

The Depository Trust Company · Annual Report 1973



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Chief Executive Officer
The Bank of New York*

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National Clearing Corporation*

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The Depository Trust Company*

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and Vice Chairman
American Stock Exchange, Inc.*



This is the first Annual Report of The Depository Trust Company, which was created on the foundations laid in 1968 by the New York Stock Exchange's Central Certificate Service.

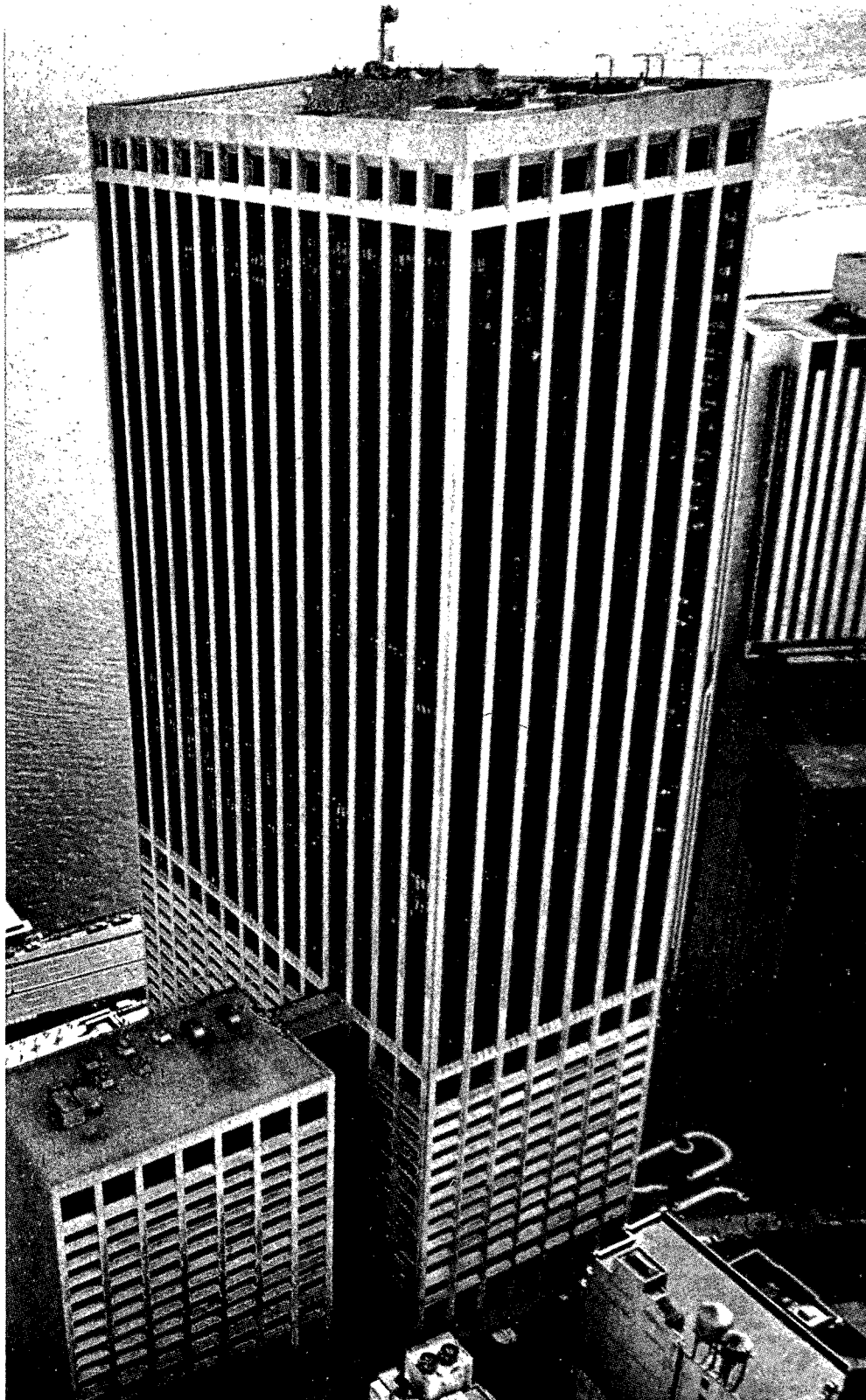
What started then as a vehicle to help NYSE member firms arrest and prevent recurrence of the late 1960's securities paperwork crisis has now turned into a cooperative effort to build a broad depository system which reduces trade completion costs and alleviates the problems of loss, theft and error arising from out-dated procedures.

While complete conversion to a depository environment will take time—since participating institutions must modify operations and their auditors and regulators must become familiar with new control systems—the process of conversion at last is well under way.

William T. Dentzer, Jr.
*Chairman &
Chief Executive Officer*

Diran M. Kaloostian
*President &
Chief Operating Officer*

Organizational Transition



The year 1973 was one of transition and expansion for the depository.

Following the course charted late in 1971 by the Banking and Securities Industry Committee (BASIC)*, the operations of Central Certificate Service were transferred from the New York Stock Exchange's Stock Clearing Corporation, first to Central Certificate Service, Inc. in January of 1973 and thereafter, on May 11, to The Depository Trust Company, a wholly-owned NYSE subsidiary.

Depository Trust was created pursuant to a Memorandum of Understanding between the NYSE and other members of BASIC to transform Central Certificate Service as a depository for broker dealers into a depository for all segments of the financial industry, to be operated under user-based ownership. The objective of expanded ownership was to give financial institutions which were potential users of the depository representation in its management and control, thereby encouraging them to deposit security certificates which they held into the depository; this would facilitate securities transactions and effect significant efficiencies by immobilizing security certificates and permitting book-entry deliveries within a computerized system.

The relationship of Depository Trust to the Exchange differs from that of the usual wholly-owned subsidiary. The depository is managed by its Board of Directors, most of whom are nominated either by members of BASIC other than the NYSE, or by the NYSE from the brokerage, mutual fund, and insurance industries in order to encourage the depository's independent responsiveness to users and

*The organizations represented in BASIC are the American Stock Exchange, Inc., the National Association of Securities Dealers, Inc., the New York Stock Exchange, Inc., and the member banks of the New York Clearing House Association.

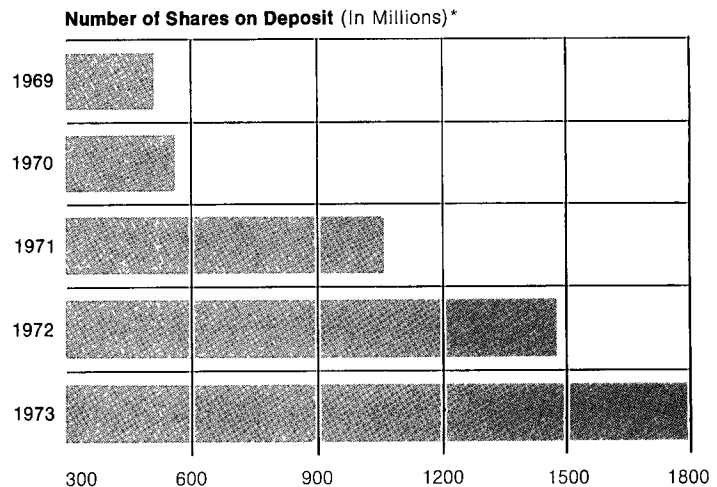


potential users. This is in keeping with the Memorandum of Understanding among the members of BASIC concerning the management of the depository pending amendment of Uniform Commercial Code provisions in sufficient states to permit the Exchange to sell any part of Depository Trust's stock.

Depository Trust was chartered as a New York limited purpose trust company and became a member of the Federal Reserve System primarily to encourage its use by banks and other financial institutions along with the securities industry. As a limited purpose trust company, the depository cannot accept demand, savings, or time deposits, make loans, or administer trusts. Trust company status, however, provided for thorough periodic examination of the depository's system by governmental authorities and also qualified it to be a "custodian bank" under the Uniform Commercial Code. It was hoped, too, that trust company status would contribute to the public confidence necessary to immobilize security certificates valued at many billions of dollars. In addition to its supervision by bank regulatory authorities, the depository continues to be regulated also by the Securities and Exchange Commission.

Another important step occurred in March of 1973 when the depository moved to new and specially-designed quarters at 55 Water Street in lower Manhattan. The move, together with a concurrent conversion to new computer equipment, was accomplished without any interference in the day to day activities of the depository.

The pages which follow show how participation in, transactions through, and services by the depository grew in 1973. DTC handled more than 32 million transactions during the year and made computer book-entry deliveries valued at \$176 billion. At year-end, it had 270 Participants, 63 Pledgee Banks, 30 Depository Facilities, 4,729 eligible security issues, and 1.8 billion shares on deposit.



*Year end figures



Services of the Depository Trust System



A securities depository such as Depository Trust is not only, or even chiefly, a location where securities are safely held in custody. It is essentially an automated book-keeping system providing a number of services stemming from the custody of securities.

Thus, the functions of DTC, as the depository often is referred to, are to

- *Receive* deposits of securities certificates from or for Participants
- *Deliver* securities on deposit by book-entry between Participants
- Receive and deliver *payment* for securities delivered by book-entry
- *Pledge* securities of broker-dealer Participants for collateral loans from Pledgee banks by book-entry
- Hold deposited securities in *custody*
- Pass on to Participants cash and stock *dividends and interest* related to securities held in custody
- Provide *proxies* to Participants so that voting rights in equity issues can be exercised
- Arrange *transfer* of certificates into Participants' customer names
- Arrange for *rapid withdrawal* of certificates on deposit for Participants (order-outs)
- *Provide for comparison, confirmation, and production of delivery and settlement instructions for any security*, using the Institutional Delivery (ID) System's network for processing institutional trades involving a broker-dealer, an institution, and the institution's agent bank
- Provide for *automatic book-entry delivery and payment* for securities processed through the ID System which the depository holds in custody



Expanding Depository Services and Use



Depository Trust expanded in many ways during 1973—especially in the utilization of its services by financial institutions, in the number of services it offered to Participants, and in the volume of activity processed for Participants.

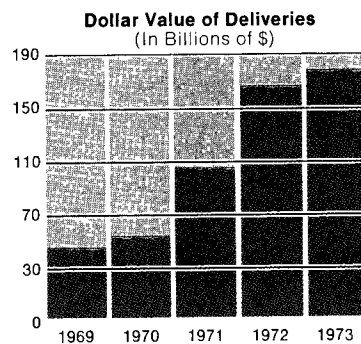
New Participants

1973 marked the first year that banks participated fully in the use of depository services. At year-end, twelve New York City banks and nine banks located in other states had on deposit more than 200 million shares with an estimated value of approximately \$9 billion. While this represents only a fraction of the securities now held by these and other banks, it manifests a significant step in bank use of Depository Trust in view of the conversion of bank operating systems that this requires.

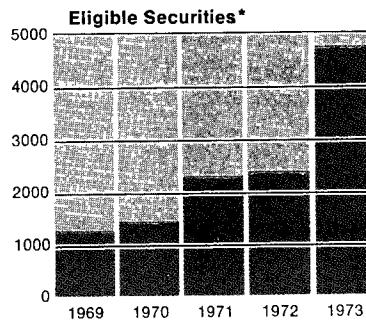
At year-end, some insurance companies and more mutual funds also were actively exploring use of depository services, either directly or through their custodian banks.

Expanded Use of Depository Services

Use of depository services increased in 1973, as shown by the following indicators:



- The value of computer book-entry deliveries among Participants increased \$15 billion over the previous year to \$176 billion and the number of such deliveries increased from 10,795,000 to 11,156,000 including estimated odd-lot deliveries.

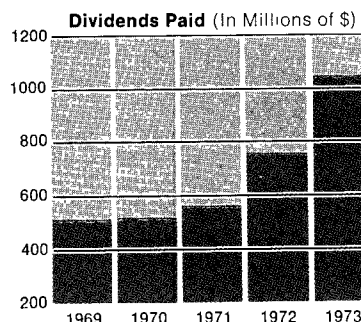


- Participants' securities on deposit and eligible for book-entry delivery totaled almost 1.8 billion shares, up from almost 1.5 billion shares at the end of 1972.

- Eligible issues included in the depository system expanded from 2,884 at the end of 1972 to 4,729 at the close of 1973. The vast majority of issues added were over-the-counter stocks. As 1973 closed, plans were ready to make some 2,000 corporate bonds and preferred stocks eligible, as well as to add more over-the-counter common stock issues.

- Dividends and interest paid to Participants on securities held on their behalf increased approximately \$300 million to over \$1 billion.

- Participants' securities pledged through the Collateral Loan Program, which included 63 Pledgee Banks in 25 major cities, ranged from \$3.3 to \$5 billion in daily value.



- Participants' requests to transfer securities into the owner's name expanded 30% to an average of about 12,000 items daily.

- Participants' requests for rapid withdrawal of certificates in the depository's nominee name (Cede & Co.), primarily to deliver to non-Participants, stabilized during 1973 as increased broker-dealer and bank participation in the depository offset the effect of additional eligible issues. During the last quarter of the year, these order-outs ran at a rate of about 7,500 daily.

Automatic Deliveries

By automatic deliveries of securities involved in stock exchange transactions between members of an exchange, the depository eliminates

*Year end figures

over 1.5 million individual documents monthly from manual clerical processing in brokers' back offices. Such deliveries—nicknamed PDQ deliveries—are effected automatically on settlement day in the absence of specified exceptions.

Depository Facilities

A Depository Facilities program was inaugurated in 1973 and grew at year-end to 30 cooperating banks in 18 states and the District of Columbia. Under this program, offices of broker-dealer Participants, or any customers of Participants, may deposit securities at these regional banks for same-day credit in the depository system. Acting as a Depository Facility, the bank examines all securities and transmits deposit information by wire to Depository Trust, where the securities are promptly credited to the Participant's account and verified against subsequent receipt of the deposited securities. Any bank wishing to become a Depository Facility may apply for that status.

Institutional Delivery (ID) System

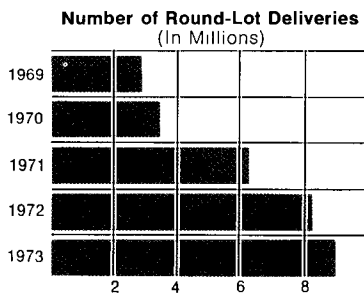
The ID System, a new service operated on a pilot basis in 1973, for the first time comprehensively links together all parties to an institutional trade—the broker-dealer, the institution, and the institution's agent bank. When expanded, this system will alleviate a continuing problem confronting the securities industry—the costly rejection of securities deliveries when instructions to receive or deliver are not recognized.

Beginning on the evening of trade date, the depository produces a "hard copy" of the trade information which is transmitted to the institution. After the institution validates the transaction data to its broker, its agent bank, and Depository Trust, the depository—on the third day after the trade—produces receive/deliver instructions for the broker and the institution's agent bank. On the fifth day after the trade, the appropriate security deliveries are accomplished by book-entry.

At the end of 1973, Depository Trust expanded the trade transmission portion of the ID System to encompass all securities issues, including those not "eligible" for settlement in the depository, such as municipal bonds, government, etc. In this service, Depository Trust concludes its action with the printing of receive/

deliver instructions on all trades reported, eliminating multiple clerical procedures for the parties involved and facilitating the final direct delivery between Participants.

By the final business day of 1973, more than 50 broker-dealers, 30 institutions, and four banks acting as agents for institutions were either using the ID System, testing its use or committed to near-term participation.



Clearing Corporation and Depository Interfaces

The expansion of Depository Trust's ties with clearing corporations around the country continued during the year, permitting Participants to use their depository positions to meet settlement requirements of such clearing corporations without physical movement of stock certificates.

In addition to the Boston, PBW, and Detroit Stock Exchanges, which had provided earlier for their members' use of the depository's

services, the Midwest Stock Exchange and Depository Trust added a new stage to their interface under which DTC became a Participant in the Midwest Securities Trust Company (formerly Midwest Stock Exchange Clearing Corporation) late in 1973. The Pacific Stock Exchange Clearing Corporation and DTC also inaugurated a limited interface during 1973. As the year ended, Depository Trust was planning to implement a comprehensive interface relationship with the National Clearing Corporation (NCC) in May of 1974 and with a new clearing system being developed by the Securities Industry Automation Corporation (SIAC), the processor for both the NYSE's Stock Clearing Corporation and the American Stock Exchange Clearing Corporation.

The depository is being used as well in connection with the Chicago options market. Under an agreement with the Chicago Board Options Exchange, the underlying shares supporting each option contract entered into by a DTC Participant are held as pledges by the depository until option contract rights either are exercised or expire.

Administration

Almost the only area in which Depository Trust did not expand in 1973 was its work force. The depository's staff decreased from a high of 913 in 1972 to 832 at the end of 1973. This decrease resulted from management's continuing effort to increase efficiency through improvements in operating systems and from expanded participation in the depository, permitting greater automation of transactions.

Among the most notable of such improvements was the development of a real-time inquiry capability to access activity in the system throughout the day affecting each Participant. Plans call for this capability to be made available to Participants wishing to monitor their depository activity and for using it in relation to further improvements of system services.

The basis for future changes was laid in 1973 by action of the Securities and Exchange Commission on most of the proposed new Rules of Depository Trust and by the depository's adoption of a fee schedule more related to its cost of providing each service. The new Rules and fee schedules are expected to become effective during the second quarter of 1974.

The new fee schedule was adopted, subject to government action, after a lengthy period of exposure to Participants for comment. In adopting it, the Board of Directors provided that the new schedule would be reconsidered no later than one year after it became effective so that it could properly reflect operating costs in view of changes in services, costs, and volumes of activity.



Policy on Income and Profits

The policy of The Depository Trust Company is to limit profits and return to its users such revenues as the Board of Directors believes exceed the funds required for the depository's operation.

Based on this policy, the Board of Directors in December 1973 authorized a return of \$1,200,000 to Participants and Pledgee Banks served during that year. This amount was arrived at after consideration of the capital funds the depository should have at the end of its first year of operation as an independent entity. Each Participant's and Pledgee's share of the refund was in proportion to the amount of the fees it paid as compared with total service fees paid to the depository, for the first eleven months of 1973.

In addition to the refund, the Board of Directors authorized transfers to Undivided Profits and to Surplus which were expected, based on estimated Depository Trust net revenues, to total about \$367,000. However, based on audited earnings for the year and including available investment tax credits, the amounts actually thus transferred aggregated \$629,000. Of this amount, ten percent was added to an existing Surplus of \$333,000 which represented the earnings of Central Certificate Service, Inc. through May 11, 1973. Similar transfers to Surplus of at least ten percent of net income will continue until such time as Surplus equals 65% of Capital Stock, as required by the New York State Banking Law.

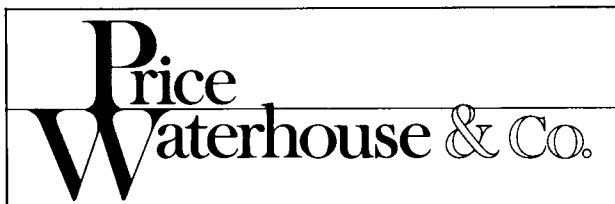
While a new fee schedule will become effective during 1974, any revenue for the year which the Board of Directors determines to be in excess of funds required for the depository's operation will be returned to users.

Internal Controls and Audits

To safeguard and control the securities held by Depository Trust for its Participants, the depository has one of the most comprehensive systems yet developed to monitor the movement and custody of securities. At the heart of this system is a procedure which records and controls by certificate number each certificate for which Depository Trust is responsible.

The adequacy and continuing effectiveness of this system is subject to continuous review by the depository's internal auditors and its independent accountants, Price Waterhouse & Co.. Depository Trust's operations also were reviewed in 1973 by the New York State Banking Department and Federal Reserve Bank of New York as part of their regular periodic examinations.

Accountants' Report



SIXTY BROAD STREET, NEW YORK, 10004
212-422-6000

February 15, 1974

To the Board of Directors of
The Depository Trust Company

We have examined the statement of condition of The Depository Trust Company (a limited purpose trust company, wholly owned by New York Stock Exchange, Inc.) at December 31, 1973 and the related statements of income and undivided profits and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including confirmation of securities owned at December 31, 1973 by correspondence with the custodian banks. Our examination also extended to the records of securities held for others by the company and included physical examination of securities on hand and at custodian banks at selected dates during the year and such confirmations and additional auditing procedures as we considered necessary.

In our opinion, the accompanying financial statements present fairly the financial position of The Depository Trust Company at December 31, 1973 and the results of its operations and the changes in financial position for the year then ended, in conformity with generally accepted accounting principles.

Price Waterhouse & Co.

Statement of Condition

December 31, 1973

Assets

Cash		\$ 7,295,000
U.S. Government securities purchased under agreements to resell, at contract value		21,615,000
U.S. Government securities, at cost which approximates market		2,080,000
Receivables:—		
Participants:		
For settlements	\$ 2,078,000	
For services	2,058,000	
	<u>4,136,000</u>	
Affiliates	385,000	
Dividends, interest and other	<u>398,000</u>	
		4,919,000
Prepaid expenses and deferred charges		155,000
Equipment and leasehold improvements, at cost less accumulated depreciation of \$388,000		887,000
Contributions to Participants Fund, callable on demand		<u>33,330,000</u>
		<u>\$70,281,000</u>

Liabilities and capital

Liabilities:—		
Payable for investment securities purchased		\$ 2,845,000
Accounts payable and accrued expenses		1,890,000
Payable to participants:		
On settlements	\$10,931,000	
On receipt of securities	7,884,000	
Dividends received	<u>5,118,000</u>	
		23,933,000
Payable to affiliates		<u>1,147,000</u>
		29,815,000
Participants Fund:		
Deposits received	4,310,000	
Deposits callable on demand	<u>33,330,000</u>	
		<u>37,640,000</u>
		67,455,000
Capital:		
Capital notes, 6%, due April 1, 1978	14,000	
Capital stock—authorized and issued, 18,500 shares of \$100 par value	1,850,000	
Surplus	396,000	
Undivided profits	<u>566,000</u>	
		2,826,000
		<u>\$70,281,000</u>

Statement of Income and Undivided Profits

For the Year 1973

Income:	
Services to participants	\$23,802,000
Less—Refund to participants	<u>1,200,000</u>
	22,602,000
Interest income	<u>1,423,000</u>
	<u>24,025,000</u>
Expenses:	
Employee costs	12,327,000
Rent, maintenance and utilities	2,176,000
Charges from affiliates, net	4,514,000
Other expenses	<u>3,406,000</u>
	<u>22,423,000</u>
Income before provision for income taxes	1,602,000
Provision for income taxes	<u>640,000</u>
Net income	962,000
Transfer to surplus	<u>396,000</u>
Undivided profits, December 31, 1973	<u>\$ 566,000</u>

Statement of Changes in Financial Position

For the Year 1973

Financial resources were provided by:—	
Operations:	
Net income	\$ 962,000
Noncash charges included in net income—	
Depreciation	117,000
Other noncash charges	<u>104,000</u>
Resources provided from operations	1,183,000
Issuance of common stock for net assets	1,850,000
Issuance of capital notes	14,000
Cash contributions to Participants Fund	4,310,000
Payable to participants	23,933,000
Payable to affiliates	1,138,000
Accounts payable and accrued expenses	1,887,000
Payable for investment securities purchased	<u>2,845,000</u>
	<u>37,160,000</u>
Financial resources were used for:—	
Investment securities	23,695,000
Receivable from participants	4,136,000
Equipment and leasehold improvements:	
Acquired on organization	407,000
Additions during year	689,000
Other—net	<u>938,000</u>
	<u>29,865,000</u>
Cash balance, December 31, 1973	<u>\$ 7,295,000</u>

Notes to Financial Statements

The Depository Trust Company

December 31, 1973

1 — Organization of the Depository Trust Company:

Prior to 1973, the central certificate service was operated by New York Stock Exchange, Inc. as a division of a subsidiary company. As of January 1, 1973, the operations and related assets were transferred to Central Certificate Service, Inc., another wholly owned subsidiary, which on May 11, 1973 transferred its operations and net assets aggregating \$2,183,000 to Depository Trust in exchange for 18,500 shares of capital stock of Depository Trust. The accompanying financial statements include the operations of Central Certificate Service, Inc. for the period January to May, 1973 and the operations of Depository Trust for the remainder of 1973.

The net income for the period January 1 to May 11, 1973, amounting to \$333,000, was transferred to surplus to meet capitalization requirements for the organization of The Depository Trust Company. Additionally, \$63,000, or 10%, of the Company's net income during the period May 12, 1973 to December 31, 1973 was also transferred to surplus. Similar transfers to surplus of 10% of net income will continue until such time as surplus equals 65% of capital stock, as required by the New York State Banking Law.

2 — Summary of Significant Accounting Policies:

(a) Securities on deposit:

Securities held by the Company for participants, which aggregated almost 1.8 billion shares at December 31, 1973, are not recorded in the accompanying financial statements. Cash dividends received or due on such securities and in process of distribution or awaiting claim are recorded in the statement of condition.

(b) Depreciation:

Furniture and equipment are being depreciated over their estimated useful lives (generally eight years), principally on the sum of the years-digits method.

(c) Pension plan:

Substantially all of the Company's employees are included in the pension plan of New York Stock Exchange, Inc. and its subsidiary companies. Prior service costs are fully funded. Current service costs, aggregating \$257,000 in 1973, were charged to expense and paid to the Exchange for funding.

(d) Research and development:

Research and development costs, primarily attributable to systems development, are charged to expense as incurred.

3 — Participants Fund:

Participants in the depository are required to contribute to the Participants (clearing) Fund amounts which relate to their activity in the depository. The fund is available to secure the participants obligations to the Company and certain losses by the Company in excess of the surplus and undivided profits could be charged to the fund. Contributions are received in cash and in contributions callable on demand, which are secured by securities of the United States, states and political subdivisions.

4 – Charges From Affiliates:

Securities Industry Automation Corporation (SIAC), a partially owned subsidiary of the Exchange, and the Exchange provided certain services to the Company in 1973 for which the Company was charged the costs allocable to such services. SIAC provided data processing and related equipment and settlement functions; the Exchange provided payroll, personnel and other services. A number of these functions are now being performed directly by the Company. The Company, in turn, provided certain services, including an allocated portion of the services provided by SIAC and the Exchange, to Stock Clearing Corporation (a wholly owned subsidiary of the Exchange) and SIAC.

In addition, the charges from the Exchange in 1973 included \$1,000,000 annual license fee for software and improvements related to the central certificate service and a \$400,000 management fee for the period through April, 1973. The management fee was discontinued upon the transfer of operations to Depository Trust. The license agreement and related fee continue on a month-to-month basis unless the Exchange elects to terminate the agreement.

5 – Income From Services:

Income from services to participants is billed monthly based on specified charges for each type of service rendered. In December, 1973, in accordance with its policy that revenue in excess of funds required for the Company's operation be returned to users, the Board of Directors authorized a refund to participants of \$1,200,000 to be distributed based on the revenues received from participants and pledgees for services. The refund was paid in December, 1973 and is reflected in the statement of income as a reduction in income from services.

6 – Income Taxes:

Depository Trust joins with the Exchange in filing a consolidated federal income tax return and remits to the Exchange the amount of federal income tax which Depository Trust would pay if it were to file a separate federal income tax return. New York State and City income tax returns are filed on a separate company basis. Investment tax credits on property acquired and leased, applied as a reduction of the Company's liability to the Exchange when the property is placed in service, aggregated \$259,000 in 1973. The provision for taxes on income comprises federal and local taxes currently payable of \$389,000 and \$239,000, respectively, and deferred taxes of \$12,000.

7 – Lease Obligations:

The Company occupies improved office space as a subtenant of the Exchange, for which rent charges of \$1,373,000 were incurred for the period March through December, 1973. A long-term sublease is presently being negotiated. In addition, on January 3, 1974, the Company entered into a six-year lease, with provisions for termination payments after three years, for certain computer equipment calling for annual payments aggregating approximately \$430,000.

Participants*

Broker-Dealers

Abraham & Co., Inc.
Adams & Peck
Adler, Coleman & Co.
Advest Co.
Alliance One, Institutional Services Inc.
Almstedt Brothers, Inc.
American Capital Partners
Andresen & Co.
Asiel & Co.
Auerbach, Pollak & Richardson, Inc.
Babbitt, Meyers & Waddell
Bache & Co., Inc.
Bacon, Whipple & Co.
Baird, Patrick & Co.
Baird (Robert W.) & Co., Inc.
AMEX
Baker, Weeks & Co., Inc.
Bear, Stearns & Co.
Becker (A.G.) & Co., Inc.
BECKCO
Bell & Beckwith
Benton, Tompane & Co.
Bernstein (Sanford C.) & Co., Inc.
Blair (William) & Co.
Blyth, Eastman Dillon & Co., Inc.
Boettcher & Co.
Bradford (J.C.) & Co.
Branch & Co.
Bregman Securities Co., Inc.
Brown (Alex) & Sons
Brown Brothers Harriman & Co.
Bruns, Nordeman Rea & Co.
Burgess & Leith
Burnet (W.E.), Inc.
Burns Bros. & Timmins, Inc.
Butcher & Singer

Conklin, Cahill & Co.
Cahill, Smith, Gallatin
Campbell, Rodi, Gavin & Co.
Carlisle DeCoppet & Co.
Cassel (H.) & Co.
Chicago Corp., (The)
Christopher (B.C.) & Co.
Clark, Dodge & Co., Inc.
Cohn, Delaire & Kaufman Inc.
Coleman & Company
Colin, Hochstin-Rts
Colin, Hochstin & Co.

Conning & Co.
Cowen & Co.

Dabbs Sullivan, Trulock & Co., Inc.
Davis (Shelby Cullom) & Co.
de Cordova, Haupt, Andrews & Co.
De Haven & Townsend, Crouter & Bodine
Delafield & Childs Inc.
Dillon, Read & Co., Inc.
Dodge (R.S.) & Co.
Doft & Co., Inc.
Dominick & Dominick, Inc.
Donaldson, Lufkin, & Jenrette Securities Corp.
Drexel Burnham & Co., Inc.
Drysdale & Co.
duPont, Glore Forgan, Inc.

Eberstadt (F.) & Co., Inc.
Edwards & Hanly
Edwards (A.G.) & Sons, Inc.
Einhorn & Co.
Eppler, Guerin & Turner, Inc.
Ernst & Co.
Evans & Co., Inc.

Fagenson & Frankel Co.
Fahnestock & Co.
Faulkner, Dawkins & Sullivan, Inc.
First Boston Corporation (The)
First Manhattan Co.
Foster & Adams
Fowler & Rosenau
Freehling & Co.
Fried (Albert) & Co.
Fisher Corporation (The)
First Regional Securities, Inc.

Garrett (Robert) & Sons, Inc.
Garvin Bantel Corp. (The)
Goldman, Sachs & Co.
Goldstein (M.E.) Co., Inc.
Goodbody & Co., Inc.
Granger & Co.
Greene (David J.) & Co.
Grumman (G.S.) & Associates, Inc.
Gruntal & Co.
Gruss (Oscar) & Son

Haas Securities Corp.
Hallgarten & Co.
Hardy & Co.
Harris, Upham & Co., Inc.

Hayden, Stone Inc.
Heine, Fishbein & Co., Inc.
Henderson Brothers, Inc.
Henderson, Harrison & Co.
Hentz (H.) & Co., Inc.
Herzfeld & Stern
Hilliard (J.J.B.), Lyons (W.L.) Inc.
Hirshon, Roth & Co.
Hoppin, Watson, Inc.
Hornblower & Weeks-Hemphill, Noyes, Inc.
Hummer (Wayne) & Co.
Hutton (E.F.) & Co., Inc.
Hutton (W.E.) & Co.

Icahn & Co., Inc.
Illinois Co., Inc. (The)
Ingalls & Snyder
Institutional Equity Corp.
Interstate Securities Corp.

Jacobson, (Benjamin) & Sons
Janney, Montgomery, Scott Inc.
Jesup & Lamont, Inc.
Johnson (Hugh) & Co., Inc.
Jones (Edward D.) & Co.
Josephthal & Co.

Kalb, Voorhis & Co.
Kaufman (Irving, G.) & Co., Inc.
Kaufmann, Aisberg & Co.
Kidder, Peabody & Co., Inc.
Kingsley, Boye & Southwood Inc.
Kuhn, Loeb & Co.

Labranche & Co.
Laidlaw-Coggeshall Inc.
Lamson Bros. & Co.
Lasker, Stone & Stern
Lawrence (Cyrus J.) Inc.
Lazard Freres & Co.
Lehman Bros., Inc.
Lenart, McHugh & Co.
Lief, Werle & Co.
Loeb, Rhoades & Co.
Loewi & Co., Inc.
Lowitz (E.) & Co.

Mabon, Nugent & Co.
Manley, Bennett, McDonald & Co.
Marcus Schloss & Co., Inc.
Mayer (F.M.) & Co.
McCormick & Co., Inc.
McDonald & Company

*As of December 31, 1973

McKee (C.S.) & Co., Inc.
McMullen & Hard
Meehan (M.J.) & Co.
Merkin & Co., Inc.
Merrill Lynch, Pierce, Fenner
& Smith Inc.
Mesco Brokers Services
Mesirow & Co.
Michael, Bregman & Co.
Mid Southwest Securities, Inc.
Middendorf, Colgate & Co.
Mitchell, Hutchins Inc.
Mitchum, Jones & Templeton, Inc.
Model, Roland & Co., Inc.
Moore & Schley, Cameron & Co.
Morgan, Olmstead, Kennedy
& Gardner, Inc.
Morgan Stanley & Co., Inc.
Moseley (F.S.) Estabrook, Inc.
Muir (John) & Co.
Muller & Company
Murphey, Marseilles & Smith

Neuberger & Berman
Newhard Cook & Co., Inc.
Nick (J.F.) & Co.

Oliphant (Jas. H.) & Co., Inc.
O'Neil (William) & Co., Inc.
Oppenheimer & Co.

Paine, Webber, Jackson & Curtis
Inc.
Parrish Securities Inc.
Pershing & Co., Inc.
Pforzheimer (Carl H.) & Co.
Prescott, Ball & Turben & Co.
Pressprich (R.W.) & Co., Inc.
Purcell, Graham & Co.

Rauscher Pierce Securities Corp.
Raymond James & Assoc. Inc.
Reaves (W.H.) & Co., Inc.
Reich & Co., Inc.
Reynolds Securities Inc.
Richard (C.B.) Ellis & Co.
Robb, Peck, McCooley & Co., Inc.
Roberts, Scott & Co., Inc.
Robertson, Colman, Siebel
& Weisel
Robinson, Humphrey Co.,
Inc. (THE)
Rodi, Gavin & Co.
Rodman & Renshaw, Inc.

Roney (Wm. C.) & Co.
Rotan Mosle Inc.
Rothschild (L.F.) & Co.
Rothschild Securities Corp.
Roulston & Co., Inc.
Rowland (R.) & Co., Inc.
Russell (J.N.), Inc.

Sade & Co.
Salomon Brothers
Sartorius & Co.
Saxton (G.A.) & Co., Inc.
Schweickart & Co.
Securities Processing Service, Inc.
Seligman (J. & W.) & Co.
Seskis & Co.
Shearson, Hammill & Co., Inc.
Shields & Co., Inc.
Shuman, Agnew & Co., Inc.
Smith, Barney & Co., Inc.
Spear, Leeds & Kellogg
Steiner, Rouse & Co., Inc.
Stern & Kennedy
Stern, Lauer & Co.
Sterne, Agee & Leach, Inc.
Stifel, Nicolaus, & Co., Inc.
Stillman, Maynard & Co.
Stokes, Hoyt & Co.
Streicher (J.) & Co.
Stuart Bros.
Sutro & Co., Inc.
Simon (IM) & Co.

Thomson & McKinnon
Auchincloss Kohlmeyer, Inc.
Trask (Spencer) & Co., Inc.
Tsai (G.) & Co., Inc.
Tucker, Anthony & R.L. Day

Vilas & Hickey
Viner (Edward A.) & Co., Inc.

Wagner, Stott & Co.
Walker (G.H.), Laird, Inc.
Watling, Lerchen & Co., Inc.
Weber, Hall, Cobb & Caudle, Inc.
Wedbush, Noble, & Cooke, Inc.
Weeden & Co., Inc.
Weil & Duffy
Weiss, Peck & Greer
Wellington & Co.
Wertheim & Co., Inc.
Westminster Securities Corp.
Wheat, First Securities, Inc.

White, Weld & Co., Inc.
Whitney (H.N.), Goadby & Co.
Witter (Dean) & Co., Inc.
Witter (William D.) Inc.
Wood Gundy, Inc.
Wood, Struthers & Winthrop, Inc.
Wreszin, Prosser, Romano & Co.

Zuckerman, Smith & Co.

Banks

Bank of New York
Bankers Trust Company
Chase Manhattan Bank
Chemical Bank
Citizens & Southern National Bank
City National Bank of Columbus
Connecticut Bank & Trust
Company
First & Merchants National Bank
First National Bank of Atlanta
First National City Bank
Franklin National Bank
Hartford National Bank
& Trust Company
Industrial National Bank
Irving Trust Company
Manufacturers Hanover Trust
Company
Marine Midland Grace Trust
Company of New York
Morgan Guaranty Trust Company
of New York
Northwestern National Bank
of Minneapolis
Security National Bank
State Street Bank & Trust
Company
United States Trust Company
of New York

Other Institutions

American Stock Exchange
Clearing Corporation
Chicago Board Options Exchange
Clearing Corporation
Midwest Securities Trust
Company
National Clearing Corporation
Pacific Clearing Corporation
Stock Clearing Corporation
Stock Clearing Corporation
of Philadelphia

Pledgee Banks*

Bank Leumi & Trust Company of New York	First Jersey National Bank	Mercantile Trust Company
Bank of America	First & Merchants National Bank of Virginia	Morgan Guaranty Trust Company of New York
Bank of California	First National Bank of Atlanta	National Bank of North America
Bank of New York	First National Bank of Chicago	National Bank of Detroit
Bankers Trust Company	First National Bank of Dallas	National Shawmut Bank of Boston
Barclays Bank International Limited	First National Bank of Denver	North Carolina National Bank
Central National Bank of Cleveland	First National Bank of Maryland	Northern Trust of Chicago
Central National Bank of Richmond	First National Bank of Minneapolis	Pittsburgh National Bank
Chase Manhattan Bank	First National Bank of St. Louis	Provident National Bank
Chemical Bank	First National City Bank	Republic National Bank of Dallas
Cleveland Trust Company	First Pennsylvania Bank	Seattle First National Bank
Connecticut Bank & Trust Company	First Wisconsin National Bank	Security National Bank
Continental Illinois National Bank & Trust Company	Franklin National Bank	Security Pacific National Bank
Crocker National Bank of San Francisco	Harris Trust & Savings Bank	State Street Bank & Trust Company
Detroit Bank & Trust Company	Hartford National Bank & Trust Company	Swiss Credit Bank
Equibank (Formerly Western Pennsylvania National Bank)	Indiana National Bank	Texas Commerce Bank National Association
European-American Bank & Trust Company	Irving Trust Company	Toronto-Dominion Bank (The) Agency
Fidelity Bank of Philadelphia	Israel Discount Bank Limited	United California Bank
	Manufacturers Hanover Trust Company	United States Trust Company of New York
	Marine Midland Grace Trust Company of New York	United Virginia Bank/State Planters
	Marine Midland-Western	Wells Fargo Bank
	Marshall & Ilsley Bank	
	Maryland National Bank	
	Mercantile Safe Deposit & Vault	

Depository Facilities*

American Security & Trust Co., <i>Washington, D.C.</i>	First Nat'l Bank in Cincinnati (The), <i>Cincinnati, Ohio</i>	Hartford National Bank, <i>Hartford, Connecticut</i>
Citizens Fidelity Bank & Trust Co., <i>Louisville, Kentucky</i>	First Nat'l Bank in Dallas, <i>Dallas, Texas</i>	Indiana National Bank of Indianapolis <i>Indianapolis, Indiana</i>
Citizens & Southern Nat'l Bank, <i>Atlanta, Georgia</i>	First National Bank in Ft. Lauderdale, <i>Ft. Lauderdale, Florida</i>	Industrial National Bank, <i>Providence, Rhode Island</i>
City Nat'l Bank & Trust Co., <i>Columbus, Ohio</i>	First Nat'l Bank of Maryland, <i>Baltimore, Maryland</i>	Maine National Bank, <i>Portland, Maine</i>
Connecticut Bank & Trust Co., <i>Hartford, Connecticut</i>	First Nat'l Bank of Minneapolis, <i>Minneapolis, Minnesota</i>	Mercantile Trust Co., <i>St. Louis, Missouri</i>
Detroit Bank & Trust (The) <i>Detroit, Michigan</i>	First National Bank in St. Louis, <i>St. Louis, Missouri</i>	National Shawmut Bank of Boston (The), <i>Boston, Massachusetts</i>
First Jersey Nat'l Bank, <i>Jersey City, New Jersey</i>	First Nat'l Bank of Saint Paul (The), <i>Saint Paul, Minnesota</i>	Northwestern Nat'l Bank of Minneapolis, <i>Minneapolis, Minnesota</i>
First & Merchant's Nat'l Bank, <i>Richmond, Virginia</i>	First National Bank in St. Petersburg, <i>St. Petersburg, Florida</i>	Provident National Bank, <i>Philadelphia, Pennsylvania</i>
First Nat'l Bank of Atlanta, <i>Atlanta, Georgia</i>	First Nat'l Bank of Tampa, <i>Tampa, Florida</i>	Republic Nat'l Bank of Dallas, <i>Dallas, Texas</i>
	First Pennsylvania Bank (The), <i>Philadelphia, Pennsylvania</i>	State Street Bank & Trust Co. <i>Boston, Massachusetts</i>
	First Wisconsin Trust Co. <i>Milwaukee, Wisconsin</i>	

*As of December 31, 1973

Officers

William T. Dentzer, Jr.
Chairman of the Board & Chief Executive Officer

Diran M. Kaloostian
President & Chief Operating Officer

Vice Presidents

John P. Crowley

Arnold Fleisig

David Fuchs

Thomas J. Lee

Assistant Vice Presidents

Alan D. Kahn

Joseph Kazlau

Marc J. Patterson

James Vincent Reilly

Secretary

Edward McGuire

The Depository Trust Company

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