

The Depository Trust Company

IMPORTANT

B#: 0259-06

DATE: November 10, 2006

TO: All Participants

CATEGORY: Settlement/Underwriting

FROM: Product Management

ATTENTION: Settlement Manager/Managing Director/Cashier

SUBJECT: DTC/Omgeo TradeSuite System Real-Time Settlement Link
Implementation

On December 2, 2006, The Depository Trust Company (“DTC”) and Omgeo LLC (“Omgeo”) will implement a real-time link between DTC’s Inventory Management System (IMS) and Omgeo’s TradeSuite system for affirmed institutional trades.

The initial Matched Institutional Trades (MITS) sent by Omgeo in real-time to DTC will be for the settlement date of December 5th or later. In addition, as of December 4th, Omgeo’s TradeSuite system will begin to notify IMS, as well as DTC participants directly, on the status of any Change of Eligibility (“COE”) for trades with a settlement date of December 6th or later. COE (e.g., DTC-eligible to ineligible) related messages will be passed to IMS by TradeSuite up until midnight of settlement date –2. IMS will process COE related messages on a real-time basis (for both authorized and yet to be authorized trades). IMS will “reauthorize” a previously authorized DTC-eligible trade in the event the trade becomes DTC-eligible again. An appropriate audit trail will be provided by IMS for participants. Ineligible MITS transactions in IMS will be cancelled at end of day on settlement date. Omgeo will feed IMS the current batch file of affirmed eligible trades at approximately 1:00 pm on December 1st for those trades with a settlement date of December 4th.

As part of this December 2nd implementation, Omgeo will also start sending “late affirmed” (defined as trades affirmed after the 12:00 pm cutoff on settlement date -1 until 12:00 pm on settlement date) trades to

IMS. Accordingly, the first Late Matched Institutional Trades (LMIT) eligible to settle via this mechanism will be those with a settlement date of December 4th, which are affirmed between noon on December 1st and noon on December 4th. Delivering participants can either authorize the LMIT items or continue to process in their current environment. Please Note: LMIT items will not be initially available in IMS for authorization until the morning of December 4th.

IMS will continue the current practice of applying a participant's authorization profile for MITS after the midday cut-off on settlement date -1 (at approximately 1:00 pm).

Those participants who now globally authorize deliveries in IMS via DTCC's Participant Terminal System (PTS)/ Participant Browser Services (PBS) need to recognize that commencing December 4, 2006, putting "All" in the transaction type field will include LMIT items. **If a participant using PTS/PBS wants to only authorize or exempt MITS deliveries, they should put only MITS in the transaction type field.** Participants that currently submit machine-readable authorization/exemption instructions, who choose to process their Omgeo deliveries as they do today, will be unaffected.

DTC has previously distributed Important Notice B#: 9613-06 dated May 5, 2006, which contains additional information pertaining to the above-noted functionality. A clarification related to the **General Processing Information** section of the May 5th notice is as follows: IMS will process COE related messages on a real-time basis (for both authorized and yet to be authorized trades). Ineligible MITS transactions in IMS will be cancelled (i.e., no further participant action can be taken) at end of day on settlement date.

Questions regarding this Notice may be directed to your Relationship Manager or the undersigned at 212-855-3270.

Steve Wasserman
Product Management