

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 0875

DATE: May 13, 1997

TO: All Participants

FROM: Sheryl Kort, Associate Director, Product Development

ATTENTION: Managing Partner/Officer; Cashier; Operations, Underwriting and Data Processing Managers

SUBJECT: Initial Public Offering (IPO) Tracking System - New Deliver Order Layout Testing

As previously documented in Important Notice B# 820-97, attached, DTC announced the implementation of a new machine-readable Deliver Order (DO) layout that includes a transaction number field (Relative Block Number - RBN) for use in match reclaim processing. The new DO layout will become available on May 29, 1997. The ability to match reclaims to original transactions by transaction number is particularly useful with respect to the IPO Tracking system, which, as announced in prior notices, is scheduled for full production implementation on June 2, 1997.

In order to allow Participants lead time to test the new DO layout prior to implementation, DTC will make it available for testing beginning Thursday, May 22, 1997. Testing may be done for Computer-to-Computer Facility (CCF/VTAM) and Mainframe Dual Host (MDH) protocols. Participants wishing to test should contact the Participant Interface Planning Department (see attached phone listings) prior to Monday, May 19, 1997, to allow DTC sufficient lead time to establish the test environment.

Questions regarding this notice should be directed to Melissa Rosenberg, Participant Services, at (212) 709-1105 or your Participant Services representative.

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Participant Interface Planning

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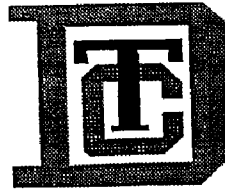
THE DEPOSITORY TRUST COMPANY
IMPORTANT

B#: 820-97
DATE: May 1, 1997
TO: All Participants
FROM: Sheryl Kort, Associate Director, Product Development
ATTENTION: Managing Partner/Officer, Cashier, Operations, Underwriting and Data Processing Managers
SUBJECT: Initial Public Offering (IPO) Tracking System CCF and MDH Specifications

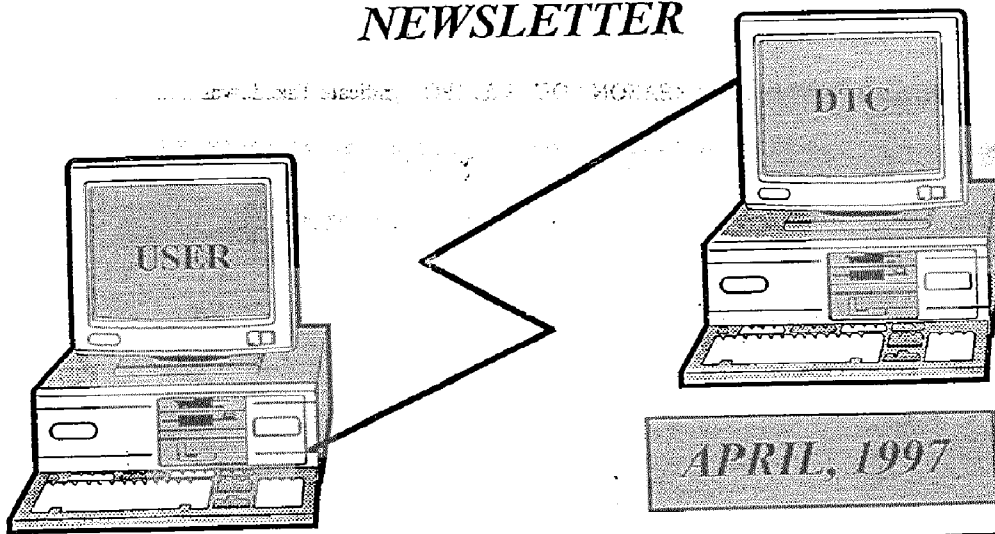
Attached are Computer-to-Computer (CCF and CCF II) and Mainframe Dual Host (MDH) IPO Tracking System specifications. Included are details for targeted matched reclamations, the prime broker indicator, and new deliver order reason codes for IPO syndicate takedowns.

Please route this material to the appropriate systems personnel in your organization. Questions regarding these specifications should be directed to any member of the Participant Interface Planning group (see attached) or Melissa Rosenberg, Participant Services, at (212) 709-1105.

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**COMPUTER-TO-COMPUTER FACILITY
AND MAINFRAME DUAL HOST
NEWSLETTER**



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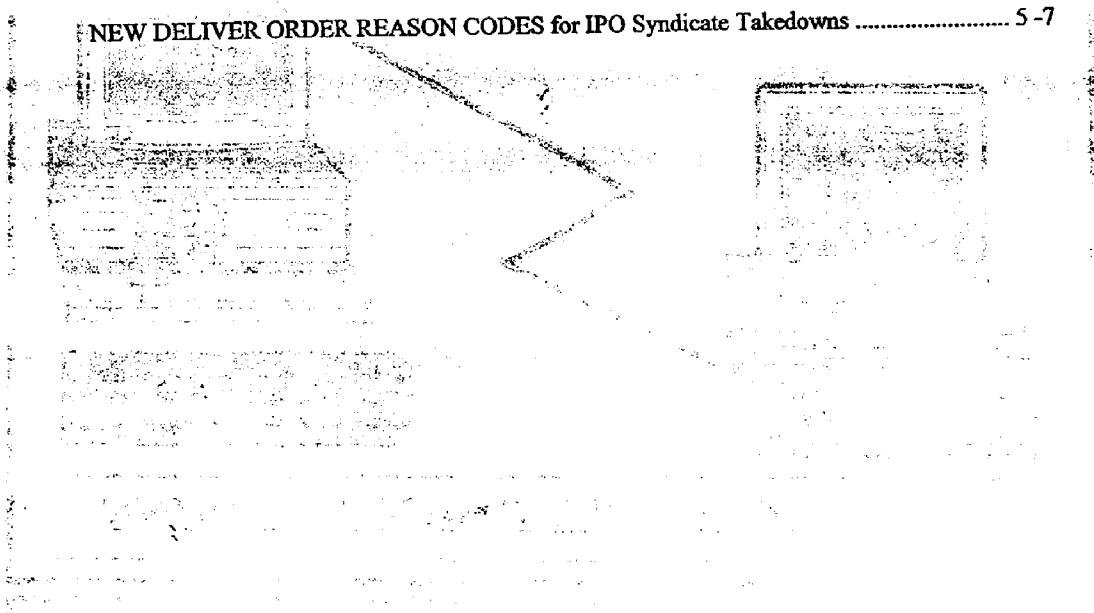
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**CCF/CCF II DELIVER ORDER (DO)
Targeted Matched Reclamations**

Effective Thursday, May 29, 1997, Participants can "target" the exact Deliver Order (DO) they wish to reclaim by using the DTC Transaction Number. To use this feature, Participants are required to use a new version number in the "DO and NDO" CCF/CCF II record, position 3. The oldest value for this field, "D" from the Odd Lot Debt conversion, will now be rejected.

Matching for Targeted Reclaims is performed using six fields (Deliverer, Receiver, CUSIP, Quantity, Dollar value and Settlement date) and, if present, the Transaction Number. In May, on Version '2' of the DO record, the transaction number will be an optional field for reclamations. In the event that all these fields entered do not perfectly match to an original DO, the reclaim is treated as an original DO and is subject to all RAD and Risk management controls.

The Transaction Number can be found in position 192 of the CCF/CCFII product DTFPART and in position 511 of the MDH MDLS data response block for Deliver Orders. Note: The ID Agent field in position 470 of the CCF/CCFII DTFPART record, will not be populated when the Delivering Broker or Delivering Bank uses Version '2' of the Deliver Order record.

CCF - CCF II Record Layout Changes:

Field	Position	Length	Description
Version Number	3	1 Char	Value must = '2' to recognize Transaction Number for reclamations
Filler (see NOTE 1:)	53	1 Char	For DTC Use Only
Transaction Number (see NOTE 2:)	138	8 Decimal	Number of the transaction to be reclaimed

NOTE 1: Position 53 of the DO record was formerly the Conditional Deliver Order indicator which is no longer used.

NOTE 2: The Transaction Number will replace the IPO ID Agent field (position 138) in all future Deliver Order versions. The IPO ID Agent field will no longer be needed for IPO processing, on Version '2' of the Deliver Order record. If the Transaction Number is entered and is invalid, CCF users will receive an 'X' in FLAG 31, on the Control Error Record for Data Record Type 20 and CCF II users will receive a '1' in FLAG 27, on the Type 20 Record Error Flag.

If you have any questions regarding this notice, please contact any member of the Participant Interface Planning group.

**MDH DELIVER ORDER (DO)
Targeted Matched Reclamations**

Effective Thursday, May 29, 1997, Participants can "target" the exact Deliver Order (DO) they wish to reclaim by using the DTC Transaction Number. To use this feature, Participants are required to use a new version number in the "DO and NDO" MDH record, position 53. The oldest value for this field, "D" from the Odd Lot Debt conversion, will now be rejected.

Matching for Targeted Reclaims is performed using six fields (Deliverer, Receiver, CUSIP, Quantity, Dollar value and Settlement date) and, if present, the Transaction Number. In May, on Version '2' of the DO record, the transaction number will be an optional field for reclamations. In the event that all these fields entered do not perfectly match to an original DO, the reclaim is treated as an original DO and is subject to all RAD and Risk management controls. For MDH, reclamations entered during the reclaim only period from 3:00 p.m. to 3:30 p.m. EST, will be rejected when all six or seven fields do not match.

The Transaction number can be found in position 192 of the CCF/CCF II product DTFPART and in position 511 of the MDH MDLS data response block for Deliver Orders. Note: The ID Agent field in position 564 of the MDH record, will not be populated when the Delivering Broker or Delivering Bank uses Version '2' of a Deliver Order record.

MDH Record Layout Changes:

Field	Position	Length	Description
Version Number	53	1 Char	Value must = '2' to recognize Transaction Number for reclamations
Filler (see NOTE 1:)	332	1 Char	For DTC Use Only
Transaction Number (see NOTE 2:)	360	8 Decimal	Number of the transaction to be reclaimed

NOTE 1: Position 332 of the DO record was formerly the Conditional Deliver Order indicator which is no longer used.

NOTE 2: The Transaction Number will replace the IPO ID Agent field (position 360) in all future Deliver Order versions. The IPO ID Agent field is no longer needed for IPO processing, on Version '2' of the Deliver Order record. If the Transaction Number is entered and is invalid, MDH users will receive an error code of 'X4'.

If you have any questions regarding this notice, please contact any member of the Participant Interface Planning group.

**CCF/CCF II DELIVER ORDER (DO)
IPO Prime Broker Indicator**

Effective Thursday, May 29, 1997, DTC will add a new field to allow IPO Prime Brokers (as the Deliverer) to indicate that they are on the Sell side of a secondary market trade or allow Executing Brokers (as the deliverer) to indicate that the Prime Broker is on the Buy side of a secondary market trade. This field can only be used with Version '2' of the Deliver Order Record. Use of this field eliminates the need for the Prime Broker or Executing Broker to enter the ID Agent number.

Use of this field is optional. If the Deliver Order is a secondary market transaction, it will indicate to the IPO Tracking System that a Prime Broker is involved. When the Prime Broker's Participant number is in the Delivering Participant field, it will indicate a "Sell" transaction and when the Prime Broker's Participant number is in the Receiving Participant field, it will indicate a "Buy" transaction. Prime Brokers have different editing requirements than Broker Dealers in the IPO Tracking System. If this field is omitted on a secondary market trade, the IPO Tracking System will assume the Participant is a Broker Dealer and react accordingly.

Field	Position	Length	Description
IPO Prime Broker Indicator Note: On Initial Distribution transactions to Prime Brokers, this field is not used and will be ignored.	174	1 Char	Indicates that the Prime Broker is buying or selling: 'B' = Buy 'S' = Sell ' ' (space) if not an IPO transaction or if Prime Broker is not involved.

Reminder: In June 1996, the IPO Correspondent Account Number field (position 166) was reduced from a 12-byte field to an 8-byte field. Position 174 became a 4-byte filler. The IPO Prime Broker Indicator will now occupy position 174 and position 175 will become a 3-byte filler.

If the IPO Prime Broker Indicator is entered and is invalid, CCF users will receive an 'X' in FLAG 58, on the Control Error Record for Data Record Type 20 and CCF II users will receive a '1' in FLAG 22, on the Type 20 Record Error Flag. These FLAGS, for both CCF and CCF II users, currently indicate Agent Bank is invalid. The Agent Bank field is no longer a field in Version '2' of the Deliver Order record. These FLAGS will mean 'IPO Prime Broker Indicator invalid' when Version '2' of the DO record is used.

If you have any questions regarding this notice, please contact any member of the Participant Interface Planning group.

**MDH DELIVER ORDER (DO)
IPO Prime Broker Indicator**

Effective Thursday, May 29, 1997, DTC will add a new field to allow IPO Prime Brokers (as the Deliverer) to indicate that they are on the Sell side of a secondary market trade or allow Executing Brokers (as the deliverer) to indicate that the Prime Broker is on the Buy side of a secondary market trade. This field can only be used with Version '2' of the Deliver Order Record. Use of this field eliminates the need for the Prime Broker or Executing Broker to enter the ID Agent number.

Use of this field is optional. If the Deliver Order is a secondary market transaction, it will indicate to the IPO Tracking System that a Prime Broker is involved. When the Prime Broker's Participant number is in the Delivering Participant field, it will indicate a "Sell" transaction and when the Prime Broker's Participant number is in the Receiving Participant field, it will indicate a "Buy" transaction. Prime Brokers have different editing requirements than Broker Dealers in the IPO Tracking System. If this field is omitted on a secondary market trade, the IPO Tracking System will assume the Participant is a Broker Dealer and react accordingly.

Field	Position	Length	Description
IPO Prime Broker Indicator Note: On Initial Distribution transactions to Prime Brokers, this field is not used and will be ignored.	396	1 Char	Indicates that the Prime Broker is buying or selling: 'B' = Buy, 'S' = Sell or ' ' (space) if not an IPO transaction or if Prime Broker is not involved.

If the IPO Prime Broker Indicator is entered and is invalid, MDH users will receive an error code of '16'. This error code currently indicates Agent Bank invalid. The Agent Bank field is no longer a field in Version '2' of the Deliver Order record. This error code will mean 'IPO Prime Broker Indicator invalid' when Version '2' of the DO record is used.

If you have any questions regarding this notice, please contact any member of the Participant Interface Planning group

**NEW DELIVER ORDER REASON CODES
for IPO Syndicate Takedowns**

The following new reason codes and rules will become effective Thursday, May 15, 1997 for IPO Syndicate Takedowns for both Version '1' and Version '2' of the Deliver Order record layouts. These codes may be used whether an issue is IPO tracked or not.

570	SYNDICATE TAKEDOWN DELIVERY
571	SYND TAKEDOWN DELIVERY RECLAIM DK
572	SYND TAKEDOWN DELIVERY WRONG QUANTITY
573	SYND TAKEDOWN DELIVERY WRONG SECURITY
574	SYND TAKEDOWN DELIVERY WRONG MONEY
575	SYND TAKEDOWN DELIVERY RCLM PARTIAL
576	SYND TAKEDOWN DLVRY RCLM NEED A/C INFO
577	SYND TAKEDOWN DLVRY RCLM NEED DUEBILL
578	SYND TAKEDOWN DLVRY RCLM PARTIAL RET

Rules for IPO Reason Codes 570, 571 - 578 and 50:

The following rules will apply to reason codes 50, 570, and their associated reclaim reason codes, for IPO tracked issues only. No editing will occur for issues that are not IPO tracked. Reason Code 570 will be used to identify Syndicate Takedown deliveries from the Lead Manager, Co-Manager, Co-Reporting Participant to a Syndicate Member, Selling Group Member, or Clearing firm (Broker or Bank) on behalf of a correspondent Syndicate Member or correspondent Selling Group Member. **Reason Code 50 can no longer be used for Syndicate Takedown deliveries.**

REASON CODE 570:

The IPO Correspondent Account Number will now be a **mandatory** field when using reason code 570 for an IPO tracked CUSIP:

For deliveries to a Syndicate Member/Selling Group Member who is a DTC Participant, the Lead Manager must fill in the receiver's Participant number in the IPO Correspondent Account Number field.

For deliveries to a Syndicate Member/Selling Group Member who is not a DTC Participant (i.e., correspondent), the Lead Manager must fill in the FINS/ID Executing Broker Dealer number of the correspondent Syndicate Member/Selling Group Member in the IPO Correspondent Account Number field. DTC will validate the clearing relationship between the receiving Participant and the IPO Correspondent Account Number against the ID Master file.

If the IPO Correspondent Account Number field is not filled in or the clearing relationship is invalid, the Deliver Order (DO) will be rejected.

**NEW DELIVER ORDER REASON CODES
for IPO Syndicate Takedowns**

The following new reason codes and rules will become effective Thursday, May 15, 1997 for IPO Syndicate Takedowns for both Version '1' and Version '2' of the Deliver Order record layouts. These codes may be used whether an issue is IPO tracked or not.

570	SYNDICATE TAKEDOWN DELIVERY
571	SYND TAKEDOWN DELIVERY RECLAIM DK
572	SYND TAKEDOWN DELIVERY WRONG QUANTITY
573	SYND TAKEDOWN DELIVERY WRONG SECURITY
574	SYND TAKEDOWN DELIVERY WRONG MONEY
575	SYND TAKEDOWN DELIVERY RCLM PARTIAL
576	SYND TAKEDOWN DLVRY RCLM NEED A/C INFO
577	SYND TAKEDOWN DLVRY RCLM NEED DUEBILL
578	SYND TAKEDOWN DLVRY RCLM PARTIAL RET

Rules for IPO Reason Codes 570, 571 - 578 and 50:

The following rules will apply to reason codes 50, 570, and their associated reclaim reason codes, for IPO tracked issues only. No editing will occur for issues that are not IPO tracked. Reason Code 570 will be used to identify Syndicate Takedown deliveries from the Lead Manager, Co-Manager, Co-Reporting Participant to a Syndicate Member, Selling Group Member, or Clearing firm (Broker or Bank) on behalf of a correspondent Syndicate Member or correspondent Selling Group Member. Reason Code 50 can no longer be used for Syndicate Takedown deliveries.

REASON CODE 570:

The IPO Correspondent Account Number will now be a mandatory field when using reason code 570 for an IPO tracked CUSIP:

For deliveries to a Syndicate Member/Selling Group Member who is a DTC Participant, the Lead Manager must fill in the receiver's Participant number in the IPO Correspondent Account Number field.

For deliveries to a Syndicate Member/Selling Group Member who is not a DTC Participant (i.e., correspondent), the Lead Manager must fill in the FINS/ID Executing Broker Dealer number of the correspondent Syndicate Member/Selling Group Member in the IPO Correspondent Account Number field. DTC will validate the clearing relationship between the receiving Participant and the IPO Correspondent Account Number against the ID Master file.

If the IPO Correspondent Account Number field is not filled in or the clearing relationship is invalid, the Deliver Order (DO) will be rejected

The Agent Internal Account (AIA) number, ID Agent, Broker Internal Account (BIA) number, and the trade date are not required on these deliveries and will be ignored if entered.

REASON CODES 571-578:

Reason Codes 571-578 are the reclaim reason codes. If a DO with a reason code 571-578 is not processed as a matched reclaim, the transaction will be treated as a secondary market transaction by the IPO Tracking system. Matched reclaims will return shares to the account of origin.

REASON CODE 50:

The existing reason code 50 will now be used solely to identify Initial Distribution deliveries from a Syndicate Member or Selling Group Member (including correspondents and the Lead Manager as a member of the syndicate) to institutional customers that are held in custody at a Prime Broker or an Agent Bank. If the receiving Participant is a broker, it will be setup as a Prime Broker in the IPO Tracking System. If the receiving Participant is a bank, it will be set up as an Agent Bank in the IPO Tracking System.

The IPO Correspondent Account Number will be optional for reason code 50 for an IPO tracked CUSIP:

For deliveries from a Syndicate Member/Selling Group Member who is a DTC Participant, the IPO Correspondent Account Number should be all zeroes, all spaces, or equal to the deliverer's Participant number.

For deliveries from a Syndicate Member/Selling Group Member who is not a DTC Participant (i.e., correspondent), the FINS/ID Executing Broker Dealer number of the correspondent Syndicate Member/Selling Group Member should be filled in the IPO Correspondent Account Number field to properly identify the syndicate member that is delivering to the institutional client. DTC will validate the clearing relationship between the delivering Participant and the IPO Correspondent Account Number against the ID Master file.

For correspondent deliveries that clear through a Clearing Bank (i.e., when the Clearing Bank is the delivering Participant), the IPO Correspondent Account Number field is mandatory.

If the IPO Correspondent Account Number field is not filled in on a Clearing Bank delivery, the Deliver Order (DO) will be rejected. Additionally, if the clearing relationship is invalid on any correspondent delivery, the Deliver Order (DO) will be rejected.

The Agent Internal Account (AIA) number will now be a mandatory field when using reason code 50 for an IPO tracked CUSIP.

The Broker Internal Account (BIA) number will remain as optional, but is recommended that this be filled in.

The trade date is not required on these deliveries and will be ignored if entered.

The ID Agent will no longer be required. The Version '1' DO layout will still contain the field, but it will be ignored for reason code 50 deliveries. The Version '2' layout will no longer contain the field. Internally, in the IPO Tracking system, the ID Agent field will be defaulted to the receiver's Participant number.

If you have any questions regarding this notice, please contact any member of the Participant Interface Planning group.

