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DATE:	SEPTEMBER 17, 2012
TO:	ALL PARTICIPANTS
FROM:	PRODUCT MANAGEMENT, EQUITIES CLEARANCE
ATTENTION:	P & S OPERATIONS, CASHIERING, CORPORATE ACTIONS
SUBJECT:	OBLIGATION WAREHOUSE (OW) PARTICIPANT TRAINING AND TESTING

The National Securities Clearing Corporation (NSCC) introduced the Obligation Warehouse (the “OW”) in early 2011 to facilitate the matching of broker-to-broker ex-clearing trades and to provide its Members with the ability to track, manage and resolve their failed obligations in real-time. The OW allows for the matching and maintenance of non-CNS (Continuous Net Settlement) obligations through closure cancelation or settlement.

Since initial implementation of the OW, Members have participated in working groups to define best practices for the usage of the OW, and to assist in fine tuning the system to reduce risk and add operational efficiencies. This process has led to the following proposed enhancements of the OW, which are expected to be implemented in production in mid-January 2013:

1. Decoupling the indicators used to exclude obligations from CNS and RECAPS. Each indicator will work independently of the other.
2. Adding a new indicator for excluding obligations from being transformed by the OW when mandatory corporate action events take place.
3. Enhancing the OW Web screens for the new indicators and more detailed queries, as well as enhancing the format of reports viewed on the OW Web Report Center.
4. Automating the closure of obligations in the OW that settle through the Envelope Settlement System.
5. Including the OW Control numbers in the DTC Settlement’s Money Market Turnaround System.
6. Updating MQ messaging in the OW.

Training Materials and Webinar Sessions

In anticipation of these changes, a new OW User Guide has been developed including sections on functionality, procedures for operational personnel, file formats and a new OW Web User section with

pictures of the updated OW Web screens. **To access the OW User Guide use the following link:**
<http://dtcclearning.com/learning/clearance/>

Additionally, six Webinar sessions will be held to familiarize users with these changes to the OW. Users are encouraged to attend one of the OW training classes via Webinar before using the Participant Test system of OW. **Use the links below to register for one of the OW Training sessions via Webinar (all times EST):**

Monday, October 22 12:00PM–1:00PM
<https://dtcc.mzinga.com/app/servlet/goTo?Page=LearningEventInfo&DirectLinkID=159707>

Wednesday, October 24 12:00PM–1:00PM (changed from 10/25 due to conflict)
<https://dtcc.mzinga.com/app/servlet/goTo?Page=LearningEventInfo&DirectLinkID=159708>

Tuesday, October 30 11:00AM–12:00PM
<https://dtcc.mzinga.com/app/servlet/goTo?Page=LearningEventInfo&DirectLinkID=159709>

Friday, November 2 9:00AM–10:00AM
<https://dtcc.mzinga.com/app/servlet/goTo?Page=LearningEventInfo&DirectLinkID=159710>

Tuesday, November 6 2:00PM–3:00PM
<https://dtcc.mzinga.com/app/servlet/goTo?Page=LearningEventInfo&DirectLinkID=159711>

Thursday, November 8 12:00PM–1:00PM
<https://dtcc.mzinga.com/app/servlet/goTo?Page=LearningEventInfo&DirectLinkID=159712>

Timeline for Testing Obligation Warehouse

Testing of these enhancements to the OW will be available beginning in early November. Details will be announced by subsequent Important Notice. The test environment will be purged of data each Friday night after the close of business. The production data from the close of business Friday and the current day's Balance Orders, ACATS and CNS exits will then be added during the refresh.

Mandatory corporate action events in the OW test environment will continue to occur twice at the start of each day and 2:00PM EST.

Two RECAPS tests have been planned, on Friday, November 9 and on Friday, December 7, 2012.

For additional information, please contact your Relationship Manager or the undersigned at jditore@dtcc.com. The latest information about the OW is maintained on the DTCC Learning Center website: <http://dtcclearning.com/learning/clearance/>

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