

ALD: Agent Lenders Problem Escalation Process Flows

A guideline to agent lenders for
resolving problems occurring
during the daily ALD process flow

October 2006

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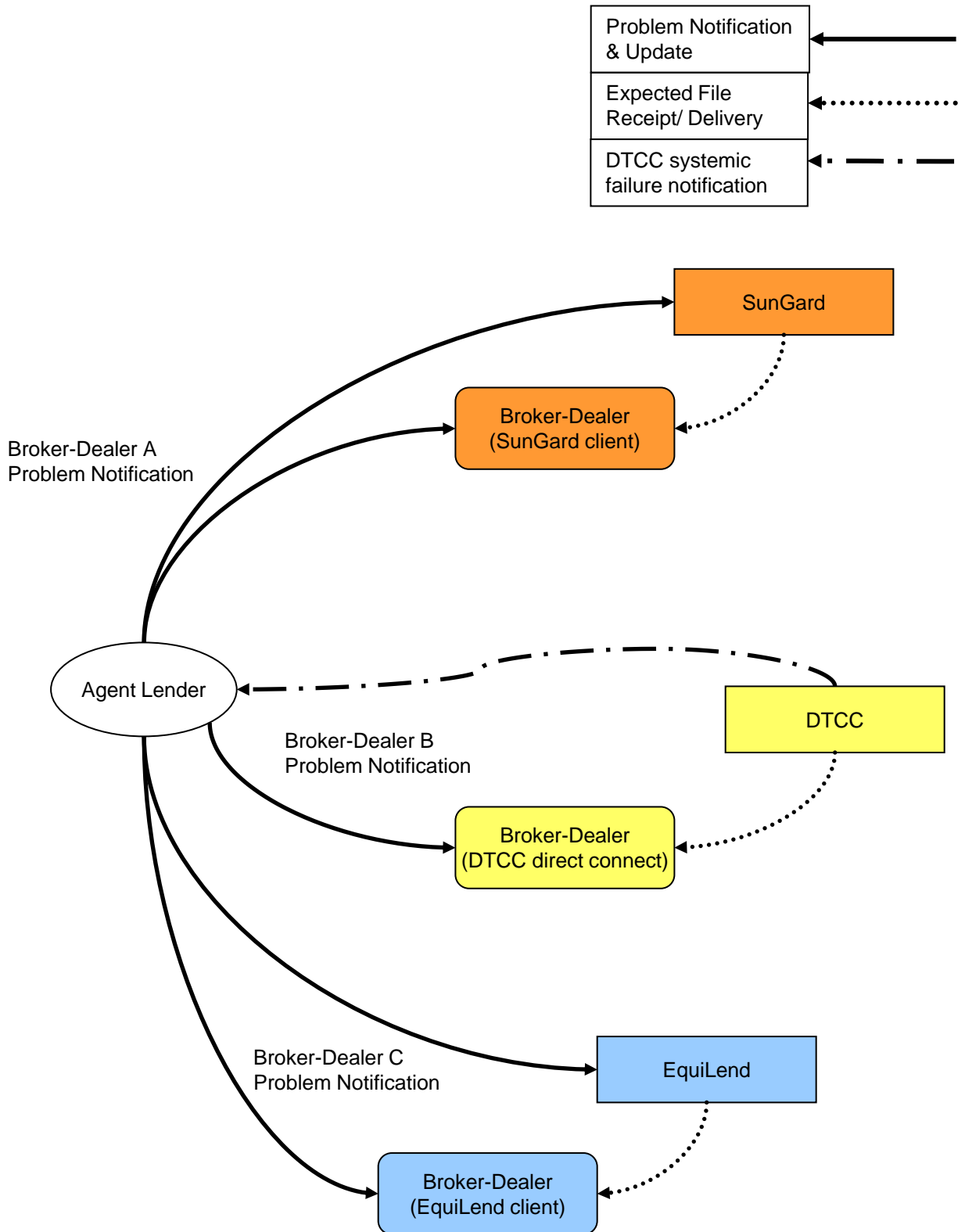
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- Problem research flows:
 - Agent lender connecting direct to DTCC
 - Agent lender and broker-dealer both direct to DTCC
 - A/L using DTCC, B/D using EquiLend
 - A/L using DTCC, B/D using SunGard
 - Agent lender connecting through EquiLend
 - Agent lender and broker-dealer both using EquiLend
 - A/L using EquiLend, B/D using DTCC
 - A/L using EquiLend, B/D using SunGard
 - Agent lender connecting through SunGard
 - Agent lender and broker-dealer both using SunGard
 - A/L using SunGard, B/D using DTCC
 - A/L using SunGard, B/D using EquiLend
- Version 5 changes

Agent Lender Daily file transmission process files and notifications flow



Agent Lender Daily file transmission process Guidelines and Legend

Prior to beginning the daily process in the live production environment, the agent lender should communicate with all its broker dealers any conditions that are specific to its business, e.g. ALD group email and other contact information, vendor used, daily time for generating the loan and collateral files, etc.

Agent lenders must notify broker-dealers of problems or delays in delivering loan and/or collateral file(s)

Agent lenders must notify both the broker-dealer and SunGard of problems or delays if the broker-dealer is using the SSF ALDOP Management Application

Guidelines for agent lender problem notification:

- Send e-mail to the group address specified for each applicable firm
- Identify your firm and contact information
- Specify general nature and severity of the problem
- Specify any estimate for correcting the problem
- Specify if this is the initial notification of the problem or an update related to a prior notification

Note about DTCC: DTCC will send automatic notifications in the case of systemic failures only. These notifications will be sent to anyone who wishes to receive them and who provides a contact email to DTCC. Any agent lender who wishes to be part of this notification process should send a contact email to Margaret Koontz, mkoontz@dtcc.com

Legend:

| |
|------------------------------------|
| Notify File creation Problem |
|------------------------------------|

Agent lenders must produce notification of problems with creating the loan and/or collateral file(s)

| |
|----------------------------------|
| Notify Late Files Creation |
|----------------------------------|

Agent lenders must produce notification of delays of the creating the loan and/or collateral file(s)

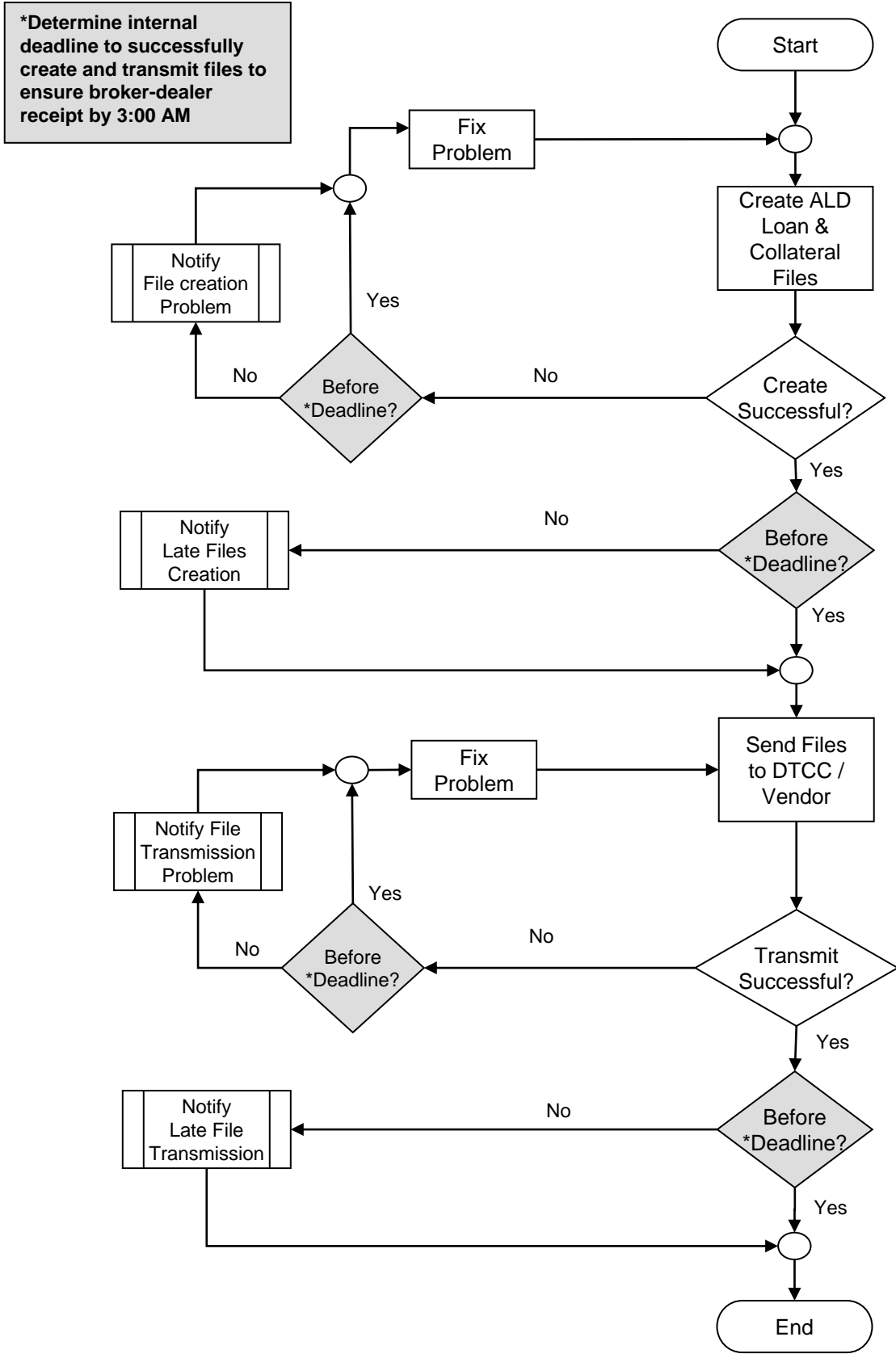
| |
|--|
| Notify File Transmission Problem |
|--|

Agent lenders must produce notification of a problem transmitting the loan and/or collateral file(s)

| |
|-------------------------------------|
| Notify Late File Transmission |
|-------------------------------------|

Agent lenders must produce notification of a delayed but successful transmission of the loan and/or collateral file(s)

File sent decision making process



Problem research flows

- Agent lender connecting direct to DTCC
 - Agent lender and broker-dealer both direct to DTCC
 - A/L using DTCC, B/D using EquiLend
 - A/L using DTCC, B/D using SunGard

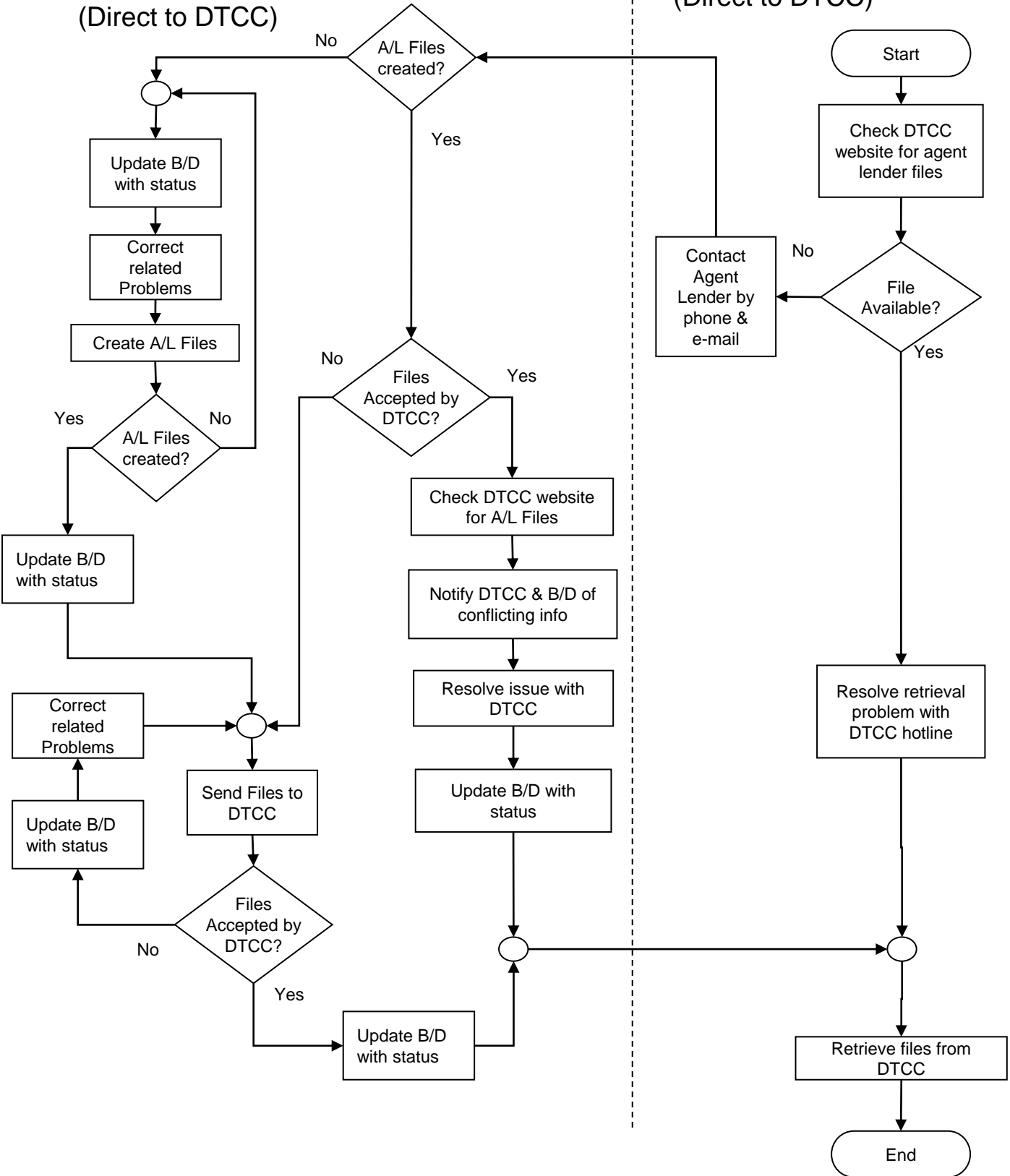
Problem research flows

Agent Lender (Direct to DTCC)

(Direct to DTCC)

Broker-dealer (Direct to DTCC)

(Direct to DTCC)

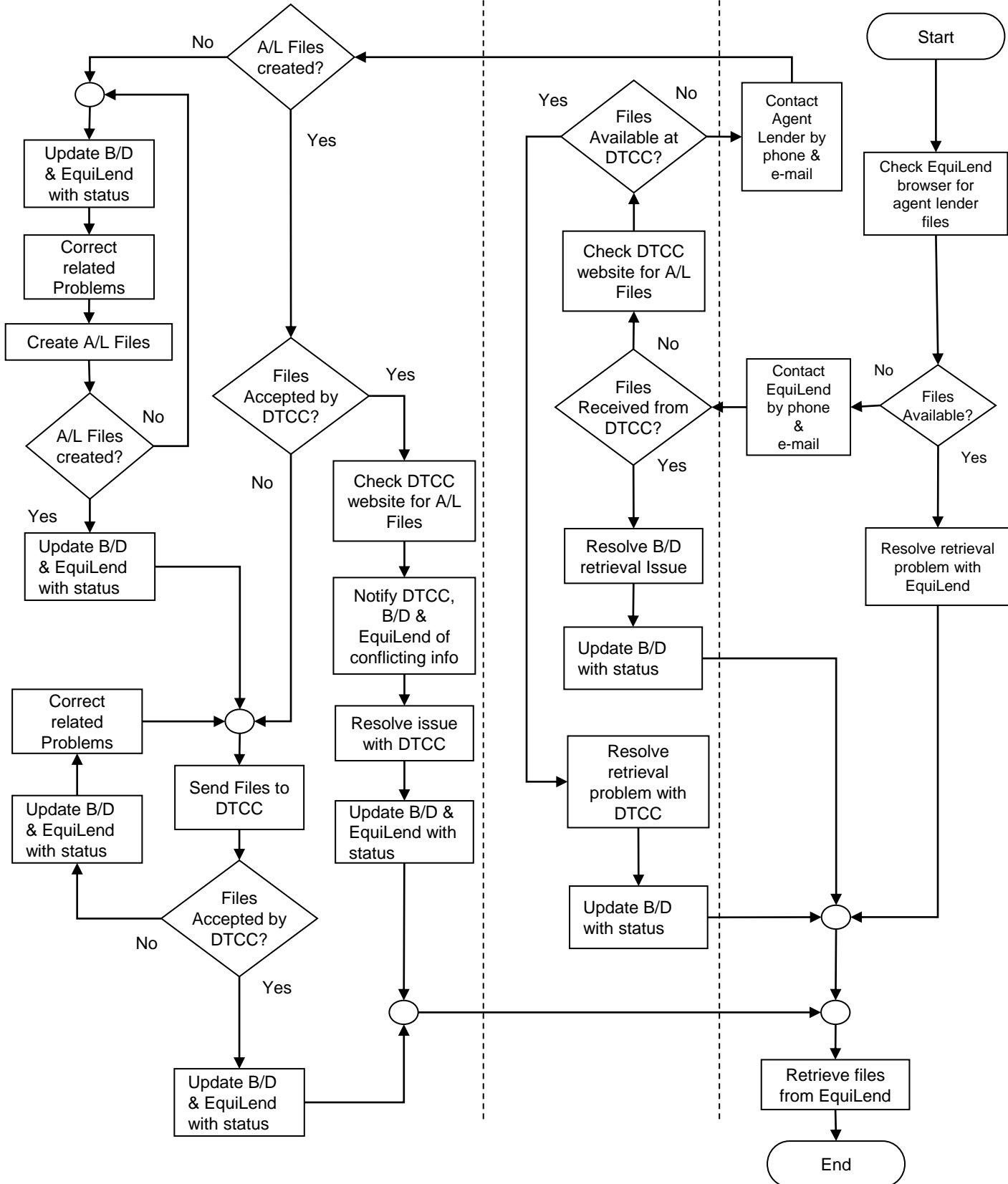


Problem Research Flows

Agent Lender (DTCC)

EquiLend

Broker-dealer (EquiLend)

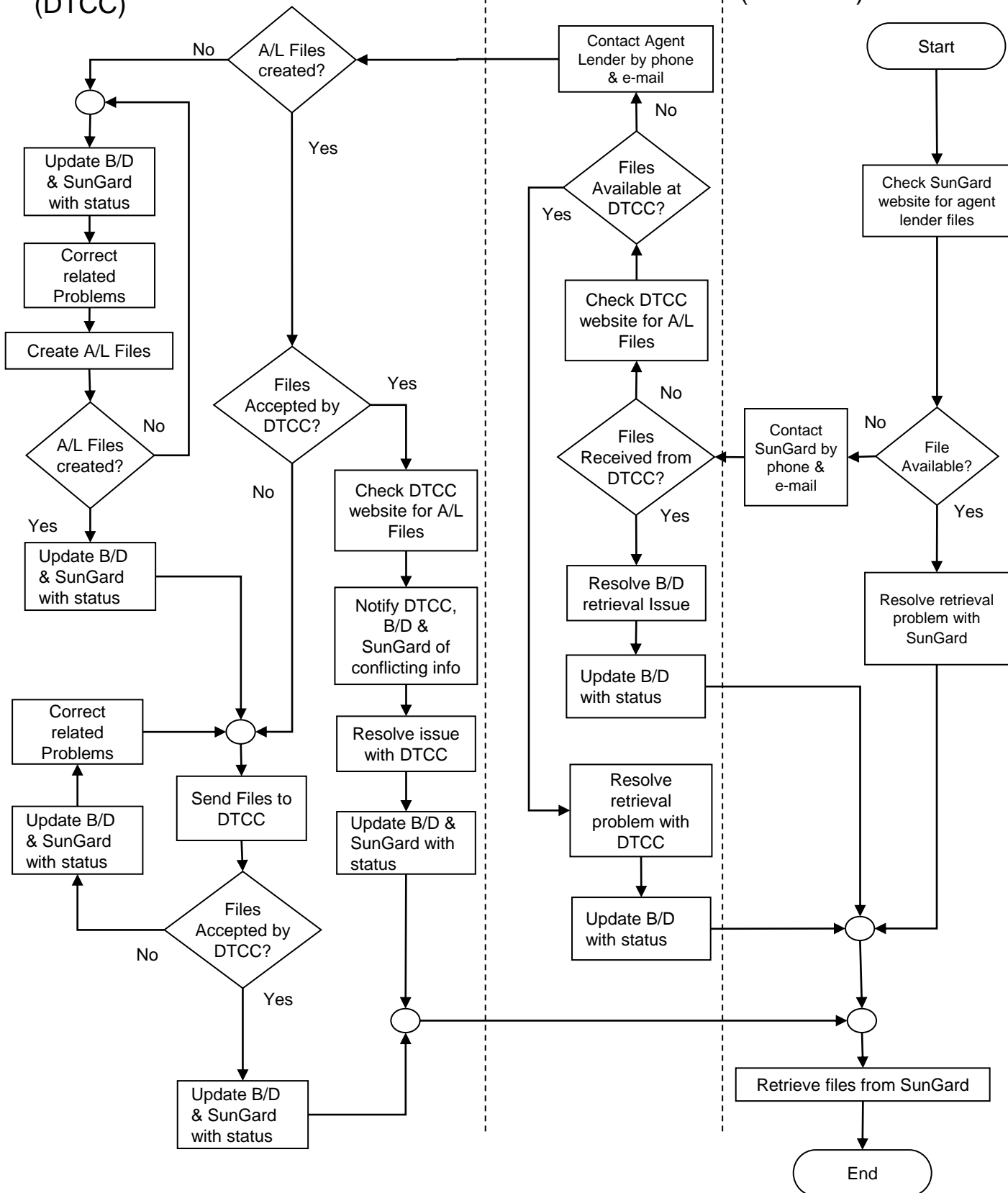


Problem Research Flows

Agent Lender (DTCC)

SunGard

Broker-dealer (SunGard)



Problem research flows

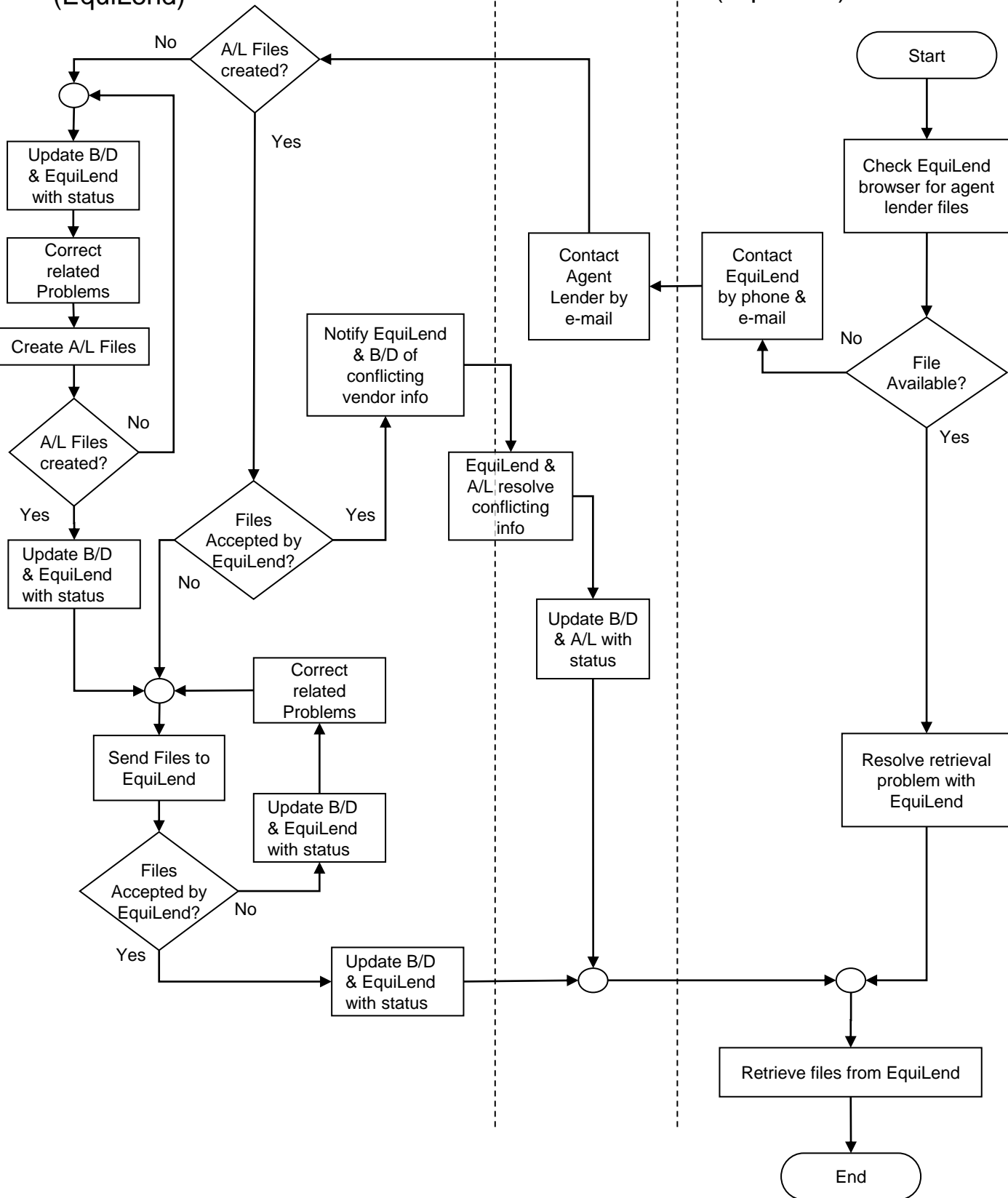
- Agent lender connecting through EquiLend
 - Agent lender and broker-dealer both using EquiLend
 - A/L using EquiLend, B/D using DTCC
 - A/L using EquiLend, B/D using SunGard

Problem Research Flows

Agent Lender (EquiLend)

EquiLend

Broker-dealer (EquiLend)

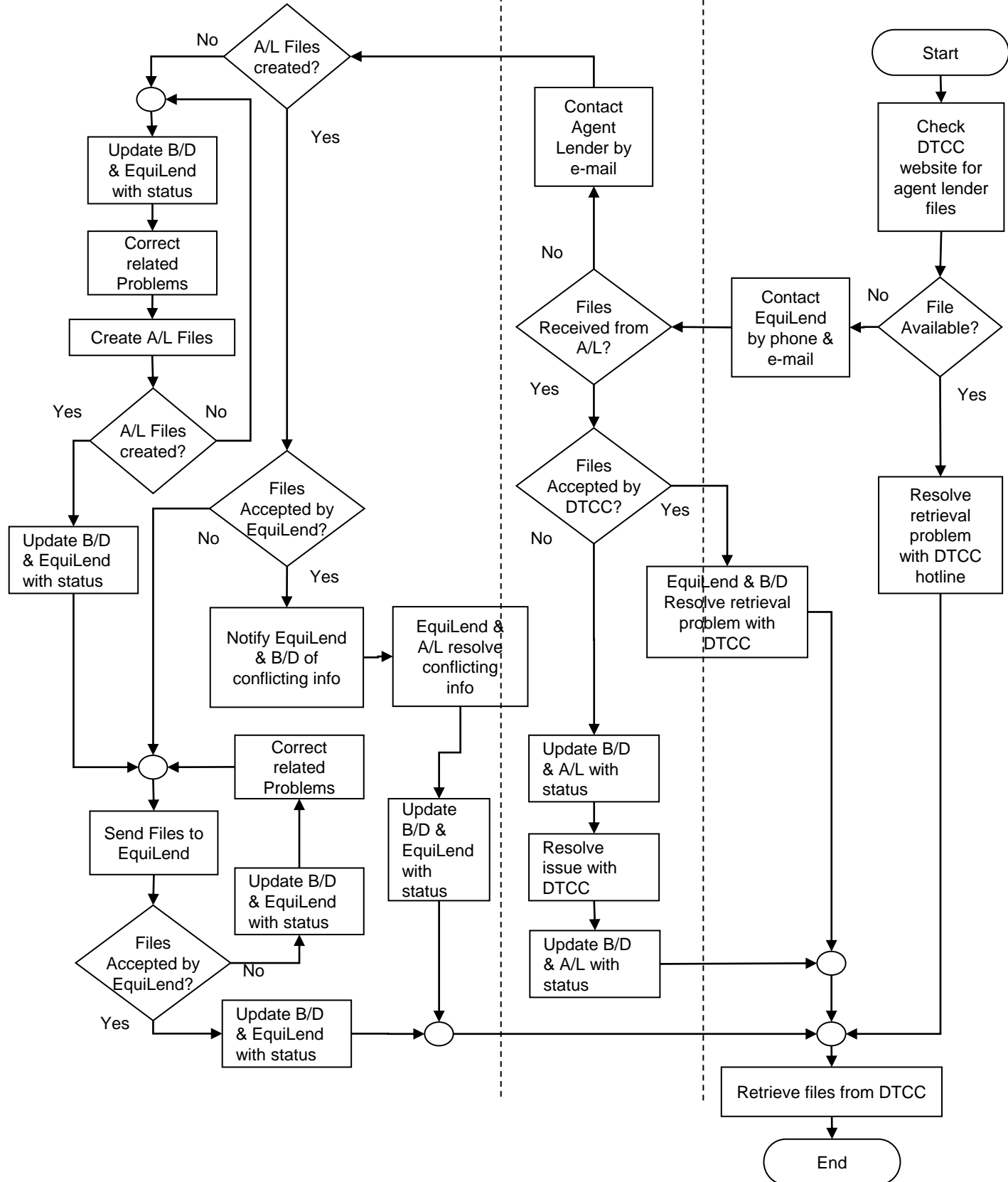


Problem Research Flows

Agent Lender (EquiLend)

EquiLend

Broker-dealer (DTCC)



Problem Research Flows

Agent Lender (EquiLend)

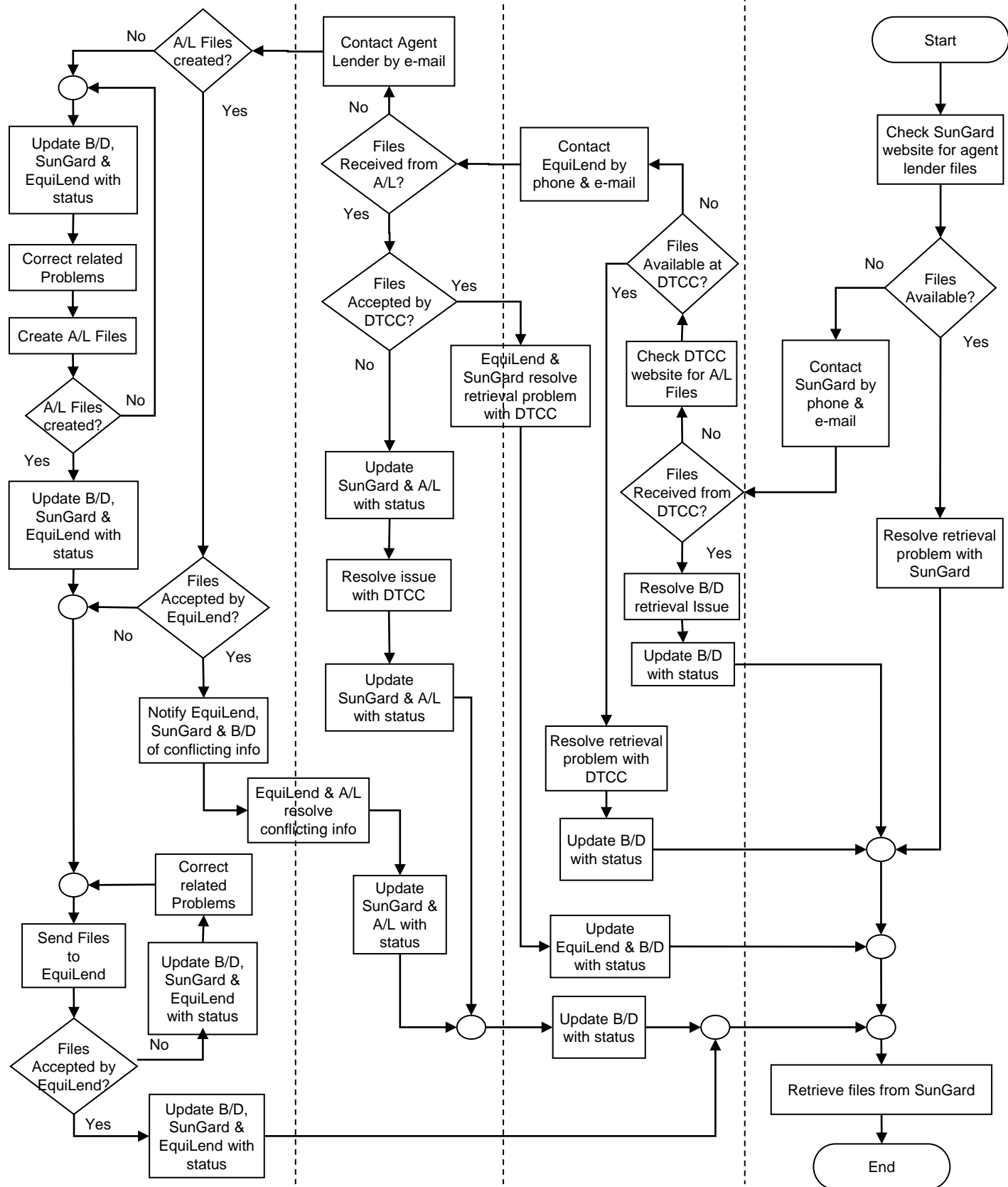
Broker-dealer (SunGard)

(EquiLend)

EquiLend

SunGard

(SunGard)



Problem research flows

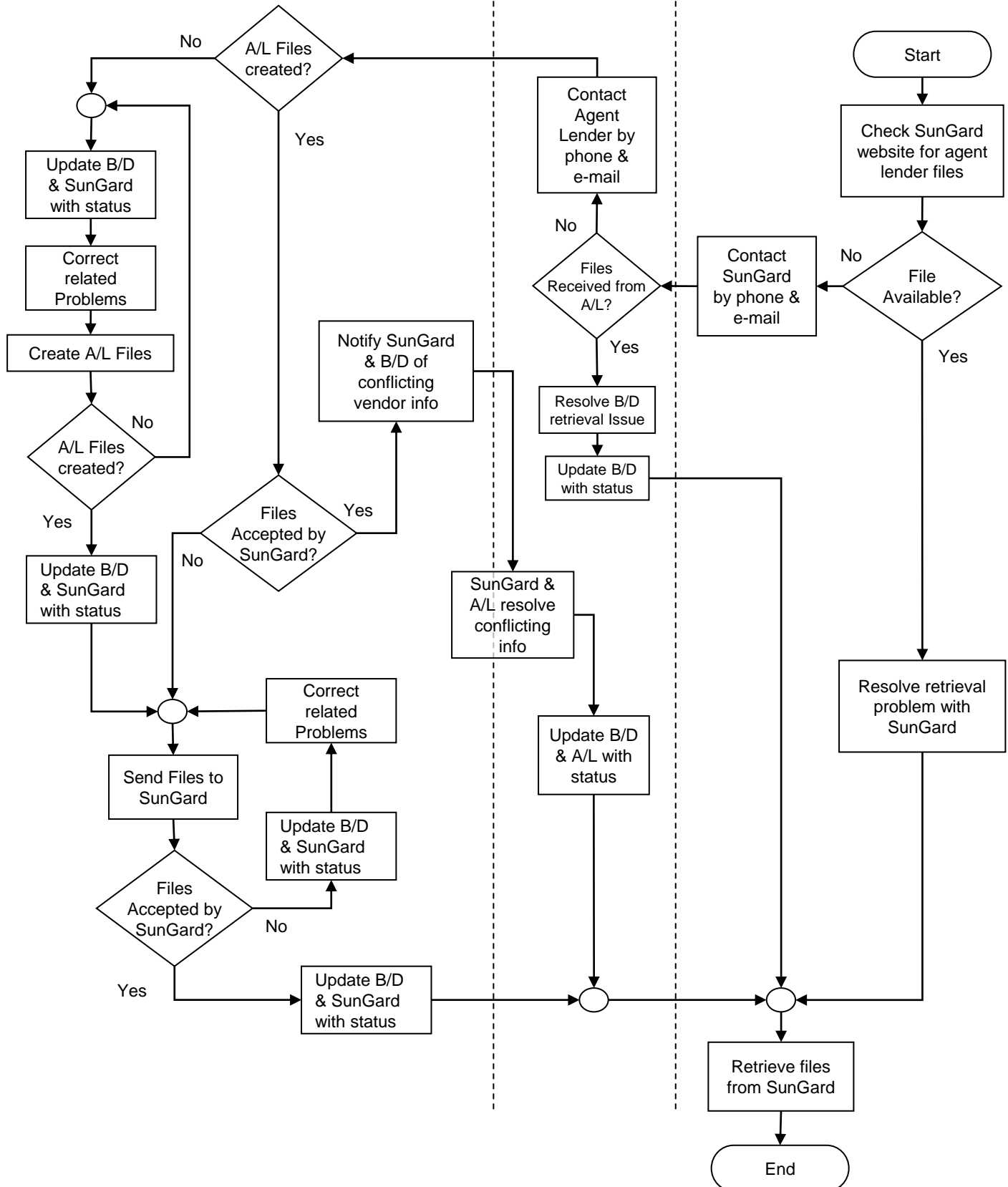
- Agent lender connecting through SunGard
 - Agent lender and broker-dealer both using SunGard
 - A/L using SunGard, B/D using DTCC
 - A/L using SunGard, B/D using EquiLend

Problem Research Flows

Agent Lender
(SunGard)

Broker-dealer
(SunGard)

SunGard

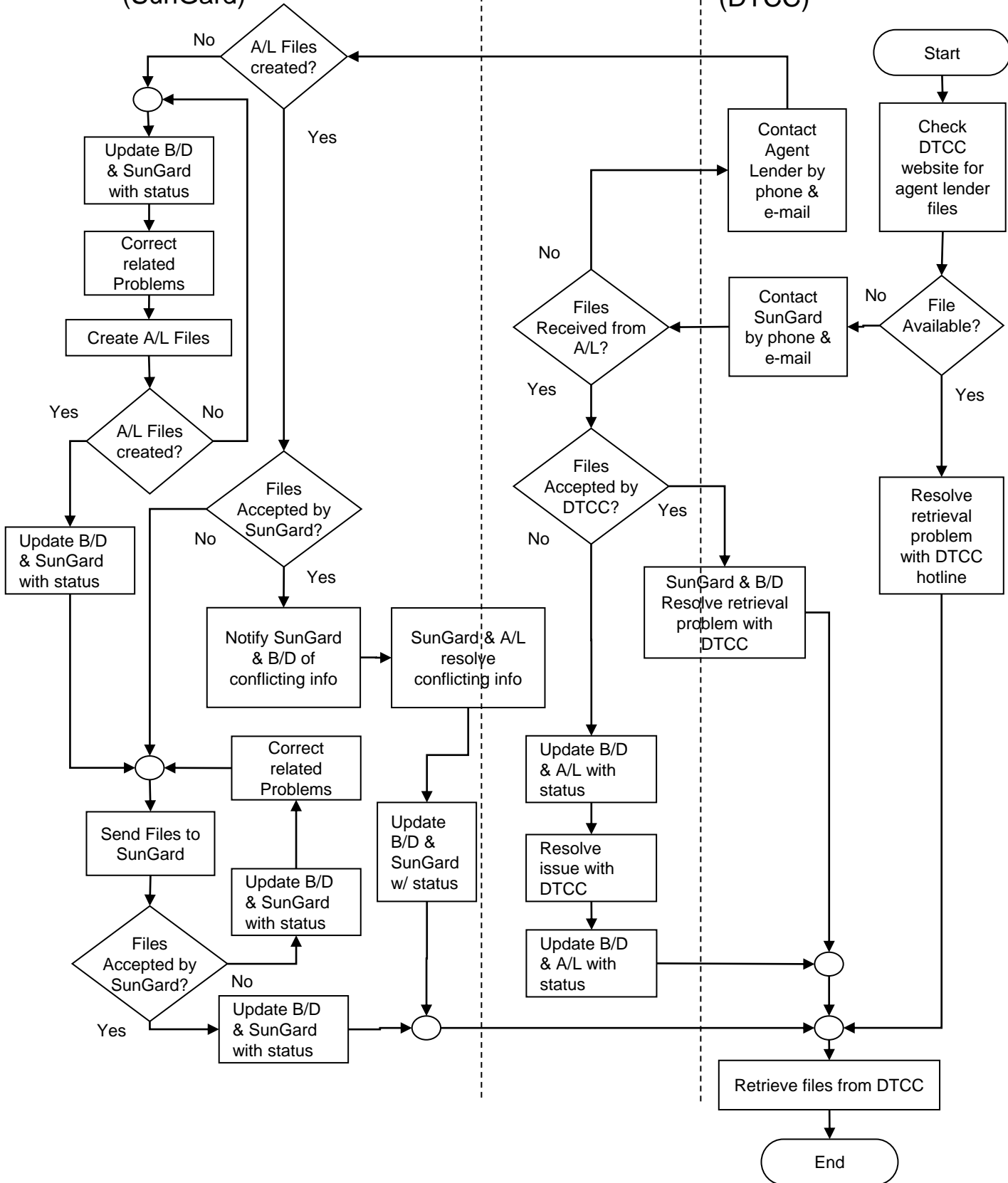


Problem Research Flows

Agent Lender (SunGard)

SunGard

Broker-dealer (DTCC)



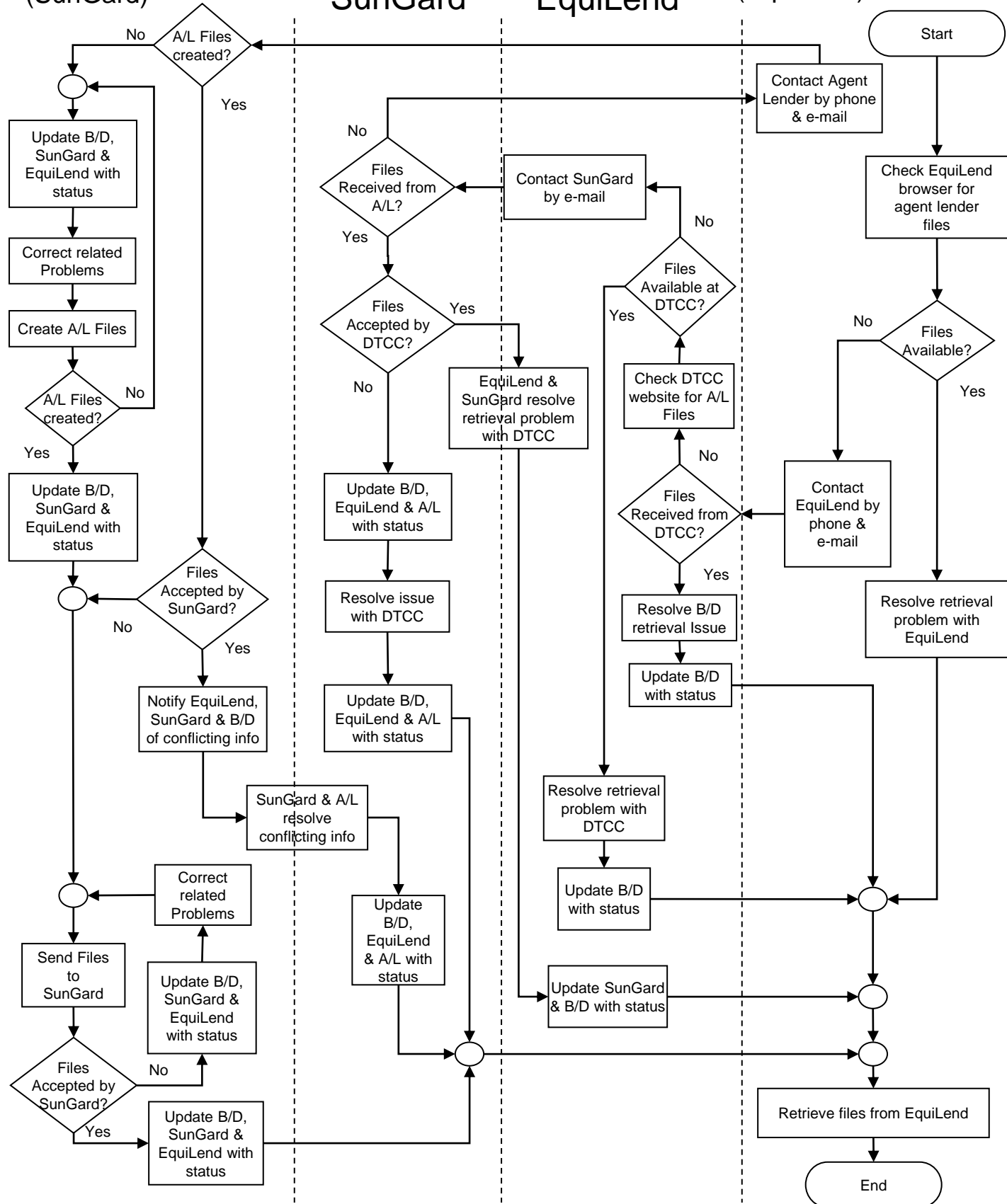
Problem Research Flows

**Agent Lender
(SunGard)**

**Broker-dealer
(EquiLend)**

SunGard

EquiLend



Problem Research Flows

Version 5 changes

- Changed method of EquiLend contacting agent lenders and SunGard from “phone & e-mail” to “e-mail” only on all flows as per comments from EquiLend.