NYSE Bonds

CLIENT NOTICE

Date: **April 20, 2007**

Subject: **Clearing for New NYSE Bonds℠ Platform**

NYSE Bonds Clearing

The NYSE will introduce a new bond trading platform designed to replace the current Automated Bond System® or ABS on Monday, April 23, 2007. The new trading platform, known as NYSE Bonds, uses the design of the current NYSE Arca all-electronic trading platform and will provide a more efficient and transparent way to trade bonds.

Post Trade Processing

Once a trade has been executed on the platform, the trade details will be transmitted to National Securities Clearing Corporation (NSCC®) for clearance and settlement via the Regional Interface Organization (RIO).

NSCC® has modified its RIO Contract Print Image (NSCC AutoRoute #02140124) and Machine Readable Output (MRO) (NSCC AutoRoute #02143125) to reflect bond trades executed on the new platform as well as to identify the NYSE as a unique exchange-ARNY. Please see the NSCC Important Notice A#6331.

Clearance & Settlement

All DTCC / NSCC RIO eligible bond trades executed on the NYSE Bonds platform will be submitted to NSCC® **without an omnibus account** (for example, Seller #1234 versus Buyer #4567) **as locked-in transactions**; meaning that the bond platform has matched the details of the trades from buyer and seller.

Please note:

- Give-ups will not be available
- All trades will be reported to NSCC® with the accrued interest included in the price
- If the bond is CNS eligible, all trade settlement will follow the regular way - three day settlement timetable
- If the bond is non-CNS eligible, parties to the trade must settle Ex-Clearing. The NYSE Bonds execution report will identify if the trade should be settled Ex-Clearing in FIX Tag 382 and identify the MPID of the contra party in FIX Tag 375. Eligible MPID's and their associated clearing numbers will be available on the NYSE Bonds website- http://www.nyse.com/productservices/securities/1095449059236.html

As with other transactions reported on RIO output, a last price will be identified in the intra-day RIO MRO, AutoRoute #02143125, (position 172-184) and in the Price field on the Print Image output, AutoRoute #02140124.

The last price will reflect accrued interest, if any, and will be expressed in terms of a dollar. For example, 1,000 par value bond with a price of 98 that includes accrued interest of $1.23 would be displayed as .981230 with final money of $981.23 (1,000 x .98123).

Additionally, the NYSE RIO will display the bond trade's accrued interest in the RIO output Client Order ID field (position 296-310) right justified, 9 dollar positions and 6 decimal positions .

Please contact your Depository Trust and Clearing Corp. representative in order to be permissioned to receive the NYSE RIO intraday output - DTCC auto route number 020143125 and the end of day Print Image output, DTCC auto route number 02140124.

If you have trade breaks or have clearing questions on the new bond platform, please contact the NYSE Arca Security Operations department at 312-442-7989 or ExchangeSecOps@archipelago.com from 8:00 am to 6:00 pm (ET).

Contact Info

Bonds@nyse.com

Sales	888-514-7284
Connectivity	888-689-7739
Clearing	312-442-7989
Trade Desk	888-513-9873