

The Depository Trust Company

IMPORTANT

B#: 3805

DATE: September 06, 2002

TO: All Participants and DRS Transfer Agents

CATEGORY: Operations

FROM: J. Trezza, Product Management

ATTENTION: Managing Partner, Officer, Cashier, Ops. Mgr., Trf. Mgr.

SUBJECT: Enhancements to the Direct Registration System (DRS) and the Profile Modification System (Profile)

The depository will implement the following system enhancements to the DRS and Profile processing functions.

Input of Profile Transactions:

Beginning on September 12, participants will have the option of using an ICM (Interface Control Manager) electronic communication protocol for the input of Profile transactions. The DRX1 (MDH) and DRX5 (CCF/CCFII) functions give participants an alternative to entering Profile instructions via the PTS function DRSP. Only participants that are approved users of the DTC Profile Surety Program can utilize these new functions for input of Profile transactions. (For more information on the Profile Surety Program, please refer to Important Notice B# 1058 dated February 21, 2001, or contact your Relationship Manager.)

The file layouts for the DRX1/DRX5 functions can be found on the depository's web page at <http://www.dtc.org/>, in the Member's section. On entering the Member's section, access the Documentation area, and locate the file specifications under the Securities Processing category.

DRX1/DRX5 are available from 3:00 AM until 5:30 PM each day. Participants can submit DRX1/DRX5 input files multiple times throughout the day. DTC will batch the input transaction while conducting up-front editing of the input files, returning approved (by the transfer agent) and rejected (by DTC and the transfer agent) messages to the submitting participant (see the Return Transmissions to Participants section below). Input files received prior to 5:30 PM will be batched and made available for pick-up by transfer

agents during the overnight cycle. Transfer agents will be able to pick up the input files according to the current Profile transaction schedules.

Participants using the DRX1/DRX5 functions can also input Profile transactions through the DRSP PTS functions if need be. DTC will combine the DRSP PTS input and the DRX1/DRX5 input for pick-up by the transfer agent.

Return Files to Participants:

Beginning on September 12, participants will have the option of picking-up responses to Profile transactions that were input via the DRSP PTS function and/or DRX1/DRX5 ICM functions through a new electronic alternative to the PTS DRSP function. DRSRTN provides participants with an MDH interface, while CCF/CCFII users will utilize the DRSRT1/DRSRT2/DRSRT3 functions.

The file layouts for the DRSRTN and DRSRT1/DRSRT2/DRSRT3 functions can be found on the depository’s web page at <http://www.dtc.org/>, in the Member’s section. After you login to the Member’s section, access the Documentation area and locate the file specifications under the Securities Processing category.

On receipt of the DRX1/DRX5 input files, DTC will conduct an up-front edit of the received transactions. Input transactions must meet the edit criteria or the transaction will be rejected. Fatal errors include:

FIELD/CATEGORY	ERROR DESCRIPTIONS
PART ID	PART ID MISSING (NOT SENT BY PARTICIPANT) INVALID PART ID (NOT ON MASTER FILE OR BAD FORMAT)
CUSIP	CUSIP MISSING (NOT SENT BY PARTICIPANT) INVALID CUSIP (NOT ON MASTER FILE OR BAD FORMAT) CUSIP IS NOT ELIGIBLE FOR DRS CUSIP NOT FOUND ON MFC
QUANTITY	QUANTITY NOT NUMERIC
DRS ACCT ID	DRS ACCT MISSING (NOT SENT BY PARTICIPANT)
CUST ACCT ID	CUSTOMER ACCT MISSING (NOT SENT BY PARTICIPANT)
LPA ID	LPA NOT FOUND ON STP LPA NOT ELIGIBLE FOR DRS
CUSTOMER REGISTRATION	CUSTOMER REGISTRATION MISSING
TAX ID	TAX ID MISSING (NOT SENT BY PARTICIPANT) TAX ID NOT NUMERIC TAX ID CANNOT BE ALL ZEROES
PROFILE SURETY NUMBER	PROFILE SURETY NUMBER MISSING (NOT SENT BY PARTICIPANT) INVALID PROFILE SURETY NUMBER (BAD FORMAT) PROFILE SURETY NUMBER NOT ELIGIBLE (NOT FOUND ON MFE) PROFILE SURETY NUMBER NOT PART OF SURETY PROGRAM

MDH users, using the DRSRTN function, can pick-up returned messages through their “electronic mailbox” much as they do for other messaging type activities. CCF/CCFII users will pick-up their files three times each day. In order to accumulate all approved and rejected transactions, Participants **must pick-up all three files each day**:

<u>Function Name</u>	<u>Available for Pick-up by User</u>
DRSRT1	7:15 AM to 3:15 AM the next business day
DRSRT2	1:45 PM to 9:45 AM the next business day
DRSRT3	5:00 PM to 1:00 PM the next business day

The return files will include all up-front edit rejects, (input transactions that do not meet DTC requirements), and all transactions approved and rejected by the transfer agent. Transfer agent rejects will include the appropriate reject reason codes. All transactions included in the return files will include the Profile transaction ID number associated with that transaction (A/K/A the P#). Transactions that have been accepted by DTC and forwarded to the transfer agent for processing, but not yet approved or rejected by the transfer agent, will not be included in the return files.

The return files will include Profile transactions input via the DRSP PTS function and DRX1/DRX5 ICM functions. On the return file, the DRSP PTS input transactions will be identified with a “P” indicator while ICM input transactions will have a “T” indicator. For more information on these indicators, please reference file specifications.

On October 10, 2002 the depository will implement the following system enhancements to the DRS and Profile processing functions:

- * The participant contact name and phone number fields will become mandatory fields for all Profile input transactions processed through the DRSP PTS function.
- * The agent contact name and phone number fields will become mandatory fields for all Profile input transactions processed through the DRST PTS functions.
- * Using the DRSP inquiry function, Participants will be able to inquire on the status of a previously input Profile transaction by using the customer’s participant assigned account number as the primary inquiry criteria.
- * Using the DRSP inquiry function, transfer agent/limited participants will be able to inquire on the status of a previously input Profile transaction using the customer’s DRS account number as the primary inquiry criteria.
- * All zeros (“000000000”) social security or TIN numbers will no longer be accepted for DRSP PTS input.

Participants with questions about DRS, Profile and Surety should contact their Participant Services relationship Manager.

Transfer agents/limited participants with questions about this notice should contact their agent liaison or call 212-855-4431, 4432 or 4433.

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