

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 1608

DATE: August 26, 1997

TO: All Users of DTC's Standing Instructions Database

FROM: Steve Melanaski

ATTENTION: SID Coordinator

SUBJECT: Importance of Updating Information in SID

Each user of DTC's Standing Instructions Database (SID) should be aware of the importance of promptly entering new or changed information into SID. Other SID users involved in the settlement of a trade expect the information in SID to be current.

The SID feature in DTC's Institutional Delivery (ID) system is a central repository for customer account and settlement information furnished by institutions, agents, clearing agents, broker-dealers and clearing brokers. The SID information includes items such as interested parties, the agent for the institutional customer, the agent's internal account number for the customer and broker and agent settlement information. A broker-dealer can link its internal account numbers for its institutional customers to the internal account numbers at the institutions. When entering trade data into the ID system, a broker-dealer can simply refer to its internal account number in SID, and the ID system will extract the necessary information from SID (such as customer name, agent, interested parties and settlement related information) and automatically add the information to the confirmation.

It is extremely important that all SID users keep current the information that they have entered into SID. If the SID information is not updated, problems can arise in the distribution of confirmations and in the settlement of trades. For example, if the institutional customer changes its agent and that change has not been entered into SID, securities purchased by the institution

may be delivered by the broker-dealer to the former agent. In that case, a delay in settlement of the trade can occur until the broker-dealer learns the identity of the new agent and delivers the securities to the new agent.

SID updates are the only way to communicate new or changed information in an automated, immediately accessible form to other parties involved in a trade. All SID users should enter new information, or update existing information, in SID as soon as that information is known. SID users should not communicate new or changed information outside of SID by telephone calls, faxes or other means. Only the party that entered information in SID can update that information. Communicating changes outside of SID can cause settlement problems because the other parties can be expected to rely on the outdated information in SID while performing their settlement responsibilities.

Questions about updating information in SID should be referred to your ID Representative at DTC.

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