

IMPORTANT NOTICE

The Warehouse Trust Company LLC



#: TIW # 12
Date: 29th March, 2010
To: Distribution
From: Product Management
Subject: Credit Event Processing for McCarthy and Stone

Please be advised that, as set forth in Section VIII of the Trade Information Warehouse Appendix to the Trade Information Warehouse Operating Procedures, following an announcement from ISDA that a credit event has taken place with respect to McCarthy and Stone, the Warehouse has activated the Protocol Adherence Message function for the reference entity name listed above. Therefore, a Protocol Activation Event has occurred.

Event Name: MCCARTHY APR10

A Credit Event Master Record has been established in the Warehouse system for this event. The Credit Event Master Record will be updated with additional event timeline dates as they become available; firms are advised to reference the Credit Event Timeline Chart in the Warehouse website Participants Section for updates.

As noted in the ISDA notice on the McCarthy and Stone Credit Event, whilst cash settlement at the final price determined by an auction is contemplated by the standard documents, certain issues arose concerning what obligation(s) would constitute Deliverable Obligations for the purposes of any settlement. To facilitate settlement and to address these issues, therefore, the Markit iTraxx LevX Market Makers agreed that a Protocol should be published specific to this event to allow counterparties to hold an Auction taking into account the discharge of a portion of the Reference Obligation and referencing new first lien loans as the Deliverable Obligations. Therefore, for transactions intended to be covered by the auction to settle pursuant to the Final Price determined by the Auction, it will be necessary for both parties to adhere between 22 March and 6 April 2010 to the 2010 ISDA McCarthy and Stone Loan CDS Protocol to amend the terms of their transactions accordingly.

Following discussions in the Credit Event Working Group, the Warehouse has set this event for auto-adherence in the Warehouse and there is no requirement to submit an automated adherence request form for this event. This does not affect the need for firms to adhere to the ISDA McCarthy and Stone Loan CDS Protocol, and firms wishing to have their transactions covered by the auction should adhere to the ISDA protocol mentioned above. Firms not adhering to the above mentioned ISDA protocol should revoke adherence of individual Warehouse records from the event master record in the Warehouse. Revocation needs to be completed prior to the Event Processing Start Date for the above event.

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Any questions or comments regarding the credit event processing described in this Notice should be directed to Deriv/SERV Operations at 1-888-382-2721, Option 3 and 1 (North America); +44-(0)20-7136-6328, Option 1 (UK/Europe/Asia); or via e-mail at derivserv_operations@dtcc.com.

Any questions or comments regarding this notice or The Warehouse Trust Company LLC in general should be directed to your Client Account representative