



New DRS Requirements

All three exchanges mandate DTC electronic linkage for all issuers

In the past two months, the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), and NASDAQ have all applied for and received approval for rule changes which will drastically change the landscape for most public issuers and their transfer agents. As a result of these rule changes, effective January 2, 2007, all new issues listed on any of the three above-named exchanges will have to be ³DRS eligible.² This means that all such new issues will have to be participants in the Depository Trust Company's (DTC) FAST System, which electronically links banks, brokers, DTC, and transfer agents, to permit the electronic transmission of shareholder positions.

New requirements will soon apply to all issues listed on the NYSE, AMEX, and NASDAQ.

Likewise, effective January 2, 2008, all publicly traded issues must be DRS eligible i.e., they must be listed on the DTC FAST System. These rules will apply to all issues listed on the NYSE, AMEX, and NASDAQ, including Bulletin Board issues. As a result of the implementation of these new rules, all of our issuers should be aware that each of their issues must obtain DTC FAST eligibility by January 2, 2008.

As you may be aware, most of our issuers are currently DTC eligible, and participate in the DTC FAST System. However, any issues not currently participating in the DTC FAST System will soon have to come into compliance with these new Exchange rules.

As an ancillary note, DTC FAST participation precludes the charging of certificate fees to presenting banks, brokers, and shareholders. Accordingly, any of our issuers currently utilizing such a ³certificate fee² billing arrangement will have to alter their servicing arrangements. Should you require any information in this regard, please feel free to contact me directly at 212.845.3201, or contact Donald Gress, our Chief Operating Officer, at 212.845.3205.

DRS Defined

DRS (The Direct Registration System) provides for the electronic direct registration of securities in an investor's name on the books of the transfer agent or issuer. It allows shares to be

transferred between a transfer agent and a broker electronically through the industry's DRS Profile system.

Currently, investors hold their shares either in ³street name² with their broker or they are ³registered shareholders² and have a certificate. DRS provides investors with an attractive alternative. With DRS, investors can now elect to have their holdings registered directly on the issuer's records in book-entry form. Instead of having to safeguard valuable certificates, shareowners will receive a statement from the issuer or the transfer agent reflecting their ownership. They will also receive communications directly from the issuer or agent in a timely manner. The investor can subsequently transfer the DRS book-entry position to a bank or broker/dealer, or vice versa.

"New DRS Requirements" article recently published in the "Notes From the Chairman" newsletter...from Continental Stock Transfer & Trust Co. Contact Richard Kretz, 815-227 5402, transagt@aol.com with any questions.