IMPORTANT NOTICE

DTCC Deriv/SERV LLC

The Depository Trust & Clearing Corporation

#: 656

DATE: May 12, 2008

TO: Distribution

FROM: Deriv/SERV Product Management

SUBJECT: DTCC Deriv/SERV Credit Release 2.1

On Thursday evening, May 15, 2008, DTCC Deriv/SERV LLC will implement a number of enhancements for Credit Default Swaps (CDS) processing.

The key components of the release are highlighted below:

New Product Support:

1) MCDX –
Deriv/SERV will support electronic trade confirmation for transactions in the Municipal CD index (MCDX), and will concurrently initiate coupon calculations for these transactions. These trades will be identified by a Master Document Transaction Type value of MCDX.

2) LevX-
Deriv/SERV will support electronic trade confirmation for transactions in the iTraxx LevX index Series 2 and greater, i.e., the Master Document Date must be equal to or later than the 12th of March 2008. Concurrently, Deriv/SERV will initiate coupon calculations for these transactions. . These trades will be identified by a Master Document Transaction Type value of iTraxxLevX.

New Validations/Validation Changes:

1) Monoline provisions –
Any trade submitted without the additional Monoline provision selected for the following list of reference entity names will be rejected. This validation will be based on the RED code of the submission and not the reference entity field.
   - "ACA Financial Guaranty Corporation"
   - "Ambac Assurance Corporation"
   - "Assured Guaranty Corp."
   - "CIFG Assurance North America, Inc."
   - "Financial Guaranty Insurance Company"
   - "Financial Security Assurance Inc."
   - "MBIA Insurance Corporation"
   - "Radian Asset Assurance Inc."
   - "XL Capital Assurance Inc."

In the event of an assignment, this reject will apply only to the new leg of the assignment, not to the old leg. Additionally, as the monoline provision is not available for transactions utilizing Master Confirmation Agreements (MCAs), these trades will be rejected.

2) 01/01/1900 date –
Any transactions submitted via MQ using a "dummy" value date of 01/01/1900 will be rejected, eliminating the need for modifications via the GUI.

3) Frequency, First Fixed Rate Payer Payment Date, and First Period Accrual Start Date fields –
If the fixed rate on a trade is zero, the Frequency, First Fixed Rate Payer Payment Date and the First Period Accrual Start Date the fields will be processed as if they were all blank submissions.

4) Additional Terms Field –
If a submission contains only "N" in the Additional Terms Field, the field will be processed as if it were a blank submission.

New Fields -

1) New Buyer Field –
The "New Buyer Field" will be added to the CSV upload template; the GUI will also be enhanced to allow selection of the new buyer.

2) New Optional Early Termination Applicable Field –
This field, applicable for RP submissions only, will be added to the CSV upload template and the GUI.

Please be advised that these enhancements will be migrated into production on the evening of Thursday, 15th May, 2008, starting at 6:00 PM EST (11:00 PM GMT); the release process should take approximately two hours. During this time (6:00 PM – 8:00 PM EST, and 11:00 PM to 01:00 AM GMT), the Web service will not be available. However, all incoming MQ messages will be accepted and processed during the release process.

The enhancements outlined in this Important Notice have been communicated via various Working Groups. By using the affected services, the User agrees to waive any applicable notice requirements relating to the enhancements.

Any questions or comments regarding this release or DTCC Deriv/SERV in general should be directed to your Relationship Manager.