

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7234
P&S# 6804
DATE: JUNE 28, 2011
TO: ALL PARTICIPANTS
ATTENTION: OPERATIONS, SETTLEMENTS, COMPLIANCE, FINANCE OFFICIERS
FROM: EQUITIES CLEARANCE PRODUCT MANAGEMENT
SUBJECT: OBLIGATION WAREHOUSE – TESTING AND INTRODUCTION OF CNS ELIGIBILITY CHECK PLANNED FOR AUGUST 15, 2011

Obligation Warehouse (OW) was launched in production on March 4, 2011 for all full service Members of National Securities Clearing Corporation (NSCC). A phased implementation plan has been developed for OW to provide Members with an opportunity to incorporate additional functionality into their OW processing.

The OW test system has been available with full functionality since Q4 2010. In preparation for the next element of functionality, the introduction of the Continuous Net Settlement (CNS) eligibility check, six pre-implementation tests will be conducted to focus Members on the topic and provide an opportunity to finalize readiness. The dates of these industry-wide tests are as follows:

Dates for CNS Eligibility Check in OW	
Tuesday	July 5, 2011
Monday	July 11, 2011
Monday	July 18, 2011
Monday	July 25, 2011
Monday	August 1, 2011
Monday	August 8, 2011

In connection with each of the tests planned on the dates listed above, a mirror image of OW production data, as of close of business the prior business day, will be copied to the test region. The OW test environment operates with full functionality; therefore the CNS eligibility check will review all OPEN (status) obligations to determine if they should be closed and sent to CNS. The OW test system generates MQ messages, updates the test OW Web data and produces an end of day (EOD) Position file (AutoRoute product ID # 02980703).

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.

Upon completion of this testing period CNS eligibility functionality is expected to be activated. The first date for the CNS eligibility check in OW is planned for **August 15, 2011**.

Once the CNS eligibility check is active, each day at 5:00 pm ET the OW database will be reviewed for CNS-eligible obligations with a settlement date of SD-1 or older. Each obligation found with these criteria will be closed and sent to CNS. Members will be notified in real-time, through interactive MQ messages, of each obligation that has been “Closed, sent to CNS”, and the OW Web will be updated. Additionally, the OW EOD Position file (AutoRoute product ID # 02050703) will contain the information for each obligation “Closed, sent to CNS”.

Obligations sent to CNS will appear on the CNS Miscellaneous Activity files (AutoRoute product ID # 02042008 for MRO and #02040001 for print image) and will be included in NSCC Settlement Activity Code 15.

If you have additional questions regarding the industry-wide CNS eligibility test in OW, please contact **Business Operations at 888-382-2721 option 2, 2**, your Relationship Manager or the undersigned at either (212) 855-7659 or jditore@dtcc.com.

Janice DiTore
Director, DTCC
Product Management/Marketing

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.