Cost Basis Steering Committee Meeting Minutes

Date: March 15, 2010
Time: 10 a.m. – 11 a.m.

I. Approval of March 1, 2010 meeting minutes

- One small change to the previous meeting minutes: the last item in the minutes said the next meeting was on March 1, 2010; the minutes will be changed to say the next meeting will meet on March 15, 2010

II. Finalizing the record layouts

- New field since previous meeting: **Employee Plan Shares Indicator**
  - Transfer agents requested this field to further help to identify lots with the following two values: Qualified Employee Stock Purchase Plan; Incentive Stock Option Plan
  - The committee discussed how and if this field will be used, with particular concern that the field is optional. Due to tight time constraints, the group decided to leave the field as optional, with the two values above, for now. The committee will revisit this issue in the future and put more rules around the field if necessary.
  - It is also possible that the field will not be used at all. But, since leaving the field in the record layouts is easier than taking it out and putting it back in at a later time, the field will remain as is
- A question came up about system rejects. DTCC clarified that if a tax lot record is rejected by the system, CBRS will also reject the corresponding asset record and any other tax lots, if applicable

- **DTCC will accept comments on the record layouts through Friday, March 19, 2010. As of that date, DTCC will consider a lack of comment to be consent from committee members that the record layouts are acceptable as is**

III. Communicating system changes to the industry

- DTCC discussed the communication strategy to inform the industry about system changes. DTCC will use the methods below (DTCC is still discussing the strategy internally, so these ideas are subject to change):
  - Important notice with a summary of the new system and new record layouts
    - DTCC will include the important notice with the deposit packages sent to Transfer Agents
  - "Webcast" provided on DTCC's website, to explain system changes and the record layouts. The session will be pre-recorded so users can access it at their convenience. Viewers will be able to submit written questions, which DTCC will compile into a Frequently Asked Questions document
  - Regional Forums hosted by DTCC Relationship Management
  - DTCC will survey the Steering Committee members in order to put together a list of conferences, forums, etc. where Committee members will be discussing CBRS
  - Later in 2010, DTCC will have web-based training for those users who will be submitting and receiving CBRS information through the internet

IV. Development of Best Practices

- The committee agreed that the next phase of our work will involve discussing Best Practices

V. Mutual Fund fields

- The committee identified three issues pertaining to mutual funds that need clarification: the Agent for Firm field, the Trust identifier, and Third Party Agents in ACATS
- The committee's mutual fund representatives will continue to discuss these issues with their groups. If some consensus can be reached by March 19th, the current record layouts could include additional rules. If not, the functionality will not be available for the initial implementation, but instead will be written into the code in a later enhancement

VI. Next Steps

- Our next meeting will be on Friday, March 26th from 1 PM to 4 PM eastern time. At this meeting the committee will revisit various fields in the record layouts and discuss Best Practices for those fields