



March 25, 2001

Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: Unitary Action Proposal

Dear Sir:

The board members of the Corporate Action Division of the Securities Industry Association have reviewed the ***Notice of Filing of Proposed Rule Change Relating to Adopting Unitary Action Procedures*** as filed with the Securities and Exchange Commission on January 29, 2002, Release No. 34-45316; File No. SR-DTC-2001-05.

We feel that the best interests of the investors will not be represented if a Unitary Action is undertaken by DTCC. Since we as an industry must afford the same benefits to book-entry holders as those that are enjoyed by certificated holders, any action that will compromise that tenet must be opposed.

Board members expressed real concern regarding possible litigation from security holders should the Unitary Action be cast contrary to their election instructions. The overriding question posed was: *"Is DTCC in the best position to unilaterally select a single choice for all beneficial holders?"*

Most members of The Corporate Actions Division felt that DTCC would better serve their participants by working towards fixing the root cause of the problem. A suggestion was offered to amend the depository agreements, so that requirements for DTCC eligibility would detail DTCC's conditions in the event of a bankruptcy. Another alternative is for there to be a default action. This action would be pre-approved by the participants and provide the best possible election under the circumstances.

Based on the responses from the Corporate Action Division members, the Officers and the Board of Directors **cannot** endorse DTCC's proposal for Unitary Action.

Best regards,

Tai May Lee
President
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