

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7135
P&S#: 6705
Date: JANUARY 7, 2011
To: ALL FULL SERVICE PARTICIPANTS
Attention: OPERATIONS, CASHIERING, SETTLEMENTS
From: PRODUCT MANAGEMENT, EQUITY CLEARANCE
Subject: OBLIGATION WAREHOUSE PROPOSED IMPLEMENTATION SCHEDULE

As previously announced in NSCC Important Notice A# 7129, P&S # 6700, dated December 29, 2010, the U.S. Securities and Exchange Commission approved rule filing SR-NSCC-2010-11 (the "Rule Filing"), which enhances the Reconfirmation and Pricing Service, and including the creation of new functionality to be known as the Obligation Warehouse (OW).

The latest proposed implementation schedule differs from the implementation schedule set forth in the Rule Filing and in previous Important Notices. This new schedule provides an additional six (6) weeks for firms to test OW and to internally develop the necessary systems and procedures to ensure maximum participation and readiness in the industry. The new schedule will also:

- create an opportunity for multiple parallel RECAPS test in OW, which will help to build firms' confidence in utilizing the new process for running RECAPS in OW;
- provide time for the development and implementation of a "unilateral" withhold feature for corporate actions, CNS and RECAPS well in advance of the first scheduled RECAPS in OW; and
- introduce an interim legacy RECAPS process to (1) minimize the duration between the last legacy RECAPS cycle and the first RECAPS in OW; and (2) maximize the duration between the initial seeding of OW and first run of RECAPS in OW.

The revised implementation schedule is set forth in the table below:

Date	Events
February 11, 2011	Submission of RECAPS cycle in legacy (batch) production system for settlement date February 14, 2011 <i>Advisories will be stamped February 14, 2011 for settlement date February 15, 2011</i>
February 18, 2011	Pre-implementation parallel RECAPS test in OW

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March 4, 2011	Initial load of aged fails into OW by participants for settlement date March 7, 2011
March 18, 2011	1 st parallel RECAPS test in OW
March 25, 2011	Begin applying applicable Mandatory Corporate Action events
April 8, 2011	2 nd parallel RECAPS test in OW
April 15, 2011	Activate the CNS eligibility check in OW
May 13, 2011	3 rd parallel RECAPS test in OW
June 10, 2011	OW processes RECAPS in production

More details of the proposed OW implementation schedule, as well as other relevant information about the Obligation Warehouse, are available on the Clearance Learning Center website: <http://dtcclearing.com/learning/clearance/>

For questions regarding this notice, please contact your Relationship Manager or the undersigned at (212) 855-7659.

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