested Person of the result of the review process.

~~*Section 4. At the hearing, the Interested Person shall be afforded an opportunity to be heard and may be represented by counsel if the Interested Person has so elected*~~

~~pursuant to Section 2 of this Rule. A record shall be kept of any hearing held pursuant to this Rule, and the cost of the record may, in the discretion of the Panel, be charged in whole or in part to the Interested Person in the event that the decision at the hearing is adverse to the Interested Person.~~

Section 4. A hearing requested in connection with a violation of the Rules or the Procedures of the Corporation for which a fine may be assessed against the Interested Person in an amount not to exceed \$5,000 (a “Minor Rule Violation”), shall be held before a panel of three officers of the Corporation (a “Minor Violation Panel”). The members of the Minor Violation Panel shall select one of their numbers to be the chairman, and the chairman shall be the person in charge of the conduct of the hearing. At the hearing, an officer of the Corporation shall present the case against the Interested Person. The Interested Person shall have an opportunity to be heard and may be represented by counsel. A record shall be kept of the hearing and the costs associated with the hearing may, in the discretion of the Corporation, be charged in whole or in part to the Interested Person if the decision is adverse to the Interested Person. The Minor Violation Panel shall provide the Interested Person with a written statement of its decision no later than ten business days after the conclusion of the hearing. If the decision of the Minor Violation Panel is adverse to the Interested Person, the Interested Person may request a further hearing under Section 5 of this Rule by filing a written request with the Secretary of the Corporation within five business days of receipt of such written statement. The Corporation shall notify the Interested Person of the date, time and place of the hearing at least five business days prior to the hearing. The failure of the Interested Person to submit the written request within the required time period shall be deemed an election to waive the right to any further hearing.

A Minor Rule Violation as defined in this Rule shall be deemed a minor rule violation within the meaning of Rule 19d-1(c)(2) under the Securities Exchange Act of 1934, as amended (the “Act”), and this Rule shall be deemed a “plan” within the meaning thereof.

Section 5. A hearing requested in connection with any matter which is not deemed a “Minor Rule Violation” as defined in Section 4 of this Rule, and any hearing requested in connection with an appeal of the decision of the Minor Rule Violation Panel, shall be before three members of a panel (a “Panel”) selected by the Chairman of the Board from a pool (a “Pool”) of Persons employed by or partners of Participants. Persons shall be appointed members of the Pool by the Board of Directors or the Chairman of the Board.

Notwithstanding the above, the Panel shall not include any Person who had responsibility for the action or proposed action of the Corporation as to which the hearing relates.

At the hearing, the Interested Person shall be afforded an opportunity to be heard and may be represented by counsel if the Interested Person has so elected

pursuant to Section 2 of this Rule. A record shall be kept of any hearing held pursuant to this Rule, and the cost associated with the hearing may, in the discretion of the Panel, be charged in whole or in part to the Interested Person in the event that the decision at the hearing is adverse to the Interested Person.

The Panel shall advise the Interested Person of its decision in writing within ten Business Days after the conclusion of the hearing. If the decision of the Panel shall have been to deny the Interested Person's application to become a Participant or a Pledgee, or to terminate the eligibility of a Security for the services of the Corporation, a notice of decision setting forth the specific grounds upon which the decision is based shall be furnished to the Interested Person. If the decision of the Panel shall have been to impose a disciplinary sanction on the Interested Person in accordance with Rule 21 or to affirm any summary action previously taken against the Interested Person pursuant to the Exchange Act, the Interested Person shall be given a notice of decision setting forth (a) any act or practice in which the Interested Person has been found to have engaged, or which the Interested Person has been found to have omitted, (b) the specific provision(s) of these Rules or the Procedures or of the Participant's agreements with the Corporation which any such act or practice or omission to act has been deemed to violate and (c) the sanction imposed and the reasons therefore. A copy of the Panel's notice of decision shall also be furnished to the Chairman of the Board.

Decisions of the Panel are final, but the Board of Directors may in its discretion modify any sanction or reverse any decision of the Panel that is adverse to the Interested Person.

~~*Section 6. In the event that a Panel censures, fines, suspends, expels or limits the activities, functions or operations of any Interested Person, the Interested Person may apply for review to the Board of Directors, by written motion filed with the Secretary of the Corporation within five Business Days after issuance of the Panel's written statement of its decision. The granting of any such motion shall be within the sole discretion of the Board of Directors. In addition, the Board of Directors may determine to review any such action by a Panel on its own motion no later than 75 days after the Panel's decision is rendered. Review by the Board of Directors shall include consideration of the record of the proceedings in which the sanction was imposed. A record shall be kept of any such further proceedings. Based upon such review, the Board of Directors may affirm, reverse or modify, in whole or in part, the decision of the Panel.*~~

~~The Interested Person shall be notified in writing of the decision of the Board of Directors and if the decision shall have been to modify the imposition of any disciplinary sanction, the Interested Person shall be given a written statement setting forth (a) any act or practice in which the Interested Person has been found to have engaged, or which the Interested Person has been found to have omitted, (b) the specific provision(s) of these Rules or the Procedures or of the Participant's agreements with the Corporation which any such act, practice or omission has been deemed to violate and (c) the sanction imposed and the reasons therefor.~~

The reversal or modification at the hearing or subsequently by the Board of Directors, the SEC or any other Person of any action previously taken against the Interested Person pursuant to the Exchange Act shall not invalidate the acts of the Corporation or its officers, directors, employees or agents taken prior to such reversal or modification.

Section 7. Any action or proposed action of the Corporation as to which an Interested Person has the right to ~~be heard~~ **request a hearing** pursuant to this Rule, shall be deemed final (a) when the Interested Person stipulates to the taking of such action by the Corporation, at which time the Corporation shall furnish the Interested Person with a statement containing the information referred to in Section 5 of this Rule, or (b) upon the expiration of the applicable time period provided in these Rules for the filing of a written request or a written statement pursuant to Section 2 of this Rule, at which time any such proposed action of the Corporation shall become **effective final** and at which time the Corporation shall furnish the Interested Person with a statement containing the information referred to in Section 5 of this Rule, or (c) if a hearing has been held pursuant to this Rule, **when the Corporation gives notice to the Interested Person of the Panel's decision pursuant to Section 5 of this Rule.** ~~upon expiration of the time provided for the filing of a motion for review of the decision of the Panel, or, if a motion for review is timely filed, when the Interested Person is notified of the denial of the motion or the decision of the Board of Directors on review, as the case may be. Notwithstanding the foregoing, if the Board of Directors shall determine on its own motion to review any action by a Panel hereunder, such action shall not be deemed final until notice of the decision of the Board of Directors on review is sent to the Interested Person.~~

~~A Panel may at any time establish procedures for a hearing not otherwise provided for by these Rules with respect to any action or proposed action of the Corporation.~~