

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: 683

Date: October 21, 2008

To: Distribution

From: Deriv/SERV Product Management

Subject: Novation Consent Access for Buyside Firms

Deriv/SERV is granting all buyside users of the TIW/Credit Confirmation service access to the Deriv/SERV Novation Consent platform. Existing TIW/Credit Confirmation Access Coordinators (AC) will be designated ACs for the Novation Consent tool as well. (Note: Deriv/SERV users at firms where ACs have already set up users with access to Novation Consent will be unaffected by this effort.)

Novation Consent was introduced to assist client firms with automating the existing Novation Consent process. The service provides functionality that enables the Transferor to obtain the required consent from the Remaining Party, automating the existing manual method of requesting/granting Novation Consents through email.

Support for Novation Consent Processing in the Deriv/SERV Novation Consent platform is consistent with recent industry discussions and directives, including decreasing operational and legal risk, increasing efficiencies, providing STP, and facilitating automation for the clients as they respond to the FED mandate. As reference, below is the excerpt of the July 31, 2008 Fed Letter.

Electronic Novation Consent Processing: By December 31, 2008: As committed in the March 27, 2008 letter, all market participants will be required to submit and manage novation requests for electronically eligible trades via electronic processing platforms and comply with their firm commitment under the ISDA Novation Protocol to processing requests only on the day consent is granted. The effective date for implementation is December 31, 2008 and after this date the Major Dealers will not consent to proposed novations where the request is sent via email. Where possible, the Major Dealers will utilize trade records contained in the Trade Information Warehouse.

For more information regarding Novation Consent and training schedules, please visit the Deriv/SERV Participant Section, Novation Consent section:

http://www.dtcc.com/products/derivserv/members/novation_consent.php

Accessing Novation Consent through the Single Sign-On:

DTCC is in the process of migrating all Web-enabled Services offered by DTCC's subsidiaries to a new Single Sign-On Platform. The migration will provide greater security and will offer customers the convenience and flexibility of using one name, password, and digital certificate to access multiple DTCC applications.

Many firms have already been successfully migrated to the new system and have taken the opportunity of using the new single sign-on functionality.

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

As existing Deriv/SERV TIW/Credit Confirmation users, you may fall under one of the scenarios listed below. Please do not hesitate to contact your account representative or the Client Account Managers at derivserv_cam@dtcc.com should you need additional assistance.

- Existing D/S Credit Trade Confirmation/TIW users, who have completed the Single Sign-on registration process, utilizing the service/s via portal or bookmark will automatically see the Novation Consent product as an available option on the DTCC Portal home page. Please log onto the portal page at <https://portal.dtcc.com> to access Novation Consent.
- D/S Credit Trade Confirmation/TIW users who have not been notified of the new Single Sign-on registration provisioning process will receive an email with instructions to complete the process. A representative of our Registration Support Group will contact you shortly after receipt of the registration email to assist you during the entire process and to provide you with additional information.
- D/S users accessing Credit Trade Confirmation/TIW via Verisign digital certificate (via the Deriv/SERV Launch pad), already registered to the new Single Sign-on platform, but continuing to access the services via the Verisign digital certificate will be provisioned with Novation Consent under the DTCC Portal page. Users in this scenario will not receive systemic notification. The Novation Consent product will appear as an available option on the DTCC Portal home page. Please log onto the portal page at <https://portal.dtcc.com>.

For Access Coordinators, training material can be found at the following link:

<http://www.dtcc.com/customer/membership/derivserv.php>

If you prefer not to have access, require a change in access, or have any other questions regarding this initiative, please contact your DTCC Deriv/SERV account manager.