

**MEMO# 21096**

April 30, 2007

## **May 15 Conference Call Scheduled to Discuss "NewBank"**

[21096]

April 30, 2007

TO: SEC RULES COMMITTEE No. 38-07  
FIXED-INCOME ADVISORY COMMITTEE No. 7-07  
EQUITY MARKETS ADVISORY COMMITTEE No. 24-07  
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 6-07  
INST. MONEY MARKET FUNDS ADVISORY COMMITTEE No. 7-07  
ETF ADVISORY COMMITTEE No. 17-07     RE: MAY 15 CONFERENCE CALL SCHEDULED TO DISCUSS "NEWBANK"

In 2006, the Bond Market Association (now the Securities Industry and Financial Markets Association or "SIFMA") undertook to address concerns relating to the impact on the securities markets of a disruption at one of the two clearing banks. Specifically, SIFMA, in conjunction with market participants, began to develop a plan to create a separately capitalized third-party bank to act as a custodian for tri-party financing in the event an issue relating to the creditworthiness of one of the clearing banks emerged. The proposed third-party bank was dubbed "NewBank." In the event of a disruption, NewBank would be the custodian for the dealer and investor under the tri-party agreement with the original clearing bank acting as a sub-custodian on NewBank's behalf.

We have scheduled a conference call for May 15 at 2 p.m. to discuss the NewBank proposal. Members of Jordan and Jordan, the industry consultant assisting with the project, will provide information about NewBank and its impact on funds. The dial in number for the conference call will be 877-709-5339 and the passcode for the call will be 21142. If you plan to participate on the call, please contact Jennifer Odom by e-mail at [jodom@ici.org](mailto:jodom@ici.org) or by phone at 202-326-5833.

Heather L. Traeger  
Assistant Counsel

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.