

DReam Team

The Employee Newsletter of
BNY Mellon Depository Receipts Division

ISSUE 4 - DECEMBER 2009

This issue of DReam Team is dedicated to Bob Kellett, a tax reclamation expert with the DR Division who is recovering from a stroke. To see our story about Bob and his brave fight, please go to page 7.

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Feedback? Suggestions?

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Life After Lehman:

Jason Paltrowitz Talks Global Capital Markets

by Tanya Amaya

It has been a little over a year since the zenith of what market commentators have now dubbed the "worst economic crisis since the Great Depression," marked by the dramatic collapse of Lehman Brothers in September 2008. We recently sat down with Jason Paltrowitz, head of the Global Capital Markets Group in New York, to get his perspective on how this has impacted the DR market, our clients within the investment community and his outlook for the future.

In the past year, how have the parties we deal with in the investment community changed?

They've changed on multiple levels. Specifically we've seen significant changes to our interaction with some of the key DR counterparties. Two have completely disappeared—Bear Stearns and Lehman Brothers. In other examples, two counterparties have merged to become one, as in the case of Bank of America and Merrill Lynch. Three have also merged to become one, which is what happened with AG Edwards, Wachovia and Wells Fargo.

Additionally, traditional investment banks have become bank holding companies in order to gain access to the Fed's stimulus program. This means that these institutions are now regulated by the banking authority and must maintain certain capital requirements, in effect limiting the amount of risk they can take. This has been particularly restrictive for the prime brokerage arms of these institutions trying to provide capital to their clients in the hedge fund industry and their own proprietary trading desks as well.

Does it appear that the investment community is more concerned with the concept of risk when investing in DRs than they were a year ago?

Absolutely. The collapse of Lehman Brothers and Bear Stearns has caused market participants to review their counterparty risk. The result has been an influx of questions from both the buy-side and the sell-side on what could happen in case of failure at the sub-custodian level or even BNY Mellon's failure. On the buy-side in particular, we have had an even greater level of exposure to the legal and compliance aspect of the investment process than in the past.

In general, the DR investment and trading community has seen a reduction in assets and now pays careful attention to the risk parameters at hand in order to ensure the preservation of its capital. It is especially concerned with DR-specific issues around trades that could cause extra risk, such as:

- Books open/closed
- Rights offerings
- Fees (reflecting the need to make every penny count).

Has this affected the way we do business with our clients in the investment community?

We are working more closely than ever before with our colleagues in Operations, Relationship Management and Global Corporate Actions to understand the different DR transaction processes to guarantee that we get information quickly and efficiently and to support our clients (the investment community) transacting in DRs.

How have our clients (investment community constituents) been impacted?

Unfortunately, with less money to manage and a decrease in client activity, we've seen less trading and ultimately fewer people managing the investment and trading process.

A great deal of effort has also been focused on reducing fees and overall trading costs. For example, Morgan Stanley recently created a "Chief Cost Officer" position. The sole focus of this position is to look for ways to reduce Morgan Stanley's global costs.

However, the new unsponsored programs that the DR banks have created since October 10, 2008 have been a nice counterbalance to issues in the equity markets. We've been able to increase the overall DR supply and give

the investment community opportunities to invest globally that just didn't exist a year ago.

For the DR business, what stage do you think we are at in the recovery cycle?

Honestly, I can't say I'm sure at this point. Clearly, there are signs that the equity markets are starting to come back. For example, in the DR world, issue/cancel numbers have been trending up.

In my opinion, when the banking industry recovers and the government stops running the banks, that will free up capital and spur an increase in activity. However, I don't see that happening anytime within the timeframe of the next 12-18 months.

On a positive note, U.S. saving rates have been going up the past year (approximately 5-6% of income). Hopefully, this will eventually translate back into investments and DRs.

General comments one year after?

In this down market, the GCM teams have used the opportunity to be even more proactive with our clients in the investment community, responding to their needs and acting as a partner to help them navigate the worst economic downturn since the Depression. We feel that developing and strengthening our relationships will pay significant dividends going forward when market activity starts to pick up. Our goal is to continue to be a trusted partner and advisor within the DR investment community.

DREAM AWARD WINNERS

Meet Team Outperformance! The Latest DREAM Award Winners and A Star Award Winner

by Wolcott Wheeler

Since our last issue, four months of new DREAM Awards have been given out—and Tom Flynn won the prestigious BNY Mellon-wide Star Award.

The DREAM Award stands for Depository Receipts Engaged Ambassador(s) of the Month Award, an honor established by our CEO, Michael Cole-Fontayn, to recognize employees who demonstrate our values of:

- Client Focus;
- Trust;
- Teamwork;
- Outperformance; and
- Innovation (within our sector).

In addition, they demonstrate the DR Division-specific values of:

- Communication;
- Delivery;
- Tenacity; and
- Personal responsibility.

Winners earn Division-wide recognition and are invited to have breakfast with Michael. They're also candidates for the 2010 BNY Mellon Star Award.

August 2009 – Pat Saldano: for working with Audit, Global Corporate Actions, Settlements, and Dividends to develop a sub-ledger process for all receivable accounts to satisfy a new audit requirement. Pat worked closely with these business lines to develop a control process whereby each group tracks all outstanding broker bills/claims and provides, on a monthly basis, a report to Reconciliations with the status.

September 2009 - Kammy Yuen: for elevating the role of Relationship Management in Asia to a new level. She consistently seeks to think outside the box, organizing events to educate and expand our growing client base in China.

September 2009 - Michael Silverence: for integrating the DSF accrual project with the Corporate Actions application. He worked closely with GCAT, Finance, Reconciliation, Relationship Management, Technology and the Wipro testing team located both on- and off-shore. He ensured a smooth data migration of the DSF accruals from Dividends to Corporate Actions, devoting hours to ensure that the accrual numbers and the financial reporting were in synch.

October 2009 - Maria Mozhina: for coordinating and producing BNY Mellon's recent 5th Annual Russian DR Issuer's Forum on Investor Relations single-handedly; organizing a senior client entertainment event at Cirque de Soleil; coordinating travel schedules of a dozen foreign speakers/presenters; and organizing three client-calling schedules for numerous BNY Mellon visitors.

October 2009 - Joan Levine: for acting as the project manager of the Common Depository Reconciliation module. This project was critical to the sound completion of cross-border settlement activity, satisfactory audit results, accurate dividend and corporate action processing, and accurate client reporting.

November 2009 - the Composite Index Webpage Team (Maria Lordo, Maria Orman and Sal Chan): for enabling the launch of the Composite Depository Receipts Index webpage. The team

coordinated complex processes and moving deadlines with vendors Marketwatch, Dow Jones and IDC. Through the design, testing and implementation, the team partnered with the DR Index Team and turned our vision into a superior product.

Tom Flynn was singled out to receive a **2009 Star Award** for going the extra mile to demonstrate the talent, dedication and commitment that form the foundation of our company's success. He was one of 53 BNY Mellon employees so recognized, and the only one representing the DR Division.

Tom's outperformance and teamwork are the major factors that led to his winning the Star Award. Tom played a central role in establishing over 800 unsponsored accounts after the SEC rule change. He coordinated the efforts of the Global Corporate Actions Team with his Administration and Master Control Teams, as well as our outside counsel, FINRA and the SEC.

Tom also spearheaded the Division's efforts regarding tax compliance in connection with NRA withholding taxes. This was a project to remediate the 2008 tax year and was completed in the last three months of 2008 and the first three months of 2009. This process included tracking U.S.-sourced income for 228 clients, paying the owed taxes for 152 of those clients, and reporting that income and taxes for all the clients to both the IRS and the clients as well.

Congratulations to Pat, Kammy, Mike, Maria, Joan, Maria Lordo, Maria Orman, Sal, and Tom for shining as such examples of excellence in our division!

OUR EMPLOYEES

Jenny Tsang's Amazing Orchid Photos

by Wolcott Wheeler

Earlier this year, Jenny Tsang of the New York office—who happens to be a flower aficionado—took advantage of the firm's Corporate Member Day discount on tickets to the New York Botanical Garden event, *The Orchid Show: Brazilian Modern*.

The result was these spectacular pictures she took, and she was kind enough to share them with us. Jenny, thanks for revealing so much of the beauty of the natural world!



As Others See Us: The Power of Coaching and the “360” Peer Review Process

by Wolcott Wheeler

In BNY Mellon’s DR Division, professional development takes many forms. In the Sector’s Leadership Program, two of the most important ways that employees can grow professionally is through the power of coaching and what is known as the “360” peer review process, both of which allow us to see ourselves as others do. (It’s called 360 because it offers a 360 degree view—a complete portrait.)

As a member of senior management, Mike Finck, manager of the DR Division’s New York office, participated in the very first 360 session, which Chris Sturdy inaugurated three years ago.

“In 2006, the 360 process was a company-wide effort, and Chris embraced it wholeheartedly at the Division level,” Mike said. “Everyone on the Leadership Team participated. A survey was completed by your peers, direct reports and your manager, and all the comments were anonymous, except for those of your manager. The process was very eye-opening and enlightening.”

Mike received 13 peer reviews, but he was struck by one thing: “Peers viewed me very differently than my direct reports. I received very valuable advice that has helped me become a better manager and leader. An outside coach was assigned to each of us to review the evaluation and mentor us in development planning, time management, delegation and execution. I was so happy with the process and its impact on me, I continue to periodically use the coach assigned to me more than two years ago.”

The 360 process continues to be used. In 2009, the DR Division’s Leadership Program for managers and team leaders employed the 360 review process twice, once in April, then in September.

“I fully embrace the 360 process,” he said. “I like the anonymity of the process, which allows people to be frank while reviewing each other.”

Mike made an interesting comment about feedback on perceived weaknesses. “Your response just shouldn’t be, ‘I have to eliminate that weakness,’” he said. “You should ask yourself, ‘Why do I have that weakness?’”

Mike has been engaged in informal coaching since he arrived at the DR Division in 1987 and has helped many employees along on their career paths.

“Mentoring and coaching is particularly important in the DR Division,” he said. “Because the product is relatively unique, you don’t have a large pool of experienced staff to hire from. As people come in, you don’t give them a competency test. So we’re good at hiring people whom we think will fit in and who can learn the product. Many have come to love the product and make their careers in depositary receipts.”

In addition, Mike has signed up for the next round of the firm’s official mentoring program. “I’m excited about mentoring someone I don’t know in another line of business,” he said. “I’m looking forward not only to sharing my organizational experience, but also to introducing them to the world of DRs.”

Few employees have benefited more from coaching and 360 than Alexis Vasquez, head of Global Capital Markets for London/Hong Kong. (In January 2010, she will

be replacing Jason Paltrowitz and assume overall responsibility for the GCM Group in New York.) A native of Hawaii, Alexis—who joined the firm seven years ago in the New York office—says she has benefited from both formal and informal coaching.

“When I first arrived at the company, I reported to Marianne Erlandsen, who was a great coach and advised me how to mature professionally and how to present myself,” Alexis said. “Julio Lugo was also a wonderful coach. I should add that I also sought out this feedback and advice—I go to people, and I’m open to getting advice. They gave me constructive feedback, and later I found coaches in other parts of the company who shared with me what they perceived as my strengths and weaknesses. I’ve been very lucky to find these other sources, who have helped me go to the next level.”

Then, when she moved to the London office two-and-a-half years ago, she met Michael Cole-Fontayn in his role as head of Global Business Development. “He was a great mentor who really helped me to understand how the London office ticks, which was hugely important as I transitioned from one business culture to another,” she said. “I currently report to Jamie Green, who’s also been a terrific coach during the five years I’ve been part of his team.

“Some managers understand that coaching is a crucial part of human capital development. Coaching is a fundamental part of management—I can’t stress that enough—and I’ve been very fortunate to work for people who get that. Part of my job as a manager is to coach my direct reports on how to manage others and how to deal with internal issues.”

Alexis is also a mentor in Europe. "It's very personal," she said. "My mentee is a woman in another country and another sector of the company. My job is to listen to her experiences and share mine with her so she can figure out what she wants to achieve. She's looking for objective support and advice."

Her advice? "If there's someone you feel an affinity with, seek them out. I happened to hear a senior executive from another area of the bank speak, and I was so impressed by what he said and his style of delivery, I subsequently sought him out, and he gave me some really phenomenal professional advice."

As part of the sector Leadership Program, Alexis recently underwent the 360 peer review process in New York in September 2009. "It's for managers and team leaders, and you get feedback from direct reports and your peers," she said. "You're rated 1 to 5, and you have to rate yourself. There is space for written feedback, and after you've been rated, a professional coach helps you go through the results. It's a really good exercise to undertake."

Alexis has excellent advice for how to deal with comments on perceived weaknesses. "It's natural to get defensive, but no one said you're no good," she said. "You have to have some tough skin and accept what is actionable or not. Capitalize on what you do well, don't dwell on the negative. Ask yourself, 'Do I need to change?' If you're a solid performer, don't fret about one or two critical comments."

Falling in Love with Europe

by Monica Vieira Eisenberg

Yes, it *is* a small world. I am Brazilian, my husband is Argentine, and our children, Andre (7) and Camila (4), are Americans, New Yorkers to be more precise. Living in such a multicultural city as New York, I have always tried to expose my children to different cultures, food, music, and languages—to make them true citizens of the world. New York City is an ideal place to live when you have this underlying goal for your family. As a result, I was very excited when my two children and I hopped into a plane last April and visited Paris and Geneva, where we had a great opportunity to explore those cities and reunite with dear friends and family. Originally, my husband had planned to come with us, but a work-related emergency interceded.

In the plane Andre wrote in his notebook: "I was in the airport, now I am in the plane going to Geneva and Paris. Let's see if it will be fun." Then he drew a half-page-long question mark below to illustrate his opening remarks. I think he captured our state of mind: a sense of mystery and uncertainty about our upcoming adventure in Europe, as this was definitely *not* a more predictable kind of trip, like one to a Disney resort or our home countries of Brazil or Argentina.



The old castle that Monica visited.

When we arrived at Geneva airport, the weather was great, and as we disembarked from the plane, we could see the imposing and majestic view around us of the Swiss Alps topped with snow against striking blue skies—really beautiful.

In Geneva, we stayed with my longtime Greek friend Nassia and her Swiss husband Lorenzo. On the Saturday just before Easter Sunday, Nassia took us to their friend's country house in France, only 45 minutes from Geneva. The house was actually a very old castle, kind of worn down, but very charming.

Nassia's friends invited their friends with children for lunch and an exciting Easter egg hunt. If you can picture a typical scene from the 1984 French movie *Un Dimanche à la Campagne*, set in the idyllic French countryside, this was just like that: a long table set outdoors, a lawn full of daisies and other beautiful flowers, children playing outside, and friends eating cheese with good wine—very French.

Camila was quick in making friends with two other Swiss-French girls. She soon came to me to ask how to say "beautiful flowers" in French to initiate a conversation with her new friends.



Camila playing with a French girl.

Later we sampled Swiss chocolate bunnies, which were really delicious. Swiss chocolates don't

have the preservatives used in their exported versions (they all have very short expiration dates), and the milk used is top-grade.

After another fun day in Geneva, it was time to go to Paris. Our first exploratory day in Paris was spent in the Marais, which is sort of the equivalent to Soho in Manhattan. We walked through its narrow streets full of art galleries, beautiful architecture, and cute little stores and small museums—the Picasso museum is housed there. It also has a Jewish section with great kosher cafes and restaurants.

The elegant Place des Vosges is in the Marais, a beautiful square park surrounded by 17th-century buildings (called Hotels); originally called the Place Royale, it is the city's oldest square. Victor Hugo also lived there (at 6 pl. des Vosges), and it is now a museum. My kids enjoyed walking around and playing in the playground inside the square.

The beauty about Paris is that you breathe art, history and culture everywhere you go. My children loved the Louvre. I was actually very hesitant in taking them there, as I thought it was going to be overwhelming for them. However, to my surprise, they loved the museum and especially the Mona Lisa. For them, this was one of the highlights of our trip, and even today they always talk about it: the real Mona Lisa with her mysterious and sweet smile and eyes that follow us.... They also liked the paintings by the Impressionists, the real Van Goghs and Monets at the Musee D'Orsay, and the Picasso Museum—after that one, I couldn't convince them to go to any other museum in Paris.

We also were very impressed by and inspired by the French gardens...those tulips. True, here

the tulips are also gorgeous, but the gardens in Paris are just unbelievable, because of the color combination. Andre was the designated photographer in charge of capturing the flowers.

In terms of sightseeing, the highlights for my children were the Eiffel Tower; the ride on the bateabus from there to the Louvre; and Le Jardin du Luxembourg, which had astonishing gardens and a beautiful photographic exhibition about important political moments in various Eastern European countries. More importantly for the kids, there is an amazing playground located inside. The downside is that you have to pay to get in. Andre was happy there because it was one of the only parks in Paris where he could play soccer—all other had a "Ball Interdict" (Balls Forbidden) sign.

I am proud to say that we only used public transportation while in Paris—and it worked out pretty well. Andre compared the subway trains and stations to those of New York; but he noted that over there, the stations are cleaner, much bigger, and have art exhibitions and TVs indicating the subway train schedules. We liked the Paris Metro, or subway.

We spent our last afternoon and evening at the Île (Isle) Saint-Louis, one of Paris's two natural islands in the Seine river. The island, named after King Louis IX of France, later canonized as Saint Louis, is connected to the rest of Paris by bridges to both banks of the river. Most of the island is residential, but there are several shops, cafés, ice cream parlors, and restaurants at street level. We had dinner with my father-in-law's best friends there, Jojo Distain and his adorable wife Rene. The Distain and Eisenberg families

escaped from France to Argentina during the Second World War. The Eisenbergs stayed in Argentina, while the Distains returned to France after the war. Our families are still friends to this day.

Kevin, my husband's nephew who lives in Barcelona, came to Paris to join us as well. Jojo and Rene took us all for dinner at the Île Saint Louis. As the restaurants in Paris only open for dinner after 9 p.m., we first had crêpes in a café (so the kids didn't starve), then we went to this fun restaurant called Le Foul d'Isle. The kids loved the place, which was decorated with artwork featuring chickens of all kinds, even chicken soccer players wearing Brazilian soccer t-shirts!



Back row: Kevin, Jojo, Rene, & Monica. Front row: Andre & Camila.

After six days in Paris, it was time to return to Geneva, then to go back to New York. I returned home truly empowered by the trip and with a solid sense of accomplishment. After all, I managed to spend 10 days on my own with my two very young children in Europe on a modest budget. The children came back enriched with all they learned and saw in the old continent. When I asked if they liked the trip, their response unequivocally once again was: "I didn't like it—I loved it!"

OUR DIVISION

Six Sigma Comes to the DR Division

by Wolcott Wheeler

In case you don't know it, Six Sigma is a process improvement methodology, originally developed by Motorola, that seeks to improve the quality of process outputs by identifying and removing the causes of "defects" (errors) and variability in manufacturing and business processes. To accomplish that goal, it uses a set of quality management methods, including statistical methods.

When Chris Prior-Willeard, head of the Division's Innovation initiative in London, announced he wanted to train the DR Division in Six Sigma techniques, he was told, "It won't work."

"But that's what everyone says about innovation when it's first proposed," he said.

Chris had an excellent reason for wanting to introduce Six Sigma to the DR Division. "Three years ago, we bid for the BP [British Petroleum] ADR program—the biggest in the world," he said. "They were also looking for a UK registrar, and later, during a lengthy debriefing with BP to learn why we weren't awarded the ADR mandate, they informed us that only one bidder for the UK role used Six Sigma. 'As soon as we found a supplier speaking our language, that made our decision,' they said."

Chris added: "Within BNY Mellon, Asset Servicing uses Six Sigma. So does Pershing, Corporate Trust, and Shareowner Services. Why not us?"

So began Chris' crusade to introduce Six Sigma's sophisticated

process improvement techniques to our Division as an Innovation initiative.

"I know the DR business and where we can improve," he said. "That's where Six Sigma is so useful—and so effective. We have to change behavior and to establish a common language for changing things in our organization that can be used in Asia, in Europe, in Latin America—everywhere."

A turning point occurred when Michael Cole-Fontayn attended a Six Sigma awareness session in London and was very impressed. "As a marketing professional, Michael was struck by Six Sigma's powerful sales language and how it gets at customer's needs," Chris said. "It works for most of the functions in the DR Division, and its overall goal is to eliminate defects."

From May to August 2009, Caroline Holyhead conducted a memorable series of Six Sigma classes from London that were groundbreaking in their nature. For the first time, according to Chris, Six Sigma lessons were 1) delivered real-time to a class in several different places, 2) broadcast as real-time WebExs around the world, and 3) recorded for subsequent access by interested users. Incidentally, it turned out that Brian Kane in New York was already a Six Sigma graduate.



Caroline Holyhead did an outstanding job of conducting the Lean Six Sigma classes and coordinating the educational initiative.

"So far, 10% of the Division has graduated," Chris said, "and we have 20 Yellow Belts." As in martial arts, Six Sigma students are ranked by different colored belts, rising from Yellow Belts to Green Belts to Black Belts.

On September 14, Michael Cole-Fontayn held a ceremony for graduates in New York where he awarded plaques to Yellow Belt graduates.

"Six Sigma really knocks down the process," Chris said. "I've already heard from colleagues in New York how their Six Sigma training has helped them improve the process flow of their daily work."

Giving Bob Kellett a Helping Hand

by Wolcott Wheeler

In August 2006, Bob Kellett, a leading tax reclamation expert in the DR industry and DR Division employee, suffered a debilitating stroke. This August, Karyn Hairston learned from Bob's wife Janet that she was purchasing a Stim machine as part of the rehabilitation process. Karyn told Janet that she thought the DR Division might be able to help, and with support of Lisa Valdez, donations were accepted.

"People made immediate contributions, and there was overwhelming support," said Mike Finck, manager of the New York office. "We had hoped to collect \$500, the cost of the Stim machine. But in a matter of a few days, we raised \$1,000! We told Bob and Janet to use the additional \$500 as they saw fit."

Janet Kellett responded with a heartwarming e-mail to Rob Martello. She wrote (in part):

“THANK YOU, THANK YOU, THANK YOU to everyone who put a huge smile on Bob’s face Friday night when I opened the envelope containing the cards and the unbelievable gift card that everyone was so gracious in signing. When he saw everyone’s messages and saw the gift card, he had tears in his eyes.

“He is responding to the Stim machine, which is wonderful. But what is most appreciated are the cards that did so much to lift this man’s spirits and let him know that after all this time, he is still remembered, still thought of. From the bottom of our hearts, please tell everyone how much we love and appreciate them, their thoughtfulness, and the kind words that made his heart soar.”

“We are, after all, a DR family, so it was great to help out a colleague,” Rob said. “We hope he’ll be walking through those doors soon here at 101 Barclay, so we can all show him personally how much he means to us.”

OF SPECIAL INTEREST

London, The “Scent” of Money and Natural Selection in a Repression (A Repressed Depression)

by Neil Atkinson

Samuel Johnson famously said, “When a man is tired of London he is tired of life; for there is in London all that life can afford.”

With that in mind, I swiped my Oyster subway card at Canary Wharf and took the tube to the Bank station to attend a lecture at Gresham College, entitled “The Ascent of Money,” presented by Professor Niall Ferguson.

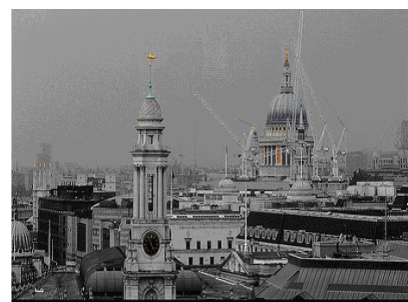
Niall Ferguson, MA, D.Phil., is the Laurence A. Tisch Professor of History at Harvard University and William Ziegler Professor at Harvard Business School. A resident faculty member of the Minda de Gunzburg Center for European Studies, he is also a Senior Research Fellow of Jesus College, Oxford University, and a Senior Fellow of the Hoover Institution, Stanford University. He is currently spending a year at the London School of Economics.

The event attracted over 400 people, an attendance so great as to prompt one wag to comment that most had misunderstood the attraction of the evening, and their attendance at this City venue was based upon the “scent of money”!

It was more than fitting that this event was held at Gresham College, founded by Sir Thomas Gresham in 1597, an independently funded educational institution in the center of London. For over 400 years, Gresham professors have given free public lectures in the City of London, the city’s financial district.

A bit of financial history: the College is named after Sir Thomas Gresham, son of Sir Richard Gresham. Sir Richard, Lord Mayor of London in 1537-38, conceived the idea of building an Exchange modeled on the Antwerp Bourse. This was brought to fruition by his son Sir Thomas, on land provided by the City of London Corporation, and it was given the royal appellation by Queen Elizabeth I, becoming known as the Royal Exchange.

Sir Thomas was knighted by Henry VIII, and having won and lost favor with Queen Mary, Thomas became the “flavor of his day” with Queen Elizabeth, acting as financial agent of the Crown. Incidentally, for those interested in history (and



A typically sunny day in London: the Royal Exchange on the left with Gresham’s Grasshopper and Sir Christopher Wren’s majestic St. Paul’s Cathedral on the right.

let’s face it, you’ve read this far), 2009 is the 500-year anniversary of King Henry VIII’s accession to the throne.

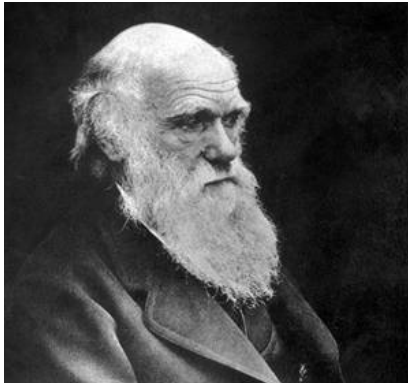
Sir Thomas Gresham later built, at his own expense, the Royal Exchange at the junction of Bank and Cornhill. A rebuilt version of the Royal Exchange stands on the same spot to this day and supports the golden grasshopper emblem of the Gresham family on top of the dome. In its current incarnation, the Royal Exchange is home to luxury boutiques and bars, which are reported to be patronized by London’s Depository Receipts Division hipsters.



Gresham’s initials and his golden grasshopper emblem, on a sign in Lombard Street, the City of London from 1563.

Claims that Guy Gresham, head of our Global Investor Relations Advisory Team in New York, is descended from Sir Thomas are hotly disputed in the coffee houses of EC1. The claims, of course, largely emanate from Guy himself!

Anyway, back to the Gresham in hand, Gresham College. The College regularly invites a series of visiting professors, and this year the honor fell to a fellow Scot, Professor Niall Ferguson.



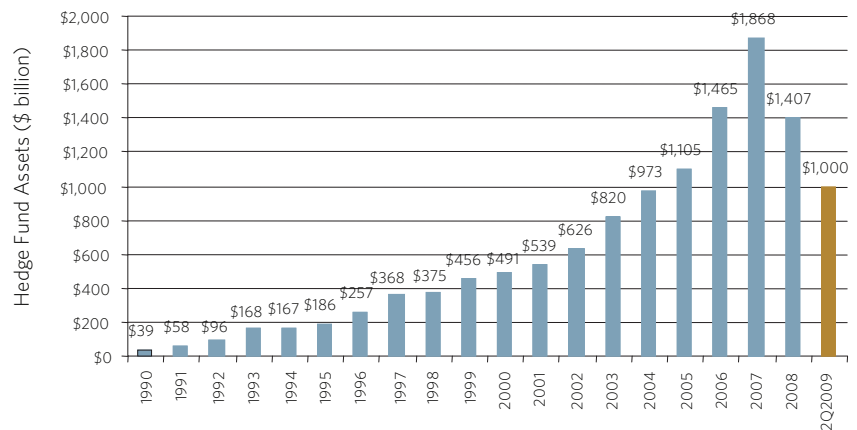
Darwin in 1866. Ferguson argues that hedge funds are the Galapagos Islands of the financial services industry.

His lecture took its title from his recent book and television series, *The Ascent of Money: A Financial History of the World*, which argues that finance evolves through natural selection. Exactly two hundred years ago, Charles Darwin, one of the world's most creative and influential thinkers, was born. Although Professor Ferguson cautions against the sort of Darwinism that sees evolution as progress, he believes that new sorts of finance are constantly coming into being as the environment changes. The sequence of creation, selection and destruction is what has generated many of the financial techniques that modern economies depend on.

Accordingly, the argument is that markets are not efficient, but adaptive, with participants following Darwinian rules. After periods of relative stability, they will undergo periods of intense change, as participants evolve to take account of new realities. Hence hedge funds are markets' Galapagos, the islands whose

Exhibit 5: Total Hedge Fund Assets

December 1990 through 2nd Quarter 2009 Estimates



Source: Hedge Fund Research, BNY Mellon and Casey Quirk Analysis 2009

The rise and fall of hedge fund assets: Prof. Ferguson argues that hedge funds are an experimental laboratory for discovering the most effective ways of making money.

unique ecosystem allowed Darwin to work out his theory of evolution, because evolution there happens so fast. Lightly regulated, hedge funds offer the closest thing we have to an experimental laboratory for testing which ideas for making money will prove to be the fittest.

Ferguson predicts a reduction in the number of hedge funds by one-third as the result of market-induced "climate change."

The removal of leverage may not administer the same shock to hedge funds as the asteroid that eliminated the dinosaurs, but funds now face a new phase of evolution—in a far more hostile environment.

There is a risk that regulation impedes or distorts natural selection. Evolution depends on extinction as well as creation, and we should allow ill-adapted techniques to fail, if you are going to get something new. Consequently he argues that failure is an option.

He wrote, "The ascent of money has been one of the driving forces behind human progress: a complex process of innovation,

intermediation and integration that has been as vital as the advance of science or the spread of law in mankind's escape from the drudgery of subsistence agriculture and the misery of the Malthusian trap."

Whether you believe all, or any of these arguments, it was a thought-provoking evening. I agree with Ferguson on one point: our genes are our institutional memory of business practices, and that's why our business will continue to thrive.

Further Reading:

Niall Ferguson: *Empire and The Ascent of Money*

Peter Ackroyd: *London - The Biography*

OUTSOURCING

Adventures in Offshoring With Rajan in Pune, India

by Robert Verhelle

Rajan Balsara, a DR Reconciliations "drill sergeant" with a warm smile, was recently tasked with a challenging mission: training a Center of Excellence for DR

Reconciliation and Loan Balancing in Pune, India. He successfully completed the training in late November 2009. This was Rajan's first visit to Pune, a city located 150 kilometers (approximately 100 miles) southeast of his native city of Mumbai.

"My fluency in the local language facilitated easy communication with both the office and hotel staff," he said. "In addition, it gave me the independence to explore the town on my own."

Rajan offered us an insight into a typical day in Pune, which translated into an atypical schedule. "I was working in sync with New York time," he said. "In Pune, that meant 5:30 p.m. to 2:30 a.m. I went to bed approximately 5:30 a.m. and got up at 12:30 p.m.; so by the time I got up, breakfast was no longer available at the hotel. I would have my breakfast at around 1 p.m., then lunch at 9 p.m., and finally my dinner at 4 a.m."

Missing from his Pune workday was his morning coffee break with John O'Donnell, and of course, what he missed most: "my family—but I stayed in constant touch with them via phone."

Rajan said of our colleagues in Pune: "I was delighted to have the opportunity to train a very talented and educated staff. I'm very confident that the Pune staff will provide wonderful service to the DR Division, because the people here were eager to learn about new business and understand how their work impacts our line of business. Their enthusiasm and receptiveness made training a pleasure."

And what he has learned about himself? "Training a group of seven people in a classroom was a first-time experience and thus a challenge. However, a week of successful training proved a confidence-builder, enhancing both

my teaching and public speaking skills."

Of all the possible challenges one could think of, the greatest was one common to all of us operating in this age of information technology: "The staff did not have access to all of the systems needed to conduct training. Consequently, I had to spend a lot of time with the project manager and Technology to resolve these issues."

Finally, he cited the advantages the new Center of Excellence brings to the DR Division: "This new COE brings several opportunities to the DR Division. For example, the time difference will allow daily reconciliations to be completed before 9 a.m. New York time. In addition, the ground has been laid to facilitate the potential movement of other processes to Pune."

SPECIAL DEDICATION

Dedicating the Don Glock Conference Room

by Michael Long

The room at the north end of the 22nd floor at 101 Barclay used to be a cross between a storage room for the Asia group and a workstation for the Administration group. When we freed it up, it was a no-brainer that it would become a conference room. What also became clear was that it needed a name. We decided to name it the Don Glock Conference Room



Don Glock cuts the ceremonial ribbon for the new conference room dedicated to him.

in honor of the contributions Don made to the Depository Receipts Division through the years.

The Division exists today in no small part due to Don's efforts. Don was sent to the DR Division in 1985 to ensure Joe Velli, then the DR Division head, had the operational and audit expertise behind him to support his savvy and vision for "the BoNY ADR Department," as it was called then. Don delivered! He led a team of less than a dozen Operations specialists covering settlements, dividends, and reconciliation, including Rajan Balsara, Siu-Yin Chu, Lydia Garcia, and Esther Garcia, to make DRs one of the best businesses at BNY Mellon.

Dori Flanagan was able to get Don to sit still long enough to take the professional, statesman-like photo that hangs, along with an inscribed plaque that reflects upon his service, in the conference room bearing his name. In a brief and simple ceremony on September 14, Michael Cole-Fontayn dedicated the Don Glock conference room before a crowd of over a hundred of his colleagues. Don spoke graciously to those gathered of the time he had spent in the Division, expressing his gratitude to everyone he'd been associated with and who'd supported him in his efforts.



Michael Cole-Fontayn presents Don with a commemorative plaque for the dedication ceremony. Note the framed photograph between them that emphasizes Don's status as an elder statesman in the DR world.

Don's son David also joined his dad for the dedication ceremony, where Don enthusiastically shared stories about his enjoyment of the retirement gift the Division had given him: the time to drive a series of high-end luxury cars. Pictures of the cars and tales told by Don and Dave added color to the experience.

I met Don when I first audited the DR Division on May 12, 1987. Since then, he has become one of my dearest friends. Don's advice continues to guide us through our day-to-day responsibilities at our Company, our product and each other. It is fitting that we have honored Don in this way; he has told me how happy and grateful he is for this honor.

Whenever the doors of Don's conference room close behind me after a meeting, I often recall one of the many "Don-isms" that once emanated from these halls: "Again..." (the usual opening line in an explanation he was giving for the first time); "Dollars to donuts..." (the first sign that if you tried to prove him wrong, you were going to lose); or "Like closing the barn door after the horses are out" (his best approach to telling you that you missed the opportunity to avoid a problem in the first place). Every time I get together with Don or speak with him by phone, I can't help but be thankful for all that he contributed to the successes that we enjoy today.

DEPARTMENT NEWS

Jenell Wilkie Joins the Governance and Proxy Group

by Verdun Edgtton

In September, the DR family welcomed Jenell Wilkie into its friendly fold. Jenell joined as an official member of our staff, taking

a position as a Specialist in the Governance and Proxy Group.

For three years, Jennell worked as a temp, lending her support over the high-volume period of the proxy season for European, Russian and Latin American clients. Recently she was rewarded for her considerable part-time contribution with a full-time position – although current members of the Governance and Proxy Group might view a full-time position as a role in a Dostoevskian nightmare during the height of the proxy season!

Humor aside, Jenell brings with her 10 years of corporate experience and previously worked for a large global proxy solicitation firm, undertaking shareholder analysis, proxy distribution, tabulation and vote reporting. Jenell holds a B.A. from the College of New Rochelle - School of Arts and Sciences.

Welcome, Jenell!

DRIC Events Impress Clients and Prospects With BNY Mellon's Commitment to the Issuer Market

by Wolcott Wheeler

Four times a year, the DR Division hosts Depository Receipt Issuers' Conferences (DRICs) to bring together current and prospective DR issuers from the crucial emerging markets to solidify ties with current clients and open the door for more DR business. Every year, the events are held in the Asia-Pacific, Latin America, Indian subcontinent, and EEMEA (Eastern Europe, Middle East, Africa) regions.

At DRIC events, clients and prospects discuss current market

conditions with peers and learn about vital business issues from major corporate sponsors and presenters, including leading law firms, regulators, international asset managers, international stock exchanges and investor relations agencies.

"The DRIC events have proven to be a valuable forum for strengthening existing client relationships and continuing to foster new ties with potential depository receipt issuers," said Michael Cole-Fontayn.

Unlike most other financial conferences, which are slanted for the investor community, DRIC events focus on issuers, so they can share knowledge without the need to focus on investor concerns. Many CEOs, CFOs and investor relations officers attend DRICs because they see the conferences as an ideal way to interact with other companies in their region and stimulate commerce.

More importantly, by attending DRIC events, clients and prospects alike are able to witness personally the Division's commitment to educating and serving the issuer market.

"None of our competitors are doing anything like this," said Gina Doogue, the Division's events coordinator, based in New York, who organizes the DRIC conferences. "The DRIC events are a terrific brand differentiator for BNY Mellon."

This year, the EEMEA region held its 11th Annual DRIC in El Gouna, Egypt. In October, the DR Division hosted its fourth annual Indian Sub-Continent DRIC in Jaipur, India, attended by Karen Peetz, who described DRIC events as a great "formula for creating leading market share and revenue results in developing countries." In

December, the Asia-Pacific DRIC was held in Bali, Indonesia.

"We always receive very positive feedback," Gina said.

In 2008, more than 500 issuers and advisors attended the events globally.

OUR EMPLOYEES VOLUNTEER

Employees Volunteer at Brooklyn Animal Shelter

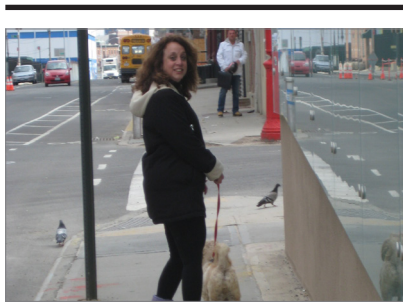
by Tanya Amaya

In April, five of us from the DR Division made our way to Williamsburg, Brooklyn to volunteer at the Brooklyn Animal Resource Coalition, also known as BARC, a no-kill animal shelter that cares for all animals until they can be placed in loving homes. We visited the animals and walked homeless dogs around the neighborhood. In addition to our volunteer activities, the Division raised just over \$100 in donations to help the animals at the shelter.



Tanya Amaya poses with a four-legged friend who's enjoying the fresh air.

The five volunteers were Paul Hruby, Sandra Friedrich, Jeff Phillips, Robert Verhelle and myself. It's said you judge a society by how well it treats animals, and in that case, it was a pleasure for us to lend a hand to these loving pets!



Sandra Friedrich appears to be enjoying herself while giving a homeless dog some exercise.

Eight New York Employees Run in the JPMorgan Chase Corporate Challenge

by Wolcott Wheeler

Eight dedicated DR Division employees in New York ran 3.5 miles in Central Park as part of the JPMorgan Chase Corporate Challenge, an event that benefits charity and promotes fitness in the workplace. They were:

- Gisella Canepa
- Ysan Dellimore
- Emily Gamble (now with BNY Mellon Asset Management)
- Leo Jaquez
- Robert Martello
- Jeffery Phillips
- Patrick Small
- Oliver Torres



They accepted the challenge: from left to right, Oliver Torres, Jeffrey Phillips, Ysan Dellimore, Robert Martello, Gisella Canepa, Leo Jaquez, Emily Gamble, Patrick Small.

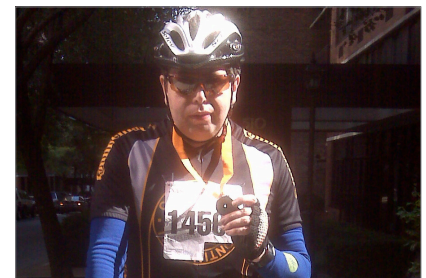
"It was wonderful to see members of the DR Division unite in a common enterprise to support charity," said Rob Martello, a long-time runner himself. "And after all, at the DR Division, we are known for going the extra mile for our clients. It just goes to show that these days, not only is fiscal fitness important on Wall Street, but physical fitness as well!"

A 66-Mile Bike Race To Fight Multiple Sclerosis

by Andres Estay

On Sunday, October 4, 2009, I was one of 5,000 cyclists to participate in the annual Bike MS New York City organized by the Multiple Sclerosis Society of New York.

My thanks to all those in the Division who contributed to the event. Together, we raised \$490, surpassing last year's donations by the Division.



Andres shows off the medal he earned for completing the long-distance bike race.

The 66-mile tour route circled Manhattan along roads closed to traffic, then through the Lincoln Tunnel to northern New Jersey and back via the George Washington Bridge. My cycling computer showed I completed the ride in five hours, including three rest stops, at an average speed of 15 mph and top speed of 40 mph.

Thank you, and I hope to have even more supporters next year!

SPECIAL EVENTS

Won Jae Yun's Traditional Korean Wedding

by Wolcott Wheeler

Won Jae Yun of our Seoul, South Korea office shared these beautiful photos of her traditional Korean wedding held in Seoul. Both she and the groom are dressed in the traditional Korean costume known as *hanbok*. Won Jae, a lifetime of happiness to both of you, and *kamsa hamida* (thank you)!



At the wedding banquet, the newlyweds light the candles and cut the cake.



In the top photo, the couple toast each other. In the bottom photo, to symbolically encourage offspring, the parents throw chestnuts (symbolizing daughters) and jujubes (symbolizing sons).



The happy couple pose at the end of the ceremony.

A Baby Shower Surprises John Thomas, Grandparent

by Wolcott Wheeler

The DR Division once again displayed its thoughtfulness by springing a surprise grandparent's baby shower on John Thomas of Operations just a few weeks before his daughter-in-law gave birth to a son.

"It meant so much to me," John said. "Especially because the baby's father—my son—was serving in the Army in Iraq. I was totally taken by surprise. A co-worker led me into a darkened conference room on the 15th floor, saying she wanted to show me something—and when she flipped the light on, there was a crowd of colleagues yelling, 'Surprise!'"

"I was speechless. In fact, I was so touched by the Division's consideration in throwing this surprise event for me that it stuck with me for a couple of weeks. The people who attended gave a lot of gifts, which my daughter-in-law really appreciated. They really came in handy! My daughter-in-law was especially touched because her husband was overseas. And now I'm glad to say that my son is back from Iraq, and he's doing fine."

Three cheers for the Division for thinking of John and his family!



A delighted John Thomas is surrounded by supportive colleagues at his surprise baby shower.

Yvette Tirrito Wins Great Praise From a Happy Shareholder

by Wolcott Wheeler

Yvette Tirrito of Operations was singled out by a shareholder for clarifying some complex issues about holding ordinary shares versus DRs. The investor was so happy, he wrote Rob Martello, head of Operations, to extol Yvette's virtues. Here's what the shareholder said:

"I had some misgivings about holding some National Grid Ordinary Shares in London, but a larger amount with your bank (ADRs), and I wanted all of our ADRs with BNY Mellon. Yvette carefully explained to me the process of combining the two investments in your facility, told me what documentation I should mail to her, fees, etc. A week later, I called her office phone to see if all the papers I'd mailed arrived. I was happy to hear the process was up and running, and I could expect confirmation from BNY Mellon in our mailbox by a certain date. Lo and behold, the paperwork arrived on that morning as she told me it would!

"What a pleasure to deal with someone over 200 miles away by phone, whose expertise made the entire transaction so workable. Please offer Yvette my wife's and my big THANK YOU for doing a splendid job getting us through the process. It is appreciated."

This is what we mean when we tell clients that we're set apart from other depositaries because of outstanding personal service. Yvette, thanks for strengthening BNY Mellon's image with the public at large!



BNY MELLON DEPOSITARY RECEIPTS

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