

review of the initial Form ATS–N disclosures and discussions with CODA.

In the conversations between CODA and Commission staff about the initial Form ATS–N disclosures and the ATS operations, Commission staff and CODA have discussed a potential amendment to update CODA's disclosures regarding the complexities of its operations. Extending the review period will enable the NMS Stock ATS to amend its disclosures, if appropriate, and allow Commission staff to conduct a thorough review of amendments to the initial disclosures provided on the initial Form ATS–N.

For the reasons given above, the Commission is extending the review period of the initial Form ATS–N submitted by CODA. Accordingly, pursuant to Rule 304(a)(1)(iv)(B), October 6, 2019 is the date by which the Commission may declare the initial Form ATS–N submitted by CODA ineffective.

By the Commission.

**Jill M. Peterson,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–86014; File No. 013–00108]

### Initial Form ATS–N Filing; Notice of Extension of Commission Review Period

June 3, 2019.

On February 8, 2019, Instinet BlockCross filed an initial Form ATS–N (“Form ATS–N”) with the Securities and Exchange Commission (“Commission”). Pursuant to Rule 304 under the Securities and Exchange Act of 1934 (“Act”), the Commission may, after notice and an opportunity for hearing, declare an initial Form ATS–N ineffective no later than 120 days from the date of filing with the Commission, or, if applicable, the extended review period. June 8, 2019 is 120 calendar days from the date of filing. Pursuant to Rule 304(a)(1)(iv)(B), the Commission may extend the initial Form ATS–N review period for up to an additional 120 calendar days if the initial Form ATS–N is unusually lengthy or raises novel or complex issues that require additional time for review.

Instinet BlockCross was operating pursuant to an initial operation report on Form ATS on file with the Commission as of January 7, 2019.<sup>1</sup>

Instinet BlockCross filed an initial Form ATS–N on February 8, 2019. During the initial 120 calendar day review period, the Commission staff has been reviewing the disclosures on Instinet BlockCross's initial Form ATS–N. In addition, the staff has been engaged in ongoing discussions with Instinet BlockCross about its disclosures and manner of operations, as well as the requirements of Form ATS–N, to facilitate complete and comprehensible disclosures that reflect the complexities of those operations.

Form ATS–N requires NMS Stock ATSs to file with the Commission, and disclose to the public for the first time, certain information, including descriptions by the NMS Stock ATSs of their fees, the trading activities by their broker-dealer operators and their affiliates in the NMS Stock ATSs, their use of market data, their written standards for granting access to trading on the NMS Stock ATSs, and their written safeguards and procedures for protecting their subscribers' confidential trading information required by revised Rule 301(b)(10) of Regulation ATS. The initial Form ATS–N disclosures and discussions with Commission staff have revealed complexities about the operations of Legacy NMS Stock ATSs including, among other things, matching functionalities, means of order entry, order interaction and execution procedures, conditional order processes, segmentation of orders, and counterparty selection protocols. The Commission staff needs additional time to review novel and complex issues such as these, which Commission staff has discussed with Instinet BlockCross. Extending the initial Form ATS–N Commission review period for an additional 120 calendar days will provide Commission staff an opportunity to continue its review of the initial Form ATS–N disclosures and discussions with Instinet BlockCross.

In the conversations between Instinet BlockCross and Commission staff about the initial Form ATS–N disclosures and the ATS operations, Commission staff and Instinet BlockCross have discussed a potential amendment to update Instinet BlockCross's disclosures regarding the complexities of its operations. Extending the review period will enable the NMS Stock ATS to amend its disclosures, if appropriate, and allow Commission staff to conduct a thorough review of amendments to the initial disclosures provided on the initial Form ATS–N.

an initial operation report on Form ATS on file with the Commission as of January 7, 2019 is a “Legacy NMS Stock ATS.” 17 CFR 242.301(b)(2)(viii).

For the reasons given above, the Commission is extending the review period of the initial Form ATS–N submitted by Instinet BlockCross. Accordingly, pursuant to Rule 304(a)(1)(iv)(B), October 6, 2019 is the date by which the Commission may declare the initial Form ATS–N submitted by Instinet BlockCross ineffective.

By the Commission.

**Eduardo A. Aleman,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85986; File No. SR–DTC–2019–003]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Reorganizations Service Guide

May 31, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b–4 thereunder, <sup>2</sup> notice is hereby given that on May 21, 2019, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act <sup>3</sup> and Rule 19b–4(f)(4) thereunder. <sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change by DTC would revise the Reorganizations Service Guide (“Guide”) <sup>5</sup> to: (1) Update its corporate action service by transitioning corporate action <sup>6</sup>

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b–4(f)(4).

<sup>5</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (“DTC Rules”) and in the Guide, available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

<sup>6</sup> DTC offers an array of services for processing corporate action events. The services fall into three categories: (i) Distributions, such as cash and stock dividends, principal and interest, and capital gain distributions (collectively, “Distributions”); (ii)

<sup>1</sup> An NMS Stock ATS (as defined in Rule 300(k) of Regulation ATS) that was operating pursuant to

functions on its Participant Terminal System (“PTS”) and its Participant Browser Service (“PBS”) systems<sup>7</sup> for the processing of Reorganizations to its Corporate Action Web (“CA Web”) system;<sup>8</sup> and (2) restructure, streamline and clarify the Guide for enhanced transparency and clarity, as more fully described below.

## II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

### (A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The proposed rule change by DTC would revise the Guide to: (1) Update its corporate action service by transitioning corporate action functions on its PTS and PBS systems for the processing of Reorganizations to its CA Web system; and (2) restructure, streamline and clarify the Guide for enhanced transparency and clarity, as more fully described below.

redemptions such as full and partial calls, final paydowns, and maturities (collectively, “Redemptions”); and (iii) reorganizations, which include both mandatory and voluntary reorganizations such as exchange offers, conversions, Dutch auctions, mergers, puts, reverse stock splits, tender offers, and warrant exercises (collectively, “Reorganizations”).

<sup>7</sup> PTS and PBS are user interfaces for DTC’s Settlement and Asset Services functions. PTS is mainframe-based and PBS is web-based with a mainframe back-end. Participants may use either PTS or PBS, as they are functionally equivalent. References to a particular PTS function in this rule filing include the corresponding PBS function.

<sup>8</sup> In PTS/PBS, corporate actions are announced using DTC proprietary codes to signify event types. CA Web replaces DTC’s proprietary codes with market standard language. For example, a cash dividend payment that PTS/PBS identifies as a “08” function code is identified in CA Web as a “Cash Dividend” event. Additionally, CA Web incorporates the entire lifecycle of an event into one platform with a unique corporate action identifier that follows the event through its lifecycle. CA Web gives Participants the ability to customize screen displays and offers flexible methods for event search, neither of which is available in the PTS/PBS systems.

#### (i) Overview of the Proposed Rule Change

##### Transition of PTS/PBS Reorganizations Functions to CA Web

Beginning in 2011, DTC has filed a series of rule changes to update its corporate action services by migrating the corporate action functions for Distributions from PTS/PBS to CA Web, a then new browser user interface.<sup>9</sup> After a Participant testing phase, PTS/PBS functions for Distributions were retired in 2015, and the use of CA Web for processing Distributions became mandatory for all Participants.<sup>10</sup>

In 2016, DTC filed a rule filing to transition PTS/PBS functions for Redemptions to CA Web, and to update the Guide to add the appropriate references.<sup>11</sup> After a Participant testing phase, PTS/PBS functions for Redemptions were retired in 2017, and the use of CA Web for processing Redemptions became mandatory for all Participants.

Pursuant to the proposed rule change, DTC would transition PTS/PBS functions for Reorganizations to CA Web, and update the Guide to add the appropriate references.<sup>12</sup> A pilot testing period began in Q3 of 2018 and will conclude in Q2 of 2019, at which time Reorganizations activity within the following PTS and corresponding PBS functions would be retired and transitioned to CA Web: ADJI (Adjustment Inquiries), RIPS (Reorganization Inquiry for Participants), and SDAR Dept. R (Same Day Allocation Reporting).<sup>13</sup> DTC has been communicating this change to Participants through CA Web review sessions, Important Notices, and industry outreach.<sup>14</sup>

<sup>9</sup> See Securities Exchange Act Release No. 68114 (October 26, 2012), 77 FR 66497 (November 5, 2012) (SR-DTC–2012–08).

<sup>10</sup> See Securities Exchange Act Release No. 73864 (December 17, 2014), 79 FR 77063 (December 23, 2014) (SR-DTC–2014–12).

<sup>11</sup> See Securities Exchange Act Release No. 79746 (January 5, 2017), 82 FR 3372 (January 11, 2017) (SR-DTC–2016–014).

<sup>12</sup> As in the previous migrations of corporate action PTS/PBS functions to CA Web, corporate action functions relating to the submission of instructions by Participants will remain on PTS/PBS until a later date.

<sup>13</sup> See PTS/PBS Function Guides, available at <http://www.dtcc.com/settlement-and-asset-services/edl-ptspbs-function-guides>.

<sup>14</sup> See Important Notice B10792–19 (March 14, 2019); Important Notice B8760–18 (June 7, 2018), Important Notice B9072–18 (July 9, 2018) and Important Notice B9122–18 (July 26, 2018), available at <http://www.dtcc.com/legal/important-notices>; and DTC Corporate Actions Product Update to SIFMA (October 11, 2018), available at [https://www.sifma.org/wp-content/uploads/2017/05/SIFMA-CAS\\_DTCC-Corporate-Actions-Update\\_2018.pdf](https://www.sifma.org/wp-content/uploads/2017/05/SIFMA-CAS_DTCC-Corporate-Actions-Update_2018.pdf).

#### Restructure, Streamline and Clarify the Guide

DTC proposes to restructure, streamline and clarify the Guide for enhanced transparency and clarity as set forth below.

DTC would restructure the Guide into three parts. The first part would provide an introduction and background on reorganizations. The second part would address Reorganizations announcements (“Announcements”). The third part would address the processing of mandatory events and voluntary offerings, including, but not limited to, Participant instructions.

DTC would streamline the Guide as follows:

(1) The Guide currently contains contact numbers for information about different services described in the Guide. As a practical matter, the contact information for information about each of these services is the same. Therefore, the individual references to contact information for information about a service would be deleted and would be replaced by a single reference in the beginning of the Guide.

(2) Currently, each section of the Guide that describes a service contains a list of associated PTS and PBS functions. DTC is proposing to insert a table toward the beginning of the Guide that would contain a consolidated list of PTS/PBS functions that are associated with reorganization events generally, the parallel CA Web functionality, and the applicability to voluntary events, mandatory events, or proxy.

(3) Sections relating to procedures for the hard copy submission of Participant instructions in connection with different offerings would be clarified and consolidated into one proposed section that outlines the common procedure and set of requirements for the submission of instructions outside of the Automated Tender Offer Program (“ATOP”) and the Automated Subscription Offer Program (“ASOP”).<sup>15</sup>

(4) Currently, the Guide contains several sections titled “Important Considerations” in connection with different reorganization services. These sections contain a substantial amount of overlapping information. Therefore, DTC is proposing to consolidate these

<sup>15</sup> ATOP allows Participants to accept various voluntary offers, such as voluntary tender or exchange offers, in a book-entry environment. See Securities Exchange Act Release No. 33797 (March 22, 1994), 59 FR 14696 (March 29, 1994) (SR-DTC–93–11) (approving enhancements to ATOP). ASOP allows Participants to accept rights offers and receive the underlying securities within a fully automated book-entry environment. See Securities Exchange Act Release No. 35108 (December 16, 1994), 59 FR 67356 (December 29, 1994) (SR-DTC–94–15) (instituting ASOP).

sections into a single proposed “Important Considerations” section.

(5) Currently, the Guide contains several sections titled “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities,” in connection with different reorganization services. These sections contain a substantial amount of overlapping information. Therefore, DTC is proposing to consolidate these sections into a single proposed “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities” section.

Finally, DTC would clarify and enhance the transparency of certain services and procedures by:

- (1) Clarifying and simplifying language;
- (2) Inserting additional background information and clarifying information;
- (3) Replacing references to DTC’s proprietary Computer-to-Computer Facility (“CCF”) announcement files with references to International Organization for Standardization (“ISO”) 20022 messaging in order to reflect the retirement and transition to ISO 20022 to communicate Reorganizations Announcements;<sup>16</sup> and
- (4) Making the following ministerial changes to accurately reflect current terminology or to remove references to retired systems:
  - For simplicity, consolidate each reference to CCF/CCF II files in a reference to CCF files, because CCF/CCF II files are collectively known as CCF Files.

- Remove references to MDH (Mainframe Dual Host) message format files, which are no longer supported.<sup>17</sup>
- References to “product” or “program” would be replaced by references to “service,” which is more appropriate for a service guide.
- References to “relinquishment” as an available put exercise would be deleted because they are no longer included as features of put bonds in the industry.

- References to “hard copy” reports, notifications, or instructions would be changed to refer more generally to any

medium used by Participants for transmitting instructions to, or viewing messages from, DTC.

- Correct spelling, grammatical and typographical errors throughout.
- Update other text and contact information, such as addresses, phone numbers, website information, and email addresses.

#### (ii) Proposed Rule Change

DTC proposes to amend the Guide as follows:

(1) *Important Legal Information*: The copyright date would be updated from 2016 to 2019.

(2) *About Reorganization*: This heading would be changed to “About Reorganization Services.”

a. *Introduction*: No change would be made to this title.

b. *Overview*: The “Overview” section would be modified to include references to CA Web and ISO 20022 messaging, and to explain how the functionality for reorganization services can be accessed. The word “chapter” would be replaced with the word “guide” to reflect that the overview addresses the reorganization services throughout the Guide. The second paragraph of the section would also be modified to remove the specific references to PTS/PBS functions that would cease to be available on PTS/PBS, since these functions would be already covered in the references to PTS and PBS in the amended first paragraph of the section. Further, the section would be modified to clarify a note about a Participant’s obligation to check the accuracy of information regarding reorganization activities.

c. *Proposed “Reorganization/Proxy Contact Number” section*: The new proposed section, “Reorganization/Proxy Contact Number,” would be added to provide Participants with the contact information for information regarding any aspect of reorganization/proxy processing or a specific event. In connection with this proposed change, DTC is proposing to remove the sections of contact information that are repeated throughout the Guide in connection with each particular service.

d. *About Reorganizations*: The title would be changed to “About the Reorganizations Service.” The section would be modified to provide additional context for, and descriptions of, the Reorganizations service. The definition of “agent,” as used in the Guide, would be inserted into this section. In addition, the section would be modified to clarify what would occur if DTC is unable to fully support a Reorganizations event.

e. *Types of Reorganization Products*: The title of the section would be

changed to “Types of Reorganization Event Services.” The list of services that are announced and processed by the Reorganization Department would be clarified and narrowed to the main event types: Voluntary Offerings, Mandatory Reorganizations, and Proxy. Pursuant to the restructuring of the Guide, the event subtypes would be addressed later in the Guide.

f. *Reorganization Envelopes*: The “Reorganization Envelopes” section would be removed because the relevant information about viewing Announcements would be included in the proposed section titled “How to View Mandatory and Voluntary Reorganization Announcements.”

g. *Reorganization (RRG) Account/Contra-CUSIP Numbers*: This section would be amended and relocated within the Guide. The title would be changed to “Reorganization (RRG) Segregated Account.” The text at the end of the section, which reads: “059 = the activity code of the RIPS envelope (in this case, rights)” and “01 = The sequence number of the RIPS envelope” would be modified to remove the references to the RIPS envelope, to provide more generally that the information is viewable on other platforms, in addition to RIPS.

h. *Pledged Securities*: This section would be amended and relocated within the Guide. For clarity, the section would be modified to include the following sentence: “There are specific processes for pledging on voluntary reorganization events detailed below.”

i. *Segregated Securities*: This section would be relocated within the Guide, as discussed below.

j. *Chills on Reorg Activities*: This section would be amended and relocated within the Guide. For additional clarity, the section would be modified to include the following sentence: “The timing of the chills will vary depending upon the event type or security type such as book-entry only.”

k. *Frozen Letters*: This section would be amended and relocated within the Guide. The section would be amended to remove the list of items that are required for a frozen letter request and would reflect that a template request form (that reflects these requirements) is available. In addition, the section would be amended to replace the reference to “the appropriate person at DTC” with a specific email contact at [frozenletter@dtcc.com](mailto:frozenletter@dtcc.com).<sup>18</sup> Further, for accuracy, the following note would be removed: “Note—DTC does not provide a specific

<sup>16</sup> See Securities Exchange Act Release Nos. 79746 (January 5, 2017), 82 FR 3372 (January 11, 2017) (SR-DTC-2016-014); 76811 (December 31, 2015), 81 FR 826 (January 7, 2016) (SR-DTC-2015-013); 68114 (October 26, 2012), 77 FR 66497 (November 5, 2012) (SR-DTC-2012-08); and 63886 (February 10, 2011), 76 FR 9070 (February 16, 2011) (SR-DTC-2011-02).

<sup>17</sup> As part of enhanced business continuity plans in the aftermath of the events of September 11, 2001, on or around 2005, MDH, a proprietary communications protocol, was retired by DTC. See Important Notice Z#0004 (October 2, 2002), available at [http://www.dtcc.com/~media/Files/Downloads/Investment-Product-Services/Insurance-and-Retirement-Services/SMART\\_user\\_guide.pdf](http://www.dtcc.com/~media/Files/Downloads/Investment-Product-Services/Insurance-and-Retirement-Services/SMART_user_guide.pdf).

<sup>18</sup> See Important Notice B3751-16 (June 29, 2016), available at <http://www.dtcc.com/~media/Files/pdf/2016/6/29/3751-16.pdf>.

form for an indemnity clause. You must provide the indemnity clause in whatever format your own legal requirements dictate.” The template request form includes an indemnity.<sup>19</sup>

l. *Preparing to Use the Products*: The title would be changed to “Preparing to Use the Services.” The list of technical requirements would be amended to (i) make ministerial corrections to the references to PTS and PBS, (ii) add references to CA Web and to ISO 20022 Messages via MQ and file protocols, and (iii) delete the references to CCF II and MDH. In addition, the table of PTS/PBS functions would be modified to insert parallel CA Web functionality. The table would be accompanied by a note that reads: “Note that in 2019, the following PTS/PBS functions will no longer be available for current Reorganization activity and will be replaced with CA Web functionality as indicated. PTS/PBS functions will, however, be available for historical research purposes.” Further, the section would be amended to add the following clarifying text: “DTC offers a comprehensive overview of reorganization activity comprised of Announcements, Allocations, Adjustments and applicable alerts via CA Web’s Reorganization dashboard which “pushes” data to users. Understanding the Reorganizations lifecycle and data model are important prerequisites for successful use of the Reorganizations service. DTC offers robust training resources available at its Asset Services Learning Center—<https://dtcclearning.com/products-and-services/asset-services>.” Finally, the last sentence in the section would be changed to: “Note: DTC also provides various reports, including on SMART/Search, and Participants have the ability to export data from CA Web to spreadsheets, for manipulation and analysis.” The purpose of this modification to this general statement is to reflect that various reports are accessed through SMART/Search and CA Web data reports. In general, Participants no longer use, and therefore DTC no longer provides, hard copy reports.

m. *Reorganization Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

n. *Service Topics*: This heading would be deleted because it is not relevant to the proposed restructuring of the Guide.

o. *Allocations*: This entire section would be amended and relocated within the Guide.

(i) *About the Product*: As noted above, this section would be amended and relocated within the Guide. The title “About the Product” would be replaced with “About Allocations.” The section would be amended to clarify that DTC will allocate cash and stock to Participant upon receipt of the confirmed position and entitlements from the agent. For enhanced transparency, the proposed section would include additional information on cash allocations, reorganization cash settlement reporting and stock allocations.

p. *Proposed “How Reorganizations Work” section*: DTC is proposing to insert a section containing basic information on the elements of Reorganizations that are relevant to the reorganization services. In particular, the section would discuss the types of event information that may be relevant to reorganization events, the types of entitlement options, the types of entitlement payouts, and the methods by which DTC might deliver entitlement information to Participants.

q. *Associated PTS/PBS Functions*: The table of PTS/PBS functions, which currently reflects PTS/PBS functions used in association with Allocations, would be modified to reflect a consolidated chart of PTS/PBS functions that are used in association with Reorganization events more generally, and to insert parallel CA Web functionality and applicability of the functions to voluntary events, mandatory events, and/or proxy. In addition, certain function descriptions would be revised for clarity. The section heading would be changed to “Associated PTS/PBS and CA Web Functions.” Further, the paragraphs beginning with “PTOP (PTS)” and “PSOP (PTS)” would be moved to the proposed “Voluntary Reorganizations” section later in the Guide.

r. *Allocations Contact Number*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(3) *Announcements*: There would be no changes to this heading.

a. *About the Product*: The title “About the Product” would be changed to “About the Service.” The section would be modified to replace a reference to “product” with “service” and to clarify the types of Reorganizations activities

for which DTC provides Announcements. Further, the section would be updated to remove references to CCF, CCF II and MDH, and to insert references to CA Web and ISO 20022. For clarity, an additional note would be inserted, which would read: “Note: For all the event/activity types listed, if the event involves a Canadian issue paying in Canadian dollars, DTC will announce either two events or one event with multiple options to include a U.S. dollar option.”

b. *How the Product Works*: The title “How the Product Works” would be replaced with “How the Announcement Service Works.” The section would be modified to remove inaccurate references to an internal database and newspapers as sources of reorganization information. Although DTC may track anticipated reorganization events in its internal database, it does not announce an event until it retrieves information from one of the listed sources. DTC does not retrieve reorganization information from newspapers because, in contrast to the other listed sources, the information is not directly issued by the issuer or agent.

c. *About the RIPS Function*: This section would be consolidated into and replaced by the proposed section titled “How to View Mandatory and Voluntary Reorganization Announcements.”

d. *Proposed “How to View Mandatory and Voluntary Reorganization Announcements” section*: The proposed section would replace the “Reorganization Envelopes” and “About the RIPS Function” sections and would reflect the Reorganization Announcements functionality that would be available through CA Web and ISO 20022, and would be modified to reflect enhanced functionality offered by CA Web and ISO 20002.

e. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section at the beginning of the Guide.

f. *Announcements Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(4) *CD Early Redemptions*: This entire section, with the exception of “Associated PBS/PTS functions” and “CD Early Redemptions Contact Numbers,” would be amended and relocated within the Guide.

a. *About the Product*: As noted above, this section would be amended and relocated within the Guide. The section

<sup>19</sup> See Important Notice B3751–16 (June 29, 2016), available at <http://www.dtcc.com/~media/Files/pdf/2016/6/29/3751-16.pdf>; Important Notice B7348 (January 5, 2005), available at [www.dtcc.com/~media/Files/pdf/2005/1/27/7348.pdf](http://www.dtcc.com/~media/Files/pdf/2005/1/27/7348.pdf).

would be modified to replace references to “product” with “service.” The modifications would include changing the title of the section “About the Product” to “About the Service.”

b. *How the Product Works*: As noted above, this section would be amended and relocated within the Guide. The title “How the Product Works” would be changed to “How the Service Works.”

c. *Exempt Instructions*: As noted above, this section would be relocated within the Guide.

d. *Non-Exempt Instructions*: As noted above, this section would be amended and relocated within the Guide. For transparency, it would be modified to note that “[t]he documents must be received by DTC within five days of the instruction otherwise the instruction will drop off the system (*i.e.*, an incomplete instruction) and will have to be reentered into the system to re-initiate the process,” which is the current process.

e. *Issuer Acceptance*: As noted above, this section would be relocated within the Guide.

f. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

g. *CD Early Redemptions Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(5) *Change Mode of Payment (CMOP)*: This entire section, with the exception of “Associated PBS/PTS functions” and “CMOP Contact Numbers,” would be amended and relocated within the Guide.

a. *About the Product*: As noted above, this section would be amended and relocated within the Guide. The title “About the Product” would be changed to “About the Service.”

b. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

c. *CMOP Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(6) *Conversions*: This entire section, with the exception of “Associated PBS/PTS functions” and “Conversions Contact Numbers,” would be amended and relocated within the Guide.

a. *About the Product*: As noted above, this section would be amended and relocated within the Guide. The title “About the Product” would be changed to “About the Service.” The section would be modified to clarify that (i) if entitlements of cash and/or securities is not yet determined at the time of the instruction, DTC may move a Participant’s instructed position into a contra CUSIP until the entitlements are determined, and (ii) the entry on the Participant Daily Activity Statement for conversions is “Conversions (Account #2222/4444).”

b. *About Conversion Features*: As noted above, this section would be relocated within the Guide. The section would be modified to add additional context and to reflect the trend in the industry to use market triggers as a conversion feature. In addition, DTC is proposing to add language that would explain the circumstances in which an entitlement amount would not be determined at the time of the Participant’s instructions, and would further advise that, in these circumstances, Participants would input their instructions through ATOP, rather than the RCNV (PTS).<sup>20</sup>

c. *How the Product Works*: As noted above, this section would be relocated within the Guide. The title “How the Product Works” would be changed to “How the Service Works.” This section would be modified to provide further clarity with respect to circumstances where the amount of the entitlement is undetermined at the time of the Participant’s instruction and to reflect the increased utilization of market triggers for convertibility. DTC is further proposing to delete the sentence “DTC credits these shares to your general free account if an underlying issue is in an interim period. The additional shares are allocated on the due bill redemption date,” because the concept is covered elsewhere in the Guide.

d. *Pledge and Transfer of Underlying Securities by Book Entry*: As noted above, this section would be relocated within the Guide. The section would be modified to clarify that the section relates to conversion instructions submitted to DTC via the PTS RCNV or PBS Reorg Conversion functions, as opposed to through ATOP. In addition,

<sup>20</sup> RCNV is used to submit conversion instructions when the conversion rate(s) and/or new entitlements (securities) are known and the new securities are eligible for DTC services. Participants get immediate use of the securities. PTOP (ATOP) is used to submit conversion instructions when the rate(s) and/or new entitlement(s) is cash, cash or securities or cash and securities, and is unavailable at the time of the instruction. Participants get credited with the entitlements upon receipt from the Issuer/Agent.

the section would be modified to (i) clarify that the conversion process does not complete until DTC receives the securities from the agent, and (ii) alert Participants that DTC will reverse the credits to a Participant’s account for underlying securities if DTC does not receive the underlying securities from the agent promptly.

e. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

f. *Conversions Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(7) *Eurobond Conversions*: This entire section would be amended and relocated within the Guide, amended as discussed below.

a. *About the Product*: As noted above, this section would be amended and relocated within the Guide. The title “About the Product” would be changed to “About the Service.” In addition, references to “product” would be replaced with “service.”

b. *How the Product Works*: As noted above, this section would be amended and relocated within the Guide. The title “How the Product Works” would be changed to “How the Service Works.” For accuracy and because the list does not necessarily remain static, the section would be modified to replace the sentence “A cumulative listing of the securities that qualify for the program appears in DTC’s Monthly Reference Directory” with “To determine whether a security qualifies for the program, contact DTC’s Customer Support Center at 1–888–382–2721 and follow the menu options.”

c. *Important Considerations*: This section would be consolidated with other “Important Considerations” sections into the proposed new “Important Considerations” section. The proposed “Important Considerations” section would reflect a modification to replace a reference to “product” with “service.” In addition, the proposed “Important Considerations” section would replace the statement “DTC will make copy #4 of the Certification of Conversion form from the conversion agent available for you to pick up,” with “DTC will make available via email the agent’s Certification of Conversion form.” This modification would reflect that conversion agents no longer supply hard copy Certification of Conversion forms.

d. *Pledge and Transfer of Eurobond Underlying Securities by Book-Entry*: This section would be amended and relocated within the Guide. The section would be modified to (i) clarify that the conversion process does not complete until DTC receives the securities from the agent, and (ii) alert Participants that DTC will reverse credits to a Participant's account for underlying securities if DTC does not receive the underlying securities from the agent promptly. The section would also be revised to replace an enumeration of "a, b, c, d, and e" with "1, 2, 3, 4, and 5" to conform to the referenced list.

(8) *Hard Copy Procedure for Conversions/Submitting a Hard Copy Conversion Instruction*: These "Hard Copy Procedure" sections would be deleted and replaced by the proposed section "Procedures for Submitting Instructions Outside of PTS/PBS," which would update and consolidate separate hard copy procedures for different event types. In addition, the proposed section would consolidate the "Warning!" statements that currently appear in the separate hard copy procedures sections. Finally, because the proposed section would apply to multiple event types, the section would include a new table that would list the forms for instructions to DTC outside of PTS/PBS. The new table would list the event types, the appropriate instruction form for each event, and the appropriate email address to which the form should be directed.

(9) *Hard Copy Procedure for Warrant Exercises/Exercising a Warrant via Hard Copy*: These "Hard Copy Procedure" sections would be deleted and replaced by the proposed section "Procedures for Submitting Instructions Outside of PTS/PBS," which, as noted above, would update and consolidate separate hard copy procedures for different event types. In addition, the proposed section would consolidate the "Warning!" statements that currently appear in the separate hard copy procedures sections. Finally, because the proposed section would apply to multiple event types, the section would include a new table of forms for instructions to DTC outside of PTS/PBS. The new table would list the event types, the appropriate instruction form for each event, and the appropriate email address to which the form should be directed.

(10) *Hard Copy Procedures for Voluntary Offerings and Put Option Exercises/Overview, Accepting an Offer or Put Option Exercise, and Submitting a Notice of Guaranteed Delivery*: These "Hard Copy Procedure" sections would be deleted and replaced by the proposed section "Procedures for Submitting

Instructions Outside of PTS/PBS," which, as noted above, would update and consolidate separate hard copy procedures for different event types. In addition, the proposed section would consolidate the "Warning!" statements that currently appear in the separate hard copy procedures sections. Finally, because the proposed section would apply to multiple event types, the section would include a new table of forms for instructions to DTC outside of PTS/PBS. The new table would list the event types, the appropriate instruction form for each event, and the appropriate email address to which the form should be directed.

(11) *Hard Copy Procedures for Voluntary Offerings and Put Option Exercises/Accepting an Offer to Tender Securities by Sealed Bids, and Withdrawing an Acceptance*: These "Hard Copy Procedure" sections would be deleted and replaced by the proposed section "Procedures for Submitting Instructions Outside of PTS/PBS," which would consolidate and update the separate hard copy procedures for different event types.

(12) *Mandatory Reorganizations*: This entire section, with the exception of "Associated PBS/PTS functions" and "Mandatory Reorganization Contact Numbers," would be amended and relocated within the Guide.

a. *About the Product*: As noted above, this section would be amended and relocated within the Guide. The title "About the Product" would be changed to "About the Service." The section would be modified for enhanced readability and to add transparency about situations when a mandatory corporate action may be set-up or processed differently.

b. *How the Product Works*: As noted above, this section would be amended and relocated within the Guide. The title "How the Product Works" would be changed to "How the Service Works."

c. *Various Types of Mandatory Reorganizations*: As noted above, this section would be amended and relocated within the Guide. This section would be modified to clarify that the activities that are listed are examples of Mandatory Reorganization events. In addition, the list of event types would be revised for clarity and consistency, and additional event types would be added for enhanced transparency.

d. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed "Associated PTS/PBS and CA Web Functions" section in the beginning of the Guide.

e. *Mandatory Reorganization Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, "Reorganization/Proxy Contact Number."

(13) *Proxy*: For clarity, the title of the section would be changed to "Proxy Announcements."

a. *About the Product*: The title "About the Product" would be changed to "About the Service." The section would be modified to change a reference to "product" with "service," and to update the name of the service. For enhanced clarity, the section would be modified to include general and extraordinary meetings as issuer communications that are supported by Proxy Announcements. In addition, for accuracy, the bullet points for Bankruptcies, Legal notices, and Appraisal or dissenters' rights would be deleted. Announcements for those events are handled by the Reorganizations Announcements group, and not by the proxy announcements group.

b. *How the Product Works*: The title "How the Product Works" would be changed to "How the Service Works." The paragraphs of the section would be reordered. The section would also be modified to (i) add references to CA Web and ISO 20022, (ii) to make ministerial clarifying changes, (iii) to remove a reference to bankruptcy announcement, because bankruptcies would have its own section in the revised Guide, and (iv) remove the sentences "DTC also offers election processing for consent solicitation events via its ATOP (Automated Tender Offer Program) service. Under this service, DTC allows participant instruction on consent solicitation events to be accepted via ATOP and transmitted electronically to balloting agents," because consent solicitations are not processed as part of the proxy service, but rather as part of voluntary reorganization services. In addition, the section would be revised to reflect that Omnibus Proxies are available through DTC's Securities Position Report ("SPR") service for those issuers that are registered for the service. Further, the section would be modified to provide a reminder to Participants that they should make sure that their proxy contact information is up-to-date. Finally, a note about voting securities registered to Cede & Co. that have been withdrawn on or before record date would be updated from requiring microfilm copies of the front and back of the certificate to requiring images (i.e., scanned copies of the front and back of the certificate).

(14) *Proposed “Processing” section:* As part of the proposed restructuring of the Guide, DTC is proposing that the “Processing” section follow the proposed “Proxy Announcements” section in the Guide.

(15) *Proposed “Mandatory Reorganizations” section:* The entire Mandatory Reorganizations section, amended as discussed above, would be moved under the “Processing” heading.

(16) *Proposed “Voluntary Offerings” section:* The Voluntary Offerings section, which appears later in the Guide, would be moved up to follow the proposed Mandatory Reorganization section. The Voluntary Offerings section would be modified, as discussed below.

(17) *About Legal Notices:* This section would be modified for clarity and to remove references to LEPN and the PBS Legal Notice System, because those platform-based functions were superseded by the web-based Legal Notice System (“LENS”).<sup>21</sup> In addition, the section would be modified to clarify that the LENS service is available to both Participants and non-Participants.

(18) *Other Shareholder or Bondholder Services:* This section would be modified to accurately reflect the services offered. Specifically, DTC has not offered “Ratification of Assertion of appraisal of Dissenter’s Rights,” as a discrete service and therefore this language would be deleted. DTC is proposing to add “Confirmation of a position,” as this is a specific service provided by DTC as a part of the shareholder or bondholder service offerings. The section would also be revised to add clarifying language and to provide a website address at which template instructions and letters may be found. Finally, contact information would be deleted, because, as discussed above, contact information would be provided at the beginning of the Guide.

(19) *Dissenters’ Rights/Appraisal Rights:* This section would be revised to state that stockholders may be required to present (and not deposit) share certificates (or in the case of Direct Registration Service (DRS) only securities, a DRS Statement) in connection with their dissent. The purpose of this revision would be to clarify that this is not a DTC requirement, but, rather, may be a required action pursuant to the terms of the merger. The section would also be modified to remove the requirement of an “appraisal rights questionnaire or dissenters’ rights questionnaire.” An “appraisal rights questionnaire or

dissenters’ rights questionnaire” is substantively similar to the required instruction letter and is therefore no longer required. In addition, DTC is proposing to add a note providing a website address at which template instructions and letters may be found.

(20) *Associated PTS/PBS Functions:* This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

(21) *Proxy Contact Numbers:* This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(22) *Puts:* This entire section, except for “Associated PTS/PBS Functions” and “Puts Contact Numbers,” would be amended and relocated within the Guide.

a. *About the Product:* As noted above, this section would be amended and relocated within the Guide. The section would be modified to change a reference to “product” with “service.” In addition, the reference to exercising relinquishments would be deleted. In addition, the provision referencing a relinquishment, “[n]on-option securities based on your position in the contra (relinquishment) security,” would be deleted.

b. *About Puts:* This section would be relocated within the Guide, where it would proceed the proposed “Puts/About the Product” section.

c. *Types of Put Options:* This section would be amended and relocated within the Guide, and would be amended to remove the reference to “Relinquishment” and to add a line item for “Put (Survivor Option).” “Put (Survivor Option)” would be described as “Issue has an early redemption feature. This feature allows the holder to elect to sell bonds back to the issuer on a predetermined basis (excluding monthly) according to specific priorities.”

d. *Exercising Put Options:* This section would be relocated within the Guide. The section would be amended to clarify that “[e]xcept with respect to put options that have an offer to purchase with no withdrawal privilege, you can submit exercise instructions via the PTS PUTS or PBS Put Option Bonds functions. Instructions relating to put options that have an offer to purchase with a withdrawal privilege can be submitted through the PTS PTOP or PBS Voluntary Tenders and Exchanges functions.”

e. *Withdrawing Put Option Instructions:* This section would be

relocated within the Guide, and would be amended to include CA Web and to further clarify that the event details would be available on PTS RIPS, PBS Redemptions and Reorganizations or CA Web.

f. *Rejection of Withdrawal of Put Option Instructions:* This section would be relocated within the Guide, and would be modified to remove the specific reference to how DTC would communicate the rejection, because there are different ways for a Participant to access this information.

g. *Proration of a Repayment Option:* This section would be relocated within the Guide. The text of the section would be deleted and would be replaced by an instruction to refer to “the proration details found in the Proration of an Offer section of the About DTC’s Automated Tender Offer Program (ATOP) topic of this guide.”

h. *Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities:* This section would be consolidated with “About ATOP/Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities,” and “Warrant Exercises/Interest Payments, Dividends, Distributions, and Voting Rights,” into a single proposed section, “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities,” which would appear later in the Guide. The proposed section would reflect the consolidation, and would enumerate the different types of tendered securities for which Cede & Co. may receive property or rights to distribute to Participants. References to specific offer options would be genericized (e.g., the reference to a specific “repayment option period” would be replaced with a more general reference to “corporate action,” and replace a reference to the terms “of a repayment option” with the terms “of an offer”).

i. *Important Considerations:* This section would be consolidated with other “Important Considerations” sections the proposed “Important Considerations” section that would be inserted in the proposed “Instructions/Expirations” section. The eighth bullet, “No legal deposits of the subject security will be accepted from the date of the PTS RIPS or PBS Reorganizations and Redemptions announcement for the duration of the put exercise period” would be deleted because it is inaccurate.<sup>22</sup> The ninth bullet would be removed because it would be covered in the Chills on Reorg Activities section.

<sup>21</sup> See Securities Exchange Act Release No. 62686 (August 10, 2010), 75 FR 50032 (August 16, 2010) (SR-DTC-2010-10).

<sup>22</sup> DTC cannot prevent submission of legal deposits during the put exercise period because the target CUSIP is not chilled for deposits.



The tenth bullet would be deleted because the necessary information would appear in the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section. The proposed section would also eliminate a reference to “relinquishment.” The proposed section would reflect the substance of the consolidated sections, and would, where appropriate, replace the references to specific tenders and designated PTS/PBS functions with generic references.

j. *Associated PTS/PBS Functions:* This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

k. *Puts Contact Numbers:* This section would be deleted because contact information would be provided in the proposed section, “Reorganization/ Proxy Contact Number.”

(23) *Rejection by DTC or the Agent:* This entire section would be relocated within the Guide, as noted above.

a. *Rejection by DTC:* As noted above, this section would be relocated within the Guide.

b. *Rejection by the Agent:* As noted above, this section would be relocated within the Guide.

(24) *Rights Subscriptions:* This entire section, except for “Associated PTS/PBS Functions,” “Rights Subscriptions Contact Numbers,” “Distribution of Underlying Securities,” “Distribution of Sale Proceeds,” “Cancellation of Rights Offer,” and “About the Rights Subscription Instructions PTS/PBS Backup Form,” which would be deleted, would be amended and relocated within the Guide.

a. *About the Product:* As noted above, this section would be amended and relocated within the Guide. The title “About the Product” would be changed to “About the Service.” The section would be modified to change a reference to “product” with “service,” and to update the name of the service. In addition, for accuracy and clarity, the section would be amended to replace a reference to “underlying securities” with “entitlements,” and note that DTC would also allocate refunds when applicable. Further, the final sentence in the section would be updated to add a reference to CA Web.

b. *About Rights:* As noted above, this section would be amended and relocated within the Guide. The last sentence in this section would be updated to add references to CA Web and ISO 20022.

c. *Relevant Terms:* As noted above, this section would be amended and relocated within the Guide. For

enhanced clarity, the term “Cover of Protect,” which refers to “The surrendering of rights for which a previous protect had been submitted as a guarantee of delivery” would be added to the table of relevant terms. For consistency, DTC is proposing to refer to “agent,” rather than a specific type of agent, and would therefore delete the definition of “Subscription Agent (or Issuer’s Agent).”

d. *About DTC’s Automated Subscription Offer Program (ASOP):* As noted above, this section would be amended and relocated within the Guide.

e. *General Information Regarding ASOP:* As noted above, this section would be amended and relocated within the Guide. The section would be modified to include references to CA Web Announcements and ISO 20022.

f. *Subscription Instructions:* As noted above, this section would be amended and relocated within the Guide. The following paragraph would be deleted because DTC would be adding the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section, which would be applicable to Subscription Instructions: “No hardcopy instructions are accepted by DTC unless specifically authorized in advance by the appropriate DTC Reorganization department or Relationship Manager. In the event of a PTS or PBS outage, a backup hard copy form (Rights Subscription Instructions PTS/PBS Backup Form) is available for the purpose of instructing DTC to surrender rights and the required subscription payment (see About the Rights Subscription Instructions PTS/PBS Backup Form). If you experience a PTS or PBS outage, you can alternatively execute and submit the required Notice of Guaranteed Delivery document and subscription payment directly to the agent; a DTC backup hard copy form is not available for this purpose.”

g. *Subscription Payments:* As noted above, this section would be amended and relocated within the Guide. The last sentence in the section would be amended to include references to CA Web and ISO 20022 messages.

h. *Payments with Notices of Guaranteed Delivery:* As noted above, this section would be amended and relocated within the Guide. The last sentence in the section would be amended to include references to CA Web and ISO 20022 messages.

i. *Movement of Underlying Securities:* As noted above, this section would be amended and relocated within the Guide. The section would be modified to add references to contra-CUSIPs,

which may, in certain circumstances be applicable. For clarity, the sentences in the first paragraph of the section would be reordered.

j. *Subscription Sub-Accounts:* As noted above, this section would be amended and relocated within the Guide. The last sentence of this section would be modified to include a reference to CA Web.

k. *Schedule for Submitting Instructions:* As noted above, this section would be amended and relocated within the Guide. The first paragraph of the section would be modified to include references to CA Web Announcements and ISO 20022 messaging. In addition, the table of instructions and PSOP times would be modified to remove the row relating to “Notices of Guaranteed Delivery on the last day of the offer, with deferred subscription payments,” because the information already appears in the note below.

l. *Inquiring About ASOP-Eligible Offers:* As noted above, this section would be amended and relocated within the Guide and would be modified to (i) include references to CA Web and ISO 20022 messaging, and (ii) replace a reference to a “hard copy notice” with “email alert,” as hard copy notices are no longer provided. The section would also be amended to clarify that “[w]ith certain rights subscription events you may be directed to submit your instructions through PTOP.”

m. *Accepting an ASOP-Eligible Offer:* As noted above, this section would be amended and relocated within the Guide. The section would be amended to clarify that “[i]nstructions being submitted to DTC after the DTC cutoff must be approved by, and delivered to, the agent handling the event, prior to submission to DTC.” In addition, the section would be amended to add a reference to CA Web.

n. *Checklist for Submitting an Acceptance:* As noted above, this section would be amended and relocated within the Guide. The section would be amended to clarify, with respect to special representations, that a Participant’s ability to input these representations in specific fields on the PTS PSOP or PBS Rights Subscriptions screen, or in the Comments field, would be based on the terms of the offer. In addition, in respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.”



*o. Submitting a Protect for an ASOP-Eligible Offer:* As noted above, this section would be amended and relocated within the Guide. The section would be amended to clarify that a Participant can cover its protect by “on or before the end of the period, by either delivering securities [the Participant has] on deposit with DTC or having another participant deliver on [the Participant’s] behalf to the agent via the PTS PSOP or PBS Rights Subscriptions function.” In addition, references to “hard copy instructions” would be replaced with “instructions,” so as to include emails, faxes, and other methods of instructions outside of PTS PSOP or the PBS Rights Subscriptions function. In addition, the section would be modified to instruct Participants that “[i]f you intended to submit a protect instruction via PSOP but missed the cutoff for submitting the protect via PSOP it is your responsibility to contact the agent and determine if they will accept an email submission directly. If accepted, the agent will notify DTC and the Participant should submit a Protect Submission Form to DTC via email. DTC will then input the protect submission on behalf of the Participant. The Participant must confirm the protect submission input by DTC is accurate. The Participant will be able to cover the protect opened by DTC.” Further, the section would be amended to include CA Web as a source for viewing a notice of an offer.

*p. Checklist for Submitting a Protect:* As noted above, this section would be amended and relocated within the Guide. The section would be amended to clarify, with respect to special representations, that a Participant’s ability to input these representations in specific fields on the PTS PSOP or PBS Rights Subscriptions screen, or in the Comments field, would be based on the terms of the offer. The section would also be amended to remove the statement that “(The field available for this message is 150 characters in length.)” because it is not directly relevant to the process and is subject to change. In addition, in respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.”

*q. Submitting a Cover of Protect via PTS PSOP or PBS Rights Subscriptions for an ASOP-Eligible Offer:* As noted above, this section would be amended and relocated within the Guide. The section would be amended to clarify that a Participant “cannot subsequently

deliver the securities to the Agent via the PTS PSOP or PBS Rights Subscriptions function unless the instruction was subsequently input by DTC.” In addition, the warning that states “Warning! To be able to cover a protect via PTS PSOP or PBS Rights Subscriptions you must submit protect instructions for ASOP-eligible offers via PTS PSOP or PBS Rights Subscriptions; except as noted in Subscription Instructions, hard copy instructions will not be accepted by DTC on ASOP-eligible offers and, if submitted, will be rejected. DTC may attempt to notify you of the rejection, but DTC has no liability for any failure to notify” would be replaced with a warning that states “Warning! You must accept ASOP-eligible offers via PTS PSOP or PBS Rights Subscriptions; except as noted in Subscription Instructions, instructions outside of PTS/PBS will not be accepted by DTC on ASOP-eligible offers during the period when instructions can be input via PTS PSOP or PBS Rights Subscriptions for ASOP eligible offers and, if submitted, will be rejected. If possible, DTC will attempt to notify you of the rejection, but DTC cannot guarantee such notification.” The purpose of this change would be to clarify that, unless otherwise noted, no instruction would be accepted by DTC while the instruction window is open in PSOP. Finally, the section would be amended to include CA Web as a source for viewing a notice of an offer.

*r. Checklist for Submitting a Cover of Protect via PTS PSOP or PBS Rights Subscriptions:* As noted above, this section would be amended and relocated within the Guide. The section would be modified to remove the first step that reads “submit a Notice of Guaranteed Delivery and the required subscription payment to the subscription agent via PTS PSOP or PBS Rights Subscriptions before the offer expires,” because this is a prerequisite to submitting a cover of protect and is not part of the actual process. DTC is proposing that the first step for a Participant would be to “[v]erify that a Notice of Guaranteed Delivery and the required subscription payment to the agent via PTS PSOP or PBS Rights Subscriptions was submitted and accepted,” so it confirms that the prerequisite occurred prior to submission of the cover. For clarity, the second step would be simplified to instruct a Participant to “[r]etrieve the specific protect instruction you want to cover.” In step four, the sentence stating “See Submitting Cover Protect Instructions Via PTS PSOP or PBS Rights Subscriptions” would be deleted,

as it is duplicative. Step five would be modified to clarify that a Participant can submit more than one instruction to cover the Notice of Guaranteed Delivery as long as the quantity of rights indicated in those instructions does not exceed the original Notice of Guaranteed Delivery quantity, with the total of all cover of protect instructions equaling the amount of the protect submission. Step eight would be amended to replace “PTS POS or PBS Security Position functions” with “Settlement Web” because the POS function has been retired and the functionality is currently available on the Settlement Web. The ninth step would be deleted because a Participant should make its own determination about its document retention procedures.

*s. Submitting a Cover of Protect on Behalf of another Participant:* As noted above, this section would be amended and relocated within the Guide. The section would be modified to add a clarifying warning to Participants that states: “Warning! To be able to cover a protect via PTS PSOP or PBS Rights Subscriptions on behalf of another participant you must submit protects on ASOP-eligible offers via PTS PSOP or PBS Rights Subscriptions or have had a protect submitted directly to the agent via email and subsequently communicated to DTC and input to PSOP by DTC; cover of protect instructions outside of PTS/PBS will not be accepted by DTC on ASOP-eligible offers and, if submitted, will be rejected. If possible, DTC will attempt to notify you of the rejection, but cannot guarantee such notification.” Further, the section would be amended to include CA Web as a source for viewing a notice of an offer.

*t. Checklist for Submitting a Cover of Protect on Behalf of another Participant:* As noted above, this section would be amended and relocated within the Guide. The section would be modified to amend the second step in the checklist to clarify that a Participant should enter and transmit an instruction to surrender rights and cover the protect via PTS PSOP or PBS Rights Subscriptions “during the period when cover of protect submissions can be input.” The fifth step would be amended for clarity and readability. The sixth step would be deleted because a Participant should make its own determination about its document retention procedures. Further, with respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report

(CAST) will be able to verify instructions status on the message.”

u. *Surrendering Rights for Sale via ASOP*: As noted above, this section would be amended and relocated within the Guide. The section would be amended to include CA Web as a source for viewing a notice of an offer.

v. *Checklist for Submitting Sell Instructions*: As noted above, this section would be amended and relocated within the Guide. The section would be amended by modifying the seventh step in the checklist for clarity and readability, and to provide that, with respect to an acknowledgement message regarding the acceptance, “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.” The eighth step would be deleted because a Participant should make its own determination about its document retention procedures.

w. *Rejection of Acceptances, Covers of Protects, or Sell Instructions*: As noted above, this section would be relocated within the Guide.

x. *Distribution of Underlying Securities*: This section would be deleted because it would be addressed in the proposed Allocations section.

y. *Distribution of Sale Proceeds*: This section would be deleted because it would be addressed in the proposed Allocations section.

z. *Cancellation of Rights Offer*: This section would be deleted because it would be addressed in the proposed Allocations section.

aa. *About the Rights Subscription Instructions PTS/PBS Backup Form*: As discussed above, the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” would replace the “Hard Copy Procedure for Conversions/ Submitting a Hard Copy Conversion Instruction,” “Hard Copy Procedure for Warrant Exercises/ Exercising a Warrant via Hard Copy,” “Hard Copy Procedures for Voluntary Offerings and Put Option Exercises,” and “About the Rights Subscription Instructions PTS/PBS Backup Form” sections.

bb. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

cc. *Rights Subscriptions Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(25) *Voluntary Offerings*: This entire section would be amended and

relocated within the Guide, as discussed above.

a. *About the Product*: As noted above, this section would be amended and relocated within the Guide. The title “About the Product” would be replaced with “About the Service.” The section would be modified to streamline language and to reference CA Web as a source of information on voluntary offers. Further, the section would be modified to delete references to specific types of voluntary reorganizations in the first paragraph and provide a new table of various examples of voluntary reorganizations and descriptions of each. In addition, the last two paragraphs of the section would be deleted because one of the paragraphs is inaccurate, and the second because it is always the responsibility of a Participant to confirm that their transactions were properly processed and recorded. Finally, the section would be modified to insert the following language for additional context:

“Voluntary offerings are in the form of either (1) issuer or third party offers (e.g., tender, exchange, merger with elections), (2) offers that reflect the attributes of the security (e.g., Right, Convertible Security, Put Bond or Warrant) and (3) certain consent-only solicitations (which do not require securities being forwarded to the agent and may not include collecting and allocating proceeds to you). In addition, this service may require certifications as part of the acceptance of an offer (instruction process) and could include provisions such as conditional tenders and odd-lots.”

b. *Proposed “Additional Processes Associated with Reorganization Events” heading*: For clarity, DTC is proposing to insert the heading “Additional Processes Associated with Reorganization Events.”

c. *Proposed “Pledged Securities” section*: The “Pledged Securities” section, amended as discussed above, would be moved under the proposed “Additional Processes Associated with Reorganization Events” heading.

d. *Proposed “Segregated Securities” section*: The “Segregated Securities” section, amended as discussed above, would be moved under the proposed “Pledged Securities” section.

e. *Proposed “Reorganization (RRG) Segregated Account” section*: The “Reorganization (RRG) Segregated Account” section, amended as discussed above, would be moved under the proposed “Segregated Securities” section.

f. *About Contra-CUSIPs*: No change.

g. *Pledge of Contra-Securities*: The section would be amended to clarify

that, for the purpose of its pledge, the contra-securities represent a Participant’s rights through DTC to receive from the agent the cash “and/or security” payments based on the “rate or accepted” bid and/or the return of some or all of the surrendered securities in accordance with the terms of the offer.

h. *Solicitation Fees and Transfer Taxes*: This section would be relocated within the Guide. The section would be modified to include references to CA Web Announcements and ISO 20022 messaging.

i. *Proposed “Chills on Reorg Activities” section*: The “Chills on Reorg Activities” section, amended as discussed above, would be moved under the “Pledge of Contra-Securities” section.

j. *Proposed “Frozen Letters” section*: The “Frozen Letters” section, amended as discussed above, would be moved under the proposed “Chills on Reorg Activities” section.

k. *Proposed “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities” section*: The “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities” section, amended as discussed above and below, would be moved under the proposed “Frozen Letters” section.

(26) *Proposed “INSTRUCTIONS/ EXPIRATIONS” section*: As part of the proposed restructuring of the Guide, DTC is proposing that a “INSTRUCTIONS/EXPIRATIONS” section follow the “Voluntary Offerings” section in the Guide.

a. *Relevant Terms*: As discussed above, for consistency, DTC is proposing to refer to “agent,” rather than a specific type of agent, and would therefore delete the definitions of “Tender Agent” and “Information Agent.”

b. *Proposed “Important Considerations” section*: As discussed above and below, the other “Important Considerations” sections, including the proposed amendments, would be consolidated into the proposed “Important Considerations” section, which would be inserted under the “Relevant Terms” section.

c. *About DTC’s Automated Tender Offer Program (ATOP)*: This section would be modified to replace a reference to “product” with “service,” and to delete references to CCF II and MDH. The section would also be modified to clarify that ATOP allows a Participant to submit instructions on Consent Solicitation events for transmission to balloting agents. Further, the section would be amended

to include CA Web as a source for viewing information about an offer.

d. *Inquiring About ATOP-Eligible Offers:* This section would be modified to (i) include references to CA Web and ISO 20022 messaging, (ii) delete a reference to a “hard copy notice,” as hard copy notices are no longer provided, and add “email alert,” and (iii) delete the bullet “A PTS RIPS or PBS Reorganizations and Redemptions notice through CCF,” because CCF corporate action announcement files were retired as of December 31, 2018. The section would also be amended to remind Participants that they should take note of (i) any special conditions of the offer, such as the existence of odd-lot preference or the ability to submit a conditional acceptance, and the price range and permissible increments on bid price tenders, as well as “early expirations associated with a premium or consent,” and “If a withdrawal of a previously submitted instruction is part of the offer and the timeframes for requesting the withdrawal.”

e. *Accepting an ATOP-Eligible Offer:* The reference to “Submitting a VOI” would be deleted because that section does not appear in the Guide. In addition, the warning in this section would be modified to clarify that DTC will not accept any instructions outside of ATOP during the period when the instruction window is open on ATOP. Further, the section would be amended to include CA Web as a source for viewing a notice of an offer. Finally, the reference to “Hard Copy Procedures for Voluntary and Put Options” would be replaced with “Submitting a Protect for an ATOP-Eligible Offer,” in order to conform to other proposed changes.

f. *Checklist for Submitting an Acceptance:* The section would be amended to clarify, with respect to the second step regarding special representations, that a Participant’s ability to input these representations in specific fields on the PTS PTOPT or PBS Voluntary Tenders and Exchanges screen, or in the Comments field, would be based on the terms of the offer. With respect to comments, the statement that “[t]he field available for this message is 67 characters in length” would be deleted because it is not directly relevant to the process and is subject to change. The third step would be modified to clarify that a Participant should enter and transmit the acceptance via PTS PTOPT or PBS Voluntary Tenders and Exchanges “during the period when submissions can be input via PTS or PBS for ATOP eligible offers.” The reference to “Submitting a VOI” would be deleted because that section does not appear in

the Guide. In the fourth step, a reference to the Viewing VOI Details section would be deleted because that section does not appear in the Guide. In the fifth step, the reference to a “PTS/PBS” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message on various platforms. In addition, in respect to an acknowledgement message regarding the acceptance of an instruction, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.” Finally, in the sixth step, the reference to a “PTS PTOPT or PBS Voluntary Tenders and Exchanges” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message through various platforms.

g. *Submitting a Protect for an ATOP-Eligible Offer:* The section would be amended to clarify that (i) an offer has to include a guaranteed delivery option in order for a Participant to submit a protect, and (ii) a Participant can cover its protect “on or before the end of the period, by either delivering securities [the Participant has] on deposit with DTC or having another participant deliver on [the Participant’s] behalf to the subscription agent via the PTS PTOPT or PBS Voluntary Tenders and Exchanges functions.” Further, the warning would be amended to clarify the parameters of submitting an email submission to DTC. The reference to the “Submitting a Protect” section would be replaced with a reference to the “Submitting a Cover of Protect.” The warning would state: “Warning! You must submit Notices of Guaranteed Delivery on ATOP-eligible offers via PTS PTOPT or PBS Voluntary Tenders and Exchanges; hard copy instructions outside of PTS/PBS will not be accepted by DTC on ATOP-eligible offers during the period when protect submissions can be input via PTOPT for ATOP eligible offers and, if submitted during this period, will be rejected. If possible, DTC will attempt to notify you of the rejection, but cannot guarantee such notification. If you intended to submit a protect instruction via PTOPT but missed the cutoff for submitting the protect via PTOPT, it is your responsibility to contact the agent and determine if they will accept an email submission directly. If accepted, the agent will notify DTC and the Participant should email a Protect Submission Form to DTC. DTC will then input the protect submission on behalf of the Participant.

The Participant must confirm the protect submission input by DTC is accurate.” In addition, references to “hard copy instructions” would be replaced with “instructions,” in order to include emails, faxes, and other methods of instructions outside of PTS PTOPT or the PBS Voluntary Tenders and Exchanges function. In addition, the section would be amended to include CA Web as a source for viewing information about an offer.

h. *Checklist for Submitting a Protect:* The section would be amended to clarify, with respect to special representations, that a Participant’s ability to input these representations in specific fields on the PTS PTOPT or PBS Voluntary Tenders and Exchanges screen, or in the Comments field, would be based on the terms of the offer. In addition, with respect to comments, the statement that “[t]he field available for this message is 67 characters in length” would be deleted because it is not directly relevant to the process and is subject to change. The section would be modified to amend the second step to clarify that a Participant should enter and transmit an instruction to surrender rights and cover the protect via PTS PTOPT or PBS Voluntary Tenders and Exchanges functions “during the period when cover of protect submissions can be input.” Further, a reference to the Viewing VOI Details section would be deleted because that section does not appear in the Guide. In addition, the references to a “PTS/PBS” or “PTS PTOPT or PBS Voluntary Tenders and Exchanges” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message on various platforms. Finally, in respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.”

i. *Submitting a Cover of Protect via PTS PTOPT or PBS Voluntary Tenders and Exchanges for an ATOP-Eligible Offer:* The section would be modified to replace a reference to “hard copy instructions” with the generic “instructions,” to conform the language with the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section. The section would also be modified to clarify that instructions outside of PTS PTOPT or the PBS Voluntary Tenders and Exchanges function would not be accepted while the instruction window is open. In addition, the section would be amended

to include CA Web as a source for viewing information about an offer.

j. *Checklist for Submitting a Cover of Protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges*: The section would be modified to remove the first step that reads “Submit a Notice of Guaranteed Delivery to the tender agent via PTOPTOP before the offer expires,” because this is a prerequisite to submitting a cover of protect and is not part of the actual process. DTC is proposing that the first step state that a Participant “[v]erify that a protect instruction was submitted and accepted,” so that a Participant confirms that the prerequisite occurred prior to submission of the cover. The section would be amended to add a step that would remind Participants to “[v]erify the existence of sufficient position being available to cover the protect instruction position.” For clarity, the following step would be simplified to instruct a Participant to “[r]etrieve the specific protect instruction you want to cover.” The next step would be amended to clarify that a Participant should “[e]nter and transmit an instruction to surrender securities and cover the protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges during the period when cover of protect submissions can be input,” and would add a reference to the Cover of Protect on Behalf of Another Participant section, if another participant is covering the protect on the Participant’s behalf. Further, a reference to the Viewing VOI Details section would be deleted because that section does not appear in the Guide. In the subsequent steps, the reference to a “PTS/PBS,” “PBS,” or “PTOPTOP” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message on various platforms. In addition, in respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.” Finally, in the sixth step, the reference to a “PTS PTOPTOP or PBS Voluntary Tenders and Exchanges” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message through various platforms.

k. *Submitting a Cover of Protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges on Behalf of Another Participant*: The section would be modified to replace a reference to “hard copy instructions” with the generic “instructions,” to conform the language

with the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section. In addition, the warning language would be amended to conform with existing practice. The proposed warning would read: “Warning! To be able to cover a protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges on behalf of another participant you must submit protects on ATOP-eligible offers via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges; hard copy or have had a protect submitted directly to the agent via email and subsequently communicated to DTC and input to PTOPTOP by DTC; cover of protect instructions outside of PTS/PBS will not be accepted by DTC on ATOP-eligible offers and, if submitted, will be rejected. If possible, DTC will attempt to notify you of the rejection, but cannot guarantee such notification.” Further, the section would be amended to include CA Web as a source for viewing a notice of an offer.

l. *Checklist for Submitting a Cover of Protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges on Behalf of Another Participant*: The section would be modified by deleting a reference to the Viewing VOI Details section because that section does not appear in the Guide. In addition, references to a “PTS/PBS” or “PBS” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message on various platforms. In addition, in respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.”

m. *Withdrawing an Acceptance of an ATOP-Eligible Offer*: The section would be modified to replace a reference to “hard copy instructions” with the generic “instructions,” to conform the language with the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section. In addition, the warning language would be amended for clarification. The proposed warning would read: “Warning! You must submit withdrawals of acceptances on ATOP-eligible offers via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges; withdrawals outside PTS/PBS will not be accepted by DTC on ATOP-eligible offers during the period when withdrawal of instructions can be input, and, if submitted, will be rejected. If possible, DTC will attempt to notify you of the rejection, but cannot guarantee such notification.”

n. *Checklist for Withdrawing an Acceptance*: The section would be

modified by deleting references to the Viewing VOI Details section because that section does not appear in the Guide. In addition, references to a “PTS/PBS” or “PTS PTOPTOP or PBS Voluntary Tenders and Exchanges” message would be replaced by a generic reference to a “message” because Participants can access the acknowledgement message on various platforms. Further, in respect to an acknowledgement message regarding the acceptance, the section would be modified to provide that “Participants that subscribe to the ISO 20022 Instruction Statement Report (CAST) will be able to verify instructions status on the message.”

o. *About Rejections of Acceptances and Covers of Protects*: This section would be retitled “About Rejections of Instructions” in order to encompass acceptances via Notices of Guaranteed Delivery.

p. *Proration of an Offer*: This section would be modified to enhance transparency of the process and to clarify what would happen to unaccepted positions.

q. *Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities*: As discussed above, this section would be consolidated with “Puts/Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities,” and “Warrant Exercises/Interest Payments, Dividends, Distributions, and Voting Rights,” into a single proposed section by the same name, “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities,” which would appear later in the Guide.

r. *Available Reports*: This section would be modified to delete references to CCF II and MDH, and to include references to CA Web and ISO 20022 Announcement messages. The sentence “Allocation information is available through all of the normal cash and position inquiries such as the PBS functions PTS SDAR or PBS Reorg/Redemptions/Dividend Allocations, PTS POS or PBS Security Position, PTS PART or Participant Activity Research and PTS ART or PBS Activity Research Tool” would be replaced with the following sentence: “Allocation information is available through the Reorganization Cash/Stock Settlement Lists and the Participant Daily Activity Statement.” The purpose of this proposed change is to remove references to functions (PTS POS or PBS Security Position and PTS ART or PBS Activity

Research Tool) that have been migrated to the Settlement Web.<sup>23</sup>

s. *Important Considerations*: This section would be consolidated with the other “Important Considerations” sections into the proposed “Important Considerations” section that would be inserted in the proposed “Instructions/Expirations” section, as discussed above. The proposed section would reflect the substance of the consolidated sections, and would, where appropriate, replace references to specific tenders and designated PTS/PBS functions with generic references.

t. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

u. *Voluntary Offerings Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

v. *Proposed “Voluntary Offers Representing Attributes of the Security (processed via various functions)” section*: This proposed section would be added in order to provide direction as to which PTS function to use for submitting voluntary instructions in connection with securities with specific attributes.

(27) *Proposed “Conversions” section, including the proposed “About the Service,” “About Conversion Features,” “How the Service Works,” and “Pledge and Transfer of Underlying Securities by Book-Entry” sections*: These proposed sections, as discussed above, would be inserted after the proposed “Voluntary Offers Representing Attributes of the Security (processed via various functions)” section.

(28) *Proposed “Eurobond Conversions” section, including the proposed “About the Service,” “How It Works,” “Important Considerations,” and “Pledge and Transfer of Eurobond Underlying Securities by Book-Entry” sections*: These proposed sections, as discussed above, would be inserted after the proposed “Conversions” sections.

(29) *Proposed “Puts” section, including the proposed “About Puts,” “About the Service,” “Types of Put Options,” “Exercising Put Options,” “Withdrawing Put Options,” “Rejection of Withdrawal of Put Option Instructions,” and “Proration of Repayment Option” sections*: These proposed sections, as discussed above,

would be inserted after the proposed “Eurobond Conversions” sections.

(30) *Proposed “Rejection by DTC or Agent” section, including the proposed “Rejection by DTC,” and “Rejection by the Agent” sections*: These proposed sections, as discussed above, would be inserted after the proposed “Puts” sections.

(31) *Proposed “Rights Subscriptions,” including the proposed “About the Service,” “About Rights,” “Relevant Terms,” “About DTC’s Automated Subscription Offer Program (ASOP),” “General Information Regarding ASOP,” “Subscription Instructions,” “Subscription Payments,” “Payments with Notices of Guaranteed Delivery,” “Movement of Underlying Securities,” “Subscription Sub-Accounts,” “Schedule for Submitting Instructions,” “Inquiring About ASOP-Eligible Offers,” “Accepting an ASOP-Eligible Offer,” “Checklist for Submitting an Acceptance,” “Submitting a Protect for an ASOP-Eligible Offer,” “Checklist for Submitting a Protect,” “Submitting a Cover of Protect via PTS PSOP or PBS Rights Subscriptions for an ASOP-Eligible Offer,” “Checklist for Submitting a Cover of Protect via PTS PSOP or PBS Rights Subscriptions,” “Submitting a Cover of Protect via PTS PSOP or PBS Rights Subscriptions on Behalf of Another Participant,” “Checklist for Submitting a Cover of Protect via PTS PSOP or PBS Rights Subscriptions on Behalf of Another Participant,” “Surrendering Rights for Sale via ASOP,” “Checklist for Submitting Sell Instructions,” and “Rejection of Acceptances, Covers of Protects, or Sell Instructions” sections*: These proposed sections, as discussed above, would be inserted after the proposed “Rejection by DTC or Agent” section.

(32) *Warrant Exercises*: No changes would be made to this title.

a. *About the Product*: This section would be retitled “About the Service” and references to “product” would be replaced with “service.” The section would also be modified to (i) clarify that warrants could be exercised as a cash or cashless exercise, if part of the relevant offer, and to make conforming changes, and (ii) delete the bullets for “Notify you of upcoming expirations and record dates for warrant exercises” because it would be covered by the proposed bullet “Announce key terms and dates related to the warrant as provided by the issuer and/or agent.”

b. *Interest Payments, Dividends, Distributions, and Voting Rights*: As discussed above, this section would be consolidated with the “Puts/Interest Payments, Dividends, Distributions, and

Voting Rights for Tendered Securities” section and the “About ATOP/Interest Payments, Dividends, Distributions, and Voting Rights” section into a single proposed section, also named “Interest Payments, Dividends, Distributions, and Voting Rights for Tendered Securities,” which would appear later in the Guide.

c. *About Warrants*: No changes would be made to this section.

d. *How the Product Works*: The section would be retitled “How the Service Works.” In addition, a reference to the “Hard Copy Procedure for Warrant Exercises” section would be replaced by a reference to the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section.

e. *Pledge and Transfer of Underlying Securities by Book-Entry*: Ministerial changes only.

f. *Interest Payments, Dividends, Distributions, and Voting Rights*: This section would be deleted because it is duplicative of the earlier “Warrant Exercises/Interest Payments, Dividends, Distributions, and Voting Rights” section.

g. *Associated PTS/PBS Functions*: This section would be deleted because the information would be updated and included in the proposed “Associated PTS/PBS and CA Web Functions” section in the beginning of the Guide.

h. *Warrant Exercises Contact Numbers*: This section would be deleted because contact information would be provided in the proposed section, “Reorganization/Proxy Contact Number.”

(33) *Proposed “Procedures for Submitting Instructions Outside of PTS/PBS” section*: As discussed above, the proposed “Procedures for Submitting Instructions Outside of PTS/PBS” would replace the “Hard Copy Procedure for Conversions/Submitting a Hard Copy Conversion Instruction,” “Hard Copy Procedure for Warrant Exercises/Exercising a Warrant via Hard Copy,” “Hard Copy Procedures for Voluntary Offerings and Put Option Exercises,” and “About the Rights Subscription Instructions PTS/PBS Backup Form” sections.

(34) *Reorganization Presentments for MMI Issues*: Ministerial changes only.

(35) *Proposed “CD Early Redemptions” section, including the proposed “About the Service,” “How the Service Works,” “Exempt Instructions,” “Non-Exempt Instructions,” and “Issuer Acceptance” sections*: These proposed sections, as discussed above, would be inserted after under the Reorganization Presentments for MMI Issues section.

(36) *Proposed “Change Mode of Payment (CMOP)” section, including the*

<sup>23</sup> See Securities Exchange Act Release No. 63936 (February 22, 2011), 76 FR 10628 (February 25, 2011) (SR-DTC-2011-03).

proposed “About the Service” section: The Change Mode of Payment (CMOP)/About the Product sections, amended as discussed above, would be moved under the Proposed “CD Early Redemptions/Issuer Acceptance” section.

(37) *Proposed “Allocations” section, including the proposed “About Allocations” section:* These proposed sections, as discussed above, would be inserted under the proposed “Change Mode of Payment (CMOP)/About the Service” section.

(38) *Proposed “Solicitation Fees and Transfer Taxes” section:* This section, as discussed above, would be inserted after under the proposed “About Allocations” section.

## 2. Statutory Basis

DTC believes that this proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, DTC believes that this proposal is consistent with Section 17A(b)(3)(F)<sup>24</sup> of the Act and Rule 17Ad-22(e)(23)(i),<sup>25</sup> as promulgated under the Act, for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, *inter alia*, that the DTC Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>26</sup> DTC believes that the proposed rule change with respect to the migration of Reorganizations processing functions from PTS/PBS to CA Web is consistent with this provision of the Act because it would migrate Reorganizations functions to a more flexible interface that utilizes market standard language and incorporates the entire lifecycle of an event into one platform. By providing Participants with more efficient access to reorganization services and a broader view of a reorganization event, DTC believes that the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions relating to Reorganizations, consistent with Section 17A(b)(3)(F) of the Act.<sup>27</sup>

DTC believes that the proposed rule change with respect to the restructuring, streamlining, and clarification of the Guide is consistent with Section 17A(b)(3)(F) of the Act.<sup>28</sup> DTC believes that the proposed rule change would enhance the clarity and transparency of the Guide, which would allow a

Participant to more efficiently conduct its business in connection with processing reorganization events. Therefore, DTC believes that the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions related to Reorganizations, consistent with Section 17A(b)(3)(F) of the Act.<sup>29</sup>

Rule 17Ad-22(e)(23)(i) under the Act requires, *inter alia*, that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to publicly disclose all relevant rules and material procedures.<sup>30</sup> DTC believes that the proposed rule change with respect to the restructuring, streamlining, and clarification of the Guide would enhance the transparency and clarity of the Guide. Having clear and transparent provisions about the DTC Reorganizations services would enable Participants to better understand the processes and provide Participants with increased predictability and certainty regarding their rights and obligations with respect to their use of the services. Therefore, DTC believes that the proposed rule changes with respect to the restructuring, streamlining, and clarification of the Guide are consistent with Rule 17Ad-22(e)(23)(i) under the Act, cited above.

### (B) Clearing Agency’s Statement on Burden on Competition

DTC believes that the proposed rule change with respect to the migration of Reorganizations processing functions from PTS/PBS to CA Web may have an impact on competition, because it would facilitate a more efficient process for communicating and processing Reorganizations information.<sup>31</sup> Having a more efficient process could promote competition by potentially reducing Participants’ operating costs. In addition, CA Web is an existing DTC platform that all Participants are required to use to access other types of services, including Distributions and Redemptions processing, and so would not affect the rights and obligations of any Participant. Therefore, DTC believes that the proposed rule change with respect to the migration of functions from PTS/PBS to CA Web may promote competition but would not create a burden on competition.<sup>32</sup>

DTC believes that the proposed rule changes with respect to restructuring, streamlining, and clarifying the Guide

would not have an impact on competition.<sup>33</sup> The proposed rule change would enhance the clarity and transparency of the Guide to better reflect DTC’s Reorganizations services and practices. Improving the clarity and transparency of the DTC Rules and Procedures, including the Guide, would help Participants to better understand their rights and obligations regarding DTC services, and so would not affect the rights and obligations of any Participant or other interested party.

### (C) Clearing Agency’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments relating to the proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

## III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>34</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>35</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

### Electronic Comments

- Use the Commission’s internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2019-003 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR-DTC-2019-003. This file number should be included on the

<sup>24</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>25</sup> 17 CFR 240.17Ad-22(e)(23)(i).

<sup>26</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> 17 CFR 240.17Ad-22(e)(23)(i).

<sup>31</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>35</sup> 17 CFR 240.19b-4(f).



subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2019-003 and should be submitted on or before June 27, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Eduardo A. Aleman,**  
Deputy Secretary.

[FR Doc. 2019-11802 Filed 6-5-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86003; File No. 013-00112]

### Initial Form ATS-N Filing; Notice of Extension of Commission Review Period

June 3, 2019.

On February 8, 2019, Luminex ATS filed an initial Form ATS-N ("Form ATS-N") with the Securities and Exchange Commission ("Commission"). Pursuant to Rule 304 under the Securities and Exchange Act of 1934 ("Act"), the Commission may, after notice and an opportunity for hearing, declare an initial Form ATS-N

ineffective no later than 120 days from the date of filing with the Commission, or, if applicable, the extended review period. June 8, 2019 is 120 calendar days from the date of filing. Pursuant to Rule 304(a)(1)(iv)(B), the Commission may extend the initial Form ATS-N review period for up to an additional 120 calendar days if the initial Form ATS-N is unusually lengthy or raises novel or complex issues that require additional time for review.

Luminex ATS was operating pursuant to an initial operation report on Form ATS on file with the Commission as of January 7, 2019.<sup>1</sup> Luminex ATS filed an initial Form ATS-N on February 8, 2019. During the initial 120 calendar day review period, the Commission staff has been reviewing the disclosures on Luminex ATS's initial Form ATS-N. In addition, the staff has been engaged in ongoing discussions with Luminex ATS about its disclosures and manner of operations, as well as the requirements of Form ATS-N, to facilitate complete and comprehensible disclosures that reflect the complexities of those operations.

Form ATS-N requires NMS Stock ATSs to file with the Commission, and disclose to the public for the first time, certain information, including descriptions by the NMS Stock ATSs of their fees, the trading activities by their broker-dealer operators and their affiliates in the NMS Stock ATSs, their use of market data, their written standards for granting access to trading on the NMS Stock ATSs, and their written safeguards and procedures for protecting their subscribers' confidential trading information required by revised Rule 301(b)(10) of Regulation ATS. The initial Form ATS-N disclosures and discussions with Commission staff have revealed complexities about the operations of Legacy NMS Stock ATSs including, among other things, matching functionalities, means of order entry, order interaction and execution procedures, conditional order processes, segmentation of orders, and counterparty selection protocols. The Commission staff needs additional time to review novel and complex issues such as these, which Commission staff has discussed with Luminex ATS. Extending the initial Form ATS-N Commission review period for an additional 120 calendar days will provide Commission staff an opportunity to continue its review of the

<sup>1</sup> An NMS Stock ATS (as defined in Rule 300(k) of Regulation ATS) that was operating pursuant to an initial operation report on Form ATS on file with the Commission as of January 7, 2019 is a "Legacy NMS Stock ATS." 17 CFR 242.301(b)(2)(viii).

initial Form ATS-N disclosures and discussions with Luminex ATS.

In the conversations between Luminex ATS and Commission staff about the initial Form ATS-N disclosures and the ATS operations, Commission staff and Luminex ATS have discussed a potential amendment to update Luminex ATS's disclosures regarding the complexities of its operations. Extending the review period will enable the NMS Stock ATS to amend its disclosures, if appropriate, and allow Commission staff to conduct a thorough review of amendments to the initial disclosures provided on the initial Form ATS-N.

For the reasons given above, the Commission is extending the review period of the initial Form ATS-N submitted by Luminex ATS. Accordingly, pursuant to Rule 304(a)(1)(iv)(B), October 6, 2019 is the date by which the Commission may declare the initial Form ATS-N submitted by Luminex ATS ineffective.

By the Commission.

**Eduardo A. Aleman,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86015; File No. 013-00105]

### Initial Form ATS-N Filing; Notice of Extension of Commission Review Period

June 3, 2019.

On February 8, 2019, Instinet CBX filed an initial Form ATS-N ("Form ATS-N") with the Securities and Exchange Commission ("Commission"). Pursuant to Rule 304 under the Securities and Exchange Act of 1934 ("Act"), the Commission may, after notice and an opportunity for hearing, declare an initial Form ATS-N ineffective no later than 120 days from the date of filing with the Commission, or, if applicable, the extended review period. June 8, 2019 is 120 calendar days from the date of filing. Pursuant to Rule 304(a)(1)(iv)(B), the Commission may extend the initial Form ATS-N review period for up to an additional 120 calendar days if the initial Form ATS-N is unusually lengthy or raises novel or complex issues that require additional time for review.

Instinet CBX was operating pursuant to an initial operation report on Form ATS on file with the Commission as of

<sup>36</sup> 17 CFR 200.30-3(a)(12).