

April 29, 2004

Dear Mr. Katz:

Computershare Trust Company of Canada (CTCC) appreciates the opportunity to comment on the proposed New York Stock Exchange change to Rule 496. CTCC is Canada's largest Transfer Agent and currently acts for in excess of 2600 publicly held companies with several millions of registered shareholders. Many of our largest clients are listed on the New York Stock Exchange

We understand that the proposed Rule change, contemplates, among other issues, a provision that will require transfer agents for NYSE listed issues to accept and process transfer requests received after record date as if the items had been received for transfer on record data, provided that:

1. The transfer requests were sent via mail or courier by a registered Clearing Agency (e.g. The Depository Trust Company (DTC));
2. the transfer requests were mailed on a same day or next day delivery basis; and,
3. the items were clearly marked as a Record Date transfer request.

We believe that the proposed Rule change may create unintended adverse and unacceptable conditions for transfer agents and the issuers that they represent. Specifically, the Rule change will adversely affect record date processing and distributions as outlined below:

1. The proposed Rule change does not require timely delivery, but only "mailing" of a transfer request. Delivery even by "over-night" courier may not result in the receipt of record date items on the following day in our various processing points across Canada. We would possibly be put in a position of being responsible for the failure of the delivering agency to deliver a DTC record date item on time and for our failure to process it as if it were a record date item.

2. Many of our issuers have shortened considerably the time that they allow between record and payable date for entitlements such as dividend payments. In fact, some of our issuers, in the interests of providing such entitlements to their shareholders as quickly as possible, allow for as little as five days or less between record and payable and then require a mailing of the entitlement cheques to the record date holders three days prior to payable date. This essentially means that we are processing record date data on the evening of the record date, producing the entitlement cheques the following day (record + 1) and then mailing on record date + 2. This type of shortened payment cycle does not, and cannot, contemplate any flexibility in terms of extending record date treatment to items received post record date. Having to wait an additional three days before record date balancing and processing can commence, as the proposed Rule contemplates, will jeopardize the current payment cycle of many issuers. In addition, many of our entitlements, especially for our larger issuers, are complex, requiring payments in multiple foreign currencies, staggered mailing dates for different global and local geographic locations and creation of electronic files for direct deposit to investor bank accounts. Any delay to the start of this complex processing cycle will inevitably delay the payment of the entitlement, in many cases, to DTC itself.

3. Transfer Agents are focused on single stream processing. What the proposed Rule change means is that separate processing streams for NYSE listed issues will have to be developed to treat these issues differently. As a result of this proposed Rule change, confusion will be created among the various intermediaries who will miss record dates in their belief that adequate delivery time exists within the DTC clearing agency exemption.

4. The reference to "other dates" involving the rights of a security holder is wide enough to include the expiry of a corporate action. The uncertainty of waiting for securities in the mail from the Depository will put an unreasonable burden on the parties involved in corporate actions such as takeover bids and give preferential treatment to what would otherwise be considered as late items if received from any other shareholder.

Recommendation

We strongly recommend that this proposed Rule change not be adopted as drafted for the reasons stated. It creates a special class of shareholders, registered Clearing Agencies, that will be exempt from the record date rules applicable to all other shareholders.

We thank you for the opportunity to share our views with you on this very important issue.