

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of February 7, 2000.

A closed meeting will be held on Wednesday, February 9, 2000 at 11:00 a.m.

Commissioner Unger, as duty officer, determined that no earlier notice thereof was possible.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(A) and (10), permit consideration for the scheduled matters at the closed meeting.

Commissioner Unger, as duty officer, voted to consider the item listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Wednesday, February 9, 2000 is: **amicus participation.**

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The office of the Secretary at (202) 942-7070.

Dated: February 2, 2000.

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42366; File No. SR-DTC-00-01]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to an Interpretation of an Existing Rule Pertaining to the Direct Registration System

January 28, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 20, 2000, 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 primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interest parties.

I. Self-Regulatory Organization's Statement of the Terms of substance of the Proposed Rule Change

The proposed rule change provides an interpretation of DTC's rule relating to the Profile Modification System feature of the Direct Registration System facility.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to provide an interpretation with respect to the meaning of DTC's current rule relating to the administration of the Direct Registration System ("DRS") facility and the Profile

Modification System ("Profile"), a specific feature of the DRS facility.³ Under DTC's rule, only those DRS limited participants⁴ who "implement Profile" are allowed to make additional securities eligible for inclusion in DRS.⁵ With this filing, DTC is interpreting the phrase "implements Profile" to be satisfied when a DRS limited participant enters into a written agreement with DTC stating that the DRS limited participant will continue to use DRS, including Profile, when Profile becomes operational. DTC will make Profile operational using either an electronic medallion program⁶ or a screen-based indemnity.⁷

In the case of a screen-based indemnity, before an instruction relating to a customer's DRS position is permitted to be sent via DRS to the DRS limited participant, a DTC participant would have to agree to a screen-based indemnity in substantially the following form:

(1) Participant represents that it has customer authority for the request appearing on the following screen and that all information shown is accurate and complete, except that, with respect to the taxpayer identification number included in such information, to the best knowledge of participant, such information is accurate and complete; and

(2) Participant indemnifies the issuer and its transfer agent against any breach of such representations in connection with the transaction that is the subject of such request.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁸

³ For a description of the DRS facility administered by DTC, see Securities Exchange Act Release No. 37931 (November 7, 1996), 61 FR 58600 (November 15, 1996) [File No. SR-DTC-96-15] (order relating to the establishment of DRS); Securities Exchange Act Release No. 41862 (September 10, 1999), 64 FR 51162 (September 21, 1999) [file No. SR-DTC-99-16] (order relating to implementation of the Profile Modification System).

⁴ A DRS Limited Participant is a transfer agent who is permitted under DTC rules to facilitate DRS transactions. Securities Exchange Act Release No. 37931 (November 7, 1996), 61 FR 58600 (November 15, 1996) [File No. SR-DTC-96-15].

⁵ *Id.*

⁶ Representatives of the New York Stock Exchange, which operates the Medallion Stamp Program (a signature guarantee program), the Securities Transfer Association, the Securities Industry Association, and issuers have been negotiating in order to implement an electronic medallion program. Such an electronic medallion program would operate under a mutually agreed-upon indemnification agreement that would address the risks undertaken by the respective parties participating in transferring customer positions in DRS.

⁷ DTC will be submitting to the Commission in the near future a proposed rule change to implement Profile.

⁸ 15 U.S.C. 78q-1.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by DTC.