

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7166
P&S#: 6736
Date: FEBRUARY 22, 2011
To: ALL FULL SERVICE PARTICIPANTS
Attention: OPERATIONS, CASHIERING, SETTLEMENTS
From: PRODUCT MANAGEMENT, EQUITY CLEARANCE
Subject: OBLIGATION WAREHOUSE LAUNCHES MARCH 4, 2011

As previously announced in NSCC Important Notice A# 7135, P&S # 6705, dated January 7, 2011, NSCC will launch its new service, the Obligation Warehouse (OW) on **Friday March 4, 2011**. In preparation of the launch, the OW will be pre-populated with obligations having a settlement date of March 7, 2011 or greater to provide the OW Control number to be entered on the delivery.

Members will be able to begin submitting their failed obligations to OW beginning on Friday March 4, 2011. Matching of obligations and settlement notifications will begin March 7, 2011. All Member submissions to OW will require bilateral agreement by the named contra-party to create a compared obligation that will be stored, maintained and eligible for the Reconfirmation and Re-Pricing Service (RECAPS).

Submission of open fails, matching of new obligations, and notifications of settlement are the first steps of the phased implementation. The second step, scheduled for March 25, 2011, is to apply the named mandatory corporate action events to all compared obligations. Step three is activating the automated eligibility check to close and send CNS eligible obligations to NSCC's Continuous Net Settlement (CNS), when applicable. The final step will be RECAPS in OW, the first run of which is scheduled for June 10, 2011.

Date	Events
March 3, 2011	Upon deployment at approximately 8:00 pm ET, the OW will start populating with obligations loaded from NSCC Balance Orders, non-CNS ACATS, and CNS exits, for settlement date March 7, 2011 and future. The OW will then run the end of day processing to produce the initial OW End of Day (EOD) Position MRO which will be distributed via AutoRoute product ID #02050703. Upon completion of the above, the start of day processing will begin and the date in the OW system will be March 4, 2011.
March 4, 2011	Members may begin submitting aged fails into OW
March 7, 2011	Members may begin to utilize the OW for matching of obligations and submission of settlement information.
March 25, 2011	OW applies applicable Mandatory Corporate Action events

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April 15, 2011	Activate the CNS eligibility check in OW
June 10, 2011	OW processes RECAPS in production

More details about the 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 OW, please contact **Business Operations at 888-382-2721 option 2, 2**, your Relationship Manager or the undersigned.

Janice DiTore
Director, Product Management