

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 3558

DATE: March 27, 1998

TO: Broker Participants

FROM: Valentine Stevens

ATTENTION: Managing Partner/Officer, Cashier, Margin, and Operations Managers

SUBJECT: Letters of Free Funds (LOFFs)

Beginning with the March edition, DTC will enhance the LOFFs month-end report by including a header page containing the name of the contact at the firm. This should help to limit the instances of non-receipt and lessen the need for reprints.

The month-end report, which is produced in hard-copy fashion, contains information on LOFFs items that have expired during the month. Included are items that were:

- unanswered and are over 90 days old
- responded to-funds are/are not available
- identified as Prime Broker accounts
- rejected as erroneous

Along with PTS tickets, which are produced for both parties when receivers respond, the month-end report serves as a permanent record for future research needs. In addition, DTC will soon add LOFFs activity to its Alternative To Microfiche Microfilm Online (AMMO) service which is now being piloted. AMMO, which is accessed through PTS terminals, will include expired LOFFs transactions, thereby limiting the need to rely on month-end reports or PTS tickets for research purposes.

Questions regarding this notice or the LOFFs service should be directed to your Participant Services representative.