



March 14, 2012

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Security-Based Swaps Made Available to Trade on a Security-Based Swap Execution Facility (SEC Federal Register 17 CFR Parts 240, 242, 249: Registration and Regulation of Security-Based Swap Execution Facilities Proposed Rules, RIN# 3235-AK93)

Dear Secretary Murphy,

The Swaps & Derivatives Market Association (“SDMA”) appreciates the opportunity to provide further comments to the Securities and Exchange Commission (the “Commission”) on its Notice of Proposed Rulemaking regarding Parts 240, 242 and 249 of Title 17 of the Code of Federal Regulation entitled “Registration and Regulation of Security-Based Swap Execution Facilities; Proposed Rule” (“Proposed Rules”).

The SDMA is a non-profit financial trade group formed in 2010 to support the goals of the Dodd-Frank Act. It believes that the systemic risk of OTC derivatives can be mitigated through their regulation, the creation of central clearing, and by ensuring open and transparent access to promote greater competition, lower transaction costs and increase liquidity. The SDMA is comprised of many US and internationally based broker-dealers, investment banks, futures commission merchants and asset managers participating in all segments of the exchange-traded and over-the-counter derivatives and securities markets.

I. Introduction

Security-Based Swaps (“CDS”)¹ deemed by the Commission to be subject to mandatory clearing in accordance with the Dodd-Frank Act (“DFA”) must automatically be Made Available to Trade (“MAT”). The Commission must post the CDS MAT list publicly on its website to ensure certainty for investors that the particular CDS listed as MAT cannot trade bilaterally. From this official CDS MAT register, each

¹ Throughout this paper Security Based Swaps will primarily refer to Single Name Credit Default Swaps and Narrow-Based (Credit Sector) Security Indices will be collectively referred to as CDS.

Security-Based Swap Execution Facility (“SEF”) can then establish its own CDS MAT list that would be part of its total number of CDS listed to trade (“LTT”)². This LTT directory would also be publicly available on the SEF’s website to ensure investors know what particular CDS are either specifically traded: (1) MAT (non-bilaterally and subject to the clearing mandate) or (2) bilaterally (i.e. those CDS not yet subject to the clearing mandate) on its platform.

The need for further trading threshold tests to determine what is MAT is an unnecessary, duplicative, and costly process that benefits no one and burdens the taxpayer. Notification of MAT and LTT by the SEF to the Commission and the SEF’s posting of the MAT list on its website should be sufficient. As discussed below, once deemed subject to mandatory clearing in accordance with the DFA’s stringent Five Factor Made Available for Clearing (“MAC”) Test³, that goes far beyond the Commission’s suggested volume and contracts traded threshold tests, the SEF’s Swap Review Committee (“SRC”) must have the ability to set its own standards for their platform’s trading mandate. A SEF’s competitiveness, business model and ultimate success are dependent upon this premise.

II. Made Available To Trade

Section 763 of the DFA, which amends Section 3C of the Securities Exchange Act of 1934 (the “Act”), gives authority to the SEF to determine MAT. This section clearly states that *“A security-based swap execution facility may (1) make available for trading any security-based swap and (2) facilitate trade processing for trading any security-based swap.”* Nowhere does it give the Commission the authority to establish a MAT mandate as it did for clearing, nor can one be implied. Commodity Futures Trading Commission (“CFTC”) Commissioner Sommers highlights this fact, applicable for the SEC as well, in a 12/5/11 statement: *“...Congress did not explicitly direct the Commission to make the made-available-for-trading determinations...”*⁴

Section 3C of the Act dictates that if a CDS is clearable then it must trade on a SEF unless: (1) no exchange or SEF makes that CDS available to trade, or (2) the transaction is subject to the End User Exemption. Subsequent to the amendment of section 3C, the Commission has proposed Rule 811(c)(3) that requires the SRC to establish criteria for determining CDS: (1) MAT and (2) No Longer Made Available to Trade (“NLMAT”).

The SDMA agrees with the Commission’s Proposed Rule 811(c)(3) that the SEF establish criteria to determine which CDS it should trade. The SEC believes that *“this would allow the most flexibility by permitting a SEF to choose whatever criteria it believes are important in determining which CDS to trade, thereby encouraging as much trading of CDS on SEFs as possible.”* We also concur that once CDS is deemed clearable and made available to trade on a SEF then such CDS cannot trade OTC (bilaterally), *“even if trading of CDS on the exchange or SEF were virtually nonexistent”*.

² LTT would be equal to the sum of the SEF’s CDS MAT list (non bilateral & subject to the clearing mandate) plus any separate bilateral (OTC) list.

³ *Clearing Agencies Submission Processes for Review of Security-Based Swaps for Mandatory Clearing Parts 240 & 249 RIN # 3235-AK87.* <http://www.sec.gov/rules/proposed/2010/34-63557fr.pdf>; pages 82494-82495.

⁴ Opening Statement Before the Sixth Open Meeting to Consider Final Rules Pursuant to the Dodd-Frank Act; December 5, 2011.

Trading on a SEF has the intended beneficial effect of increasing liquidity and lowering transaction costs because transparency and fair dealing encourage the influx of new market makers and end users. The market is not harmed even if a SEF does not garner enough liquidity in a particular CDS to make it a profitable venture for themselves. The market is actually improved by allowing whatever amount of trade information (i.e. more than volume and contracts traded) to be disseminated to market participants.

A. Clearing Threshold Tests & Automatic MAT Allowance on a SEF

The SDMA disagrees with the Commission's preliminary belief that it should set objective trading threshold test standards, such as volume and number of contracts traded, for a MAT determination. Any procedure other than an automatic MAT designation after being deemed subject to the clearing mandate is an unnecessary, costly, bureaucratic, and duplicative process. A more stringent Five Factor MAC Test is already part of the clearing threshold assessments established by the DFA and set forth by the SEC in its rulemaking:

- 1. The existence of significant outstanding notional exposures, trading liquidity and adequate pricing data.*
- 2. The availability of a rule framework, capacity, operational expertise and resources, and credit support infrastructure to clear the contract on terms that are consistent with the material terms and trading conventions on which the contract is then traded.*
- 3. The effect on the mitigation of systemic risk, taking into account the size of the market for such contract and the resources of the clearing agency available to clear the contract.*
- 4. The effect on competition, including appropriate fees and charges applied to clearing.*
- 5. The existence of reasonable legal certainty in the event of the insolvency of the relevant clearing agency or one or more of its clearing members with regard to the treatment of customer and security-based swap counterparty positions, funds, and property.⁵*

The DFA clearly states that the purpose of trading on a SEF is to provide pre-trade price transparency. SEFs are vehicles through which the market has (1) knowledge of prices and (2) access to prices. To suggest that CDS can somehow clear but not trade on a SEF opens a dangerous door to those determined to "dance between the raindrops" and use obscure reasoning to thwart transparency. Furthermore, a certain SEF(s) could be pressured not to MAT or NLMAT CDS by current market participants who enjoy opaque market structures which cost investors billions annually⁶.

Guarding against irrationally allowing nothing to trade and wantonly permitting anything to trade on a SEF is what the SDMA believes are both the DFA's and Commission's main goals. The SDMA believes it is the Commission's desire to have some control over the process to monitor effectively. Therefore, SEFs should be able to simply submit a list to the Commission and post on their websites of what will be MAT, NLMAT and LTT. Following submission formats from proposed Rules 807 and 808, SEFs should be able to

⁵ Ibid.

⁶ http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/FSI/us_fsi_OTCRevenues_POV_updated_080311.pdf

self-certify CDS they will MAT within a 10-day period. There should only be longer periods (e.g. 30 days for comment etc.) if the CDS is a new type of product.

CDS market participants clamor for the ability to be able to trade as many credits as possible and as many times as they desire. However, since the CDS market has been effectively controlled by a limited amount of dealers⁷ and what they desire to trade, historical notional volumes and contracts traded are not the optimal tests to use. In the highly correlated corporate bond markets (as well as other uncorrelated markets), any bond can trade at any time, even if it has never or rarely traded in the secondary market before, because market participants make trading and investment decisions based upon yield curves, risk equivalencies, and relative value. They price their actual risk and corresponding curves every day, just as a clearinghouse does, to make sure it portrays an accurate account of the risk in their trading book.

B. DTCC Data Observations: “Ego esse ergo mercandi” or “I exist therefore I trade”

Inherent in the Depository Trust & Clearing Corporation (“DTCC”) data in Appendix A⁸ is that **if it has been submitted to the DTCC (or any other future Security-Based Swap Data Repository (“SDR”)), regardless if it has been “cleared” (i.e. currently the entire CDS market is still traded OTC or bilateral but a small portion is submitted to a Clearinghouse), then it traded.** However, at this writing, the amount of North American US dollar individual single name CDS declared clearable by the two CDS clearinghouses are zero by the CME and only 132 by ICE. Furthermore, the ICE numbers only reflect what is clearable for dealers only and not the buy side (i.e. institutional customer users of CDS).

Observations from the data strongly indicate that a bevy of other CDS should be made subject to the clearing mandate and therefore automatically MAT on a SEF:

1. **Only one** High Yield Single Name CDS (“HYCDS”) is clearable despite billions more in trading volume than Investment-Grade Single Name CDS (“IGCDS”). This fact means that there is good liquidity and pricing available in CDS market, which will continue to grow as more participants are allowed to trade. Examples can be shown in **ALL** of the following credit sectors: Aerospace/Defense, Autos/AutoParts, Banks/Finance, Chemicals, Consumer Products, Healthcare, Homebuilders (Table 1.), Industrials, Insurance, Leisure, Oil/Gas, Paper/Pulp/Mining, REITs, Retail, Telecom/Media/Technology/Cable, Transportation, and Utilities.
2. Despite numerous examples of HY17⁹ constituents (HYCDS) trading billions more in trading volume than clearable IGCDS, there is only one HYCDS that is currently clearable.

⁷ Regulation MC: SEC Proposes Rules to Mitigate Conflicts of Interest Involving CDS: <http://www.sec.gov/news/press/2010/2010-190.htm>.

⁸ DTCC Data Collection Date Range is approximately for a 14-month period from the week ending January 7, 2011 to February 24, 2012. Gross notional and the number of contracts traded for 98% of the Global Single Name CDS Traded Data is represented at the following link: http://www.dtcc.com/products/derivserv/data_table_iv.php?tblid=1. Additionally, the same type of data is provided for Credit Indices at: http://www.dtcc.com/products/derivserv/data_table_iv.php

⁹ <http://www.markit.com/en/products/data/indices/credit-and-loan-indices/cdx/cdx.page>. Markit currently is the standard for index creation and licensing for Investment-Grade (i.e. IG17 is the most current and liquid Investment-Grade index Series made up of 125 equally weighted individual single name CDS), HVOL (HVOL17 is comprised of the 30 most Highly Volatile Single-Name CDS), and High Yield (i.e.; HY17 is the most current and liquid High Yield index Series made up of 100 equally weighted individual single name CDS) Indices. Every 6 months the Indices most current Index Series rolls to the next number. For example, IG17, HY17 and HVOL17 will become “the old 5yr” and be replaced with IG18 HY18 and HVOL18 as the standard 5yr instrument.

Table 1

Homebuilders - Clearable			Series 17	Notional Volume	Number of	Clearable	
Entity	Ratings Type	Index	Constituent	(\$ billions)	Contracts	CME	ICE
Toll Brothers, Inc.	HYCDS		NO	\$9.92	1,263	NO	YES
M.D.C. Holdings, Inc.	IGCDS		IG17/HVOL17	\$6.32	1,893	NO	YES
Homebuilders - Non-Clearable			Series 17	Notional Volume	Number of	Clearable	
Entity Full Name	Ratings Type	Index	Constituent	(\$ billions)	Contracts	CME	ICE
K. Hovnanian Enterprises, Inc.	HYCDS		HY17	\$15.06	5,001	NO	NO
Lennar Corporation	HYCDS		HY17	\$15.02	2,938	NO	NO
Pultegroup, Inc.	HYCDS		NO	\$14.51	3,082	NO	NO
Centex Corporation	HYCDS		NO	\$11.05	1,892	NO	NO
KB Home	HYCDS		HY17	\$10.05	2,654	NO	NO
Masco Corporation	HYCDS		NO	\$9.74	1,827	NO	NO
D.R. Horton, Inc.	HYCDS		NO	\$8.67	1,666	NO	NO
Louisiana-Pacific Corporation	HYCDS		HY17	\$8.64	1,863	NO	NO
Beazer Homes Usa, Inc.	HYCDS		NO	\$8.47	2,661	NO	NO
The Ryland Group, Inc.	HYCDS		NO	\$7.70	1,467	NO	NO
Standard Pacific Corp.	HYCDS		HY17	\$6.50	1,688	NO	NO
Realogy Corporation	HYCDS		HY17	\$4.91	1,933	NO	NO
Mohawk Industries, Inc.	HYCDS		NO	\$4.65	948	NO	NO

- Multitudes of IGCDS were not clearable even though they had similar or more trading volume than those IGCDS listed as clearable.

C. **Eligible Contract Participants (“ECPs”)**

ECPs¹⁰ will now be able to trade CDS and, as a result, will increase the liquidity available in the marketplace. Additionally, since restrictive ISDA documentation will no longer be needed, there will be an increase in participation by existing market participants and new players such as macro, capital arbitrage, equity and convertible funds.

The more trading a SEF can create in liquid and illiquid CDS, the better the market will be able to mitigate systemic risk and lower transaction costs for investors. By allowing ECPs, who are not just self-clearing bank dealers, to post bids and offers on a SEF in many different credit names and sectors will result in more trading of CDS. In today’s market, a customer has to rely on one to a small circle of self-clearing bank dealers¹¹ to try and get a trade done. A customer is beholden to one dealer or a limited set of dealers’ distribution and balance sheet capabilities to try and execute, which sometimes results in no execution at all. This fact became dangerously apparent during the Global Financial Crisis of 2007-2008 when several firms failed or had to be bailed out by the taxpayer.

¹⁰ In general ECPs are any institution or individual who have assets of approximately \$10 million or more, see page 22: <http://www.sec.gov/rules/concept/2010/34-62717.pdf>

¹¹ Ibid

Because of the limited participation of liquidity providers, market data has been skewed or not entirely representative of the wants of customers in terms of names, size, ratings, maturity and sectors. Having more market participants view a trading opportunity, regardless of its perceived liquidity, which varies from firm to firm, increases the probability of a trade dramatically. Execution of CDS on SEFs will increase trading in:

1. Individual IGCDs, HYCDs and their accompanying Credit Sectors.
2. Different Maturity Points on the Credit Curve: 3 months to 10 years and beyond.
3. Curve Trades: e.g. buy protection/short 3yr vs. 5yr sell protection/long and vice versa.
4. Different ratings: Investment-grade, High Yield and Distressed.

Volatile Names: Random and predicted macro and credit events can cause liquidity to come and go in CDS. For example, when a credit is upgraded or downgraded, the first thing a participant looks for is if someone is posting a level to trade and they are indiscriminant from where that liquidity is sourced.

D. SEF Execution Methods Accommodate Low Liquidity

Certain strict SEF MAT opponents have argued that rule makers should be careful that SEFs do not destroy liquidity by offering CDS that curiously, may have enough liquidity to clear, but not enough to trade on a SEF. Such an argument, however, is misplaced, not supported by any data or empirical study and ignores not only the strength of the Five Factor MAC Test, but also fails to consider the flexibility of SEF execution methods in common use today. They are the Central Limit Order Book (“CLOB”) and Request For Quote (“RFQ”) execution methods.

The CLOB execution method currently is deployed in the CDS market, whether it is screen or voice based. Specifically, order driven CLOB trading is the primary execution method used in the wholesale CDS market (i.e. dealer to dealer trades) today that represents about 40% of the entire market. Dealers can leave resting bids and offers in the “book” or anonymously execute against the lowest offer or highest bid.

To be sure, the CLOB method accommodates both the rapid and high frequency trading of the electronic marketplace for standardized CDS. Interestingly though, the CLOB method also accommodates the less liquid, more bespoke CDS that require the voice-hybrid broker to “walk” the bidder and offer in to consummate a trade in a much slower trading environment. Notwithstanding the fact that incumbent dealers are loathe to permit buy-side access to the CLOB execution of CDS (because it permits dealer disintermediation and potential loss of revenue), the CLOB method certainly permits the trading of CDS today whether they enjoy high or low liquidity.

An alternative to CLOB based trading is the RFQ method. Dealers prefer this method because it protects the margin or “bid offer” spread and does not obligate them to trade. This method is extremely flexible for bespoke CDS trading. Customers can build a request for quote query by specifying many unique CDS attributes including: size, tenor, optionality, and amortization to name but a few. It is also *quote order* driven, thus it is routinely used for less liquid CDS whose liquidity may be episodic. The RFQ

method which is used today for the majority of the CDS market (i.e. the dealer to customer marketplace) is flexible and accommodates the trading of even the most illiquid of CDS.

Both the CLOB and RFQ method clearly accommodate all liquidity scenarios in the CDS market. When the empirical evidence of today's bilateral marketplace is considered—where both methodologies are dominant — any fear of CDS liquidity loss, as CDS migrate to the cleared SEF marketplace, should be dispelled. The SDMA believes that both methodologies taken in tandem with an already rigorous Five Factor MAC Test should negate the need for a separate and costly CDS MAT threshold test.

III. CDS “Not Readily Susceptible to Manipulation”

The DFA states that: *“The security-based swap execution facility shall permit trading only in security-based swaps that are not readily susceptible to manipulation.”* The law then goes on to mandate effective monitoring techniques similar to those found in other markets. Proposed Rule 812 repeats the DFA but takes the interpretation a bit further. It states:

- *Prior to permitting the trading of any security-based swap, a security-based swap execution facility's swap review committee shall have determined, after taking into account all of the terms and conditions of the security-based swap and the markets for the security-based swap and any underlying security or securities, that such security-based swap is not readily susceptible to manipulation.*
- *If the swap review committee cannot determine, after taking into account all of the terms and conditions of the security-based swap, the markets for the security-based swap and any underlying security or securities, and the trading in the security-based swap, that such security-based swap is not readily susceptible to manipulation, the security-based swap execution facility shall no longer permit the trading of such security-based swap.*

A. The SEC is the Ultimate Authority Regarding Manipulation

The notion that the Swap Review Committee shall determine CDS “Not Readily Susceptible to Manipulation” to trade on a SEF is misguided on many levels. One could argue that every CDS, just like every company's bonds and equity, are readily susceptible to manipulation due to perceived or actual fundamental, technical or “bad actor” factors. The SRC will not have the same knowledge as the Commission has regarding trading patterns and counterparties of a particular or group of CDS by competitors that could classify it as “readily susceptible to manipulation”. Furthermore, a particular SRC will have limited to zero knowledge on the trading patterns and counterparties of the underlying or reference bonds as well as a related security or securities. Therefore, it would be unreasonable to put that burden on the SEF and its SRC. Ultimate determinations of manipulation should be made by the Commission in the same manner it determines it in other markets.

Core Principle 3's requirement that a SEF not permit trading in CDS that are “not readily susceptible to manipulation” can be addressed through Rule 813 and Core Principle 4 – Monitoring of Trading and Trade Processing, as well as the same type of advanced software and oversight techniques employed by

the SEC used in recent insider trading cases.¹² Moreover, Basic Compliance Procedures (Rules 810, 811 and 823), System Safeguards (Rule 822) as well as Core Principle 5 - Ability to Obtain Information (Rule 814), and Recordkeeping and Recording (Rule 818) will significantly help in any Commission investigation. In fact, the creation of SEFs, Clearinghouses and SDRs will provide a rich database of patterns that can aid in any fraud or manipulation analysis.

The SEC's main task is to prevent and ferret out market manipulation. The SEF can help by providing adequate oversight and recordkeeping. However, the main purpose of a SEF is to increase market liquidity and price transparency as well as reduce systemic risk.

B. Differences between the Credit Default Swap and Corporate Bond Marketplaces

Although highly correlated in credit related directional moves in price and spread, differences remain between CDS and their underlying securities and participants. The fact that underlying or related securities could be in short supply either through low issuance, investment managers holding to maturity, shorts being squeezed or "bought-in", as well as other callable, putable, "keyman", clawback, etc. features in any part of the capital structure or underlying reference obligation should have absolutely no bearing on a CDS's ability to trade on a SEF. This is especially true of CDS as it is not dependent on the same creation (e.g. new bond issuance) or availability restrictions of the corporate bond market (e.g. dealer inventory or a portfolio of an investment manager unable to sell because the bond is in a "buy and hold" account or for taxable gain/loss reasons).

Additionally, the CDS market has somewhat different players who trade more frequently and without restrictions than the corporate bond market. While most of the players in the corporate bond market are insurance companies, mutual funds, pension funds, banks, broker/dealers, hedge funds, endowments, trusts and individuals, most of the players in the CDS market are dealer banks, proprietary books and hedge funds that do not face the same trading and investment restrictions.¹³ For example, traditional insurance companies (i.e. who haven't set up a separate hedge fund or structured vehicle) own a good chunk of the corporate bond market and are not big players in the CDS markets because of various restraints around their trading activity (e.g. most insurance companies can only buy CDS protection/short if they own the bond and for hedging purposes).

A good example of how a bond could trade technically is Carnival Cruise (Ticker: "CCL") 6.65% coupon maturing on January 15, 2028. It is the underlying reference bond for all maturities of CCL CDS. The CCL bond has only \$200 million outstanding or available to trade at any given time. Publicly available Schedule D filings in Appendix B that show bond holdings by investor lists that almost every holder of the bond is an insurance company. Insurance companies typically have buy and hold strategies to match

¹² *Statement on the Application of Inside Trader Law by Robert Khuzami, Director, Division of Enforcement, December 1, 2011*
<http://www.sec.gov/news/testimony/2011/ts120111rsk.htm>

¹³ *An Analysis of CDS Transactions: Implications for Public Reporting, Staff Report No. 517, September 2011*
http://newyorkfed.org/research/staff_reports/sr517.pdf and; US Census Bureau: The 2012 Statistical Abstract:
http://www.census.gov/compendia/statab/cats/banking_finance_insurance/stocks_and_bonds_equity_ownership.html

the durations and maturities of their insurance policies (i.e. bonds provide income to offset insurance company liability cashflows). This fact causes “technicals” to emerge in the marketplace that could give the impression that there is one holder trying to “squeeze” the market and the behavior to be deemed “readily susceptible to manipulation” when it is clearly not the case. Consequently, it would also cause CCL CDS to be categorized as “readily susceptible to manipulation” and unjustly not trade on a SEF.

IV. SDMA Objective Standards & Suggested Criteria for a SEF’S Swap Review Committee

A. CDS “Made Available To Trade” (MAT) Requirements

The SDMA recommends that the SEC streamline its proposed process for MAT using the following procedures for the SEC and the SEF:

1. The CDS is deemed Clearable by the SEC.
2. The SEC automatically deems all CDS subject to mandatory clearing to be MAT and publishes a list of all CDS MAT on their website.
3. SEF notifies the SEC of the list of CDS it will MAT by self-certification of the appropriate rule submission.
4. SEC officially approves the SEF’s MAT list within a 10 day period.
5. If the SEF is proposing to list and MAT a product the market has never traded, then the SEF will submit a rule submission for the Commission’s review, which includes a 30 day public comment period.

B. CDS “No Longer Made Available to Trade” (NLMAT) Requirements

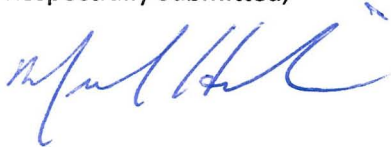
1. The SEF’s SRC determines to no longer make a particular CDS available for trading. This determination could be made for reasons such as:
 - a. The SEF simply decides as part of their business model not to trade a particular CDS.
 - b. Bankruptcy or Restructuring Event that causes trading to cease in the legal reference entity or a CDS post-bankruptcy auction.
 - c. Fraud and Market Manipulation Considerations governed by the SEC and coordinated with the SEF.
2. SEF notifies the SEC of the list of CDS it will NLMAT by self-certification of the appropriate rule submission.
3. SEC officially approves SEF’s NLMAT within a 10 day period.

The SDMA believes that this approach is the correct way to decide the SEF CDS MAT process. Such a process is streamlined because it uses existing procedures set out in proposed rules 805 to 808 and 811. Moreover, this process for CDS MAT is based on whether a clearing house already clears the CDS or CDS class in question. The process is thorough because it addresses certain liquidity thresholds from the statutory Five Factor MAC Test and it informs the public that the mandatory trade execution requirement has been triggered. Importantly, this process is consistent with Congressional intent, promotes trading on SEFs and the reduction of systemic risk.

V. Conclusion

The SDMA strongly believes that CDS deemed by the Commission to be subject to mandatory clearing must automatically be MAT. The SDMA fundamentally believes that additional trading threshold tests are unnecessary, duplicative and costly. First, the Commission has already performed the rigorous tests imposed as part of Five Factor MAC Test in connection with deeming a CDS subject to mandatory clearing. Second, the DFA does not give the Commission the authority to establish a separate test for determining when a CDS is MAT. The clear language of the DFA leaves the decision of what CDS will be MAT on their platform up to the SEF.

Respectfully Submitted,



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cc: The Hon. Mary L. Schapiro, Commissioner Chairman
The Hon. Luis A. Aguilar, Commissioner
The Hon. Daniel M. Gallagher, Commissioner
The Hon. Troy A. Paredes, Commissioner
The Hon. Elisse B. Walter, Commissioner

Appendix A: DTCC Data by Credit Sector for Date Range: January 7, 2011 through February 24, 2012

<u>Aerospace/Defense - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Honeywell International Inc.	IGCDS	IG17		\$6.78	1,118	NO	YES
Lockheed Martin Corporation	IGCDS	IG17		\$6.43	1,158	NO	YES
Goodrich Corporation	IGCDS	IG17		\$5.56	1,057	NO	YES
Northrop Grumman Corporation	IGCDS	IG17		\$4.72	871	NO	YES
Raytheon Company	IGCDS	IG17		\$4.53	922	NO	YES
Boeing Capital Corporation	IGCDS	IG17		\$4.33	845	NO	YES
<u>Aerospace/Defense - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Textron Financial Corporation	HYCDS	HY17		\$6.49	1,506	NO	NO
Textron Inc.	IGCDS	NO		\$5.32	1,190	NO	NO
Bombardier Inc.	HYCDS	HY17		\$5.32	1,225	NO	NO
The Boeing Company	IGCDS	IG17		\$3.09	578	NO	NO
General Dynamics Corporation	IGCDS	NO		\$1.11	282	NO	NO

<u>Autos/Auto Parts - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Johnson Controls, Inc.	IGCDS	IG17		\$5.06	1,189	NO	YES
<u>Autos/Auto Parts - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Ford Motor Company	HYCDS	HY17		\$18.89	3,377	NO	NO
Ally Financial Inc.	HYCDS	HY17		\$16.51	3,138	NO	NO
Ford Motor Credit Company LLC	HYCDS	NO		\$8.04	1,395	NO	NO
American Axle & Manufacturing, Inc.	HYCDS	HY17		\$7.29	2,015	NO	NO
The Hertz Corporation	HYCDS	HY17		\$4.70	1,351	NO	NO
TRW Automotive Inc.	HYCDS	HY17		\$4.52	1,251	NO	NO
Avis Budget Group, Inc.	HYCDS	HY17		\$4.41	1,194	NO	NO
Cooper Tire & Rubber Company	HYCDS	HY17		\$3.81	1,135	NO	NO
Avis Budget Car Rental, LLC	HYCDS	NO		\$3.08	776	NO	NO
Meritor, Inc.	HYCDS	HY17		\$1.86	483	NO	NO
General Motors Company	HYCDS	NO		\$1.39	246	NO	NO

<u>Banks/Finance - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
General Electric Capital Corporation	IGCDS	IG17/HVOL17		\$46.26	5,597	NO	YES
SLM Corporation (SLMA)	IGCDS	IG17/HVOL17		\$13.67	2,462	NO	YES
American Express Company	IGCDS	IG17		\$11.13	1,706	NO	YES
Capital One Financial Corporation	IGCDS	NO		\$7.98	1,397	NO	YES
Capital One Bank (USA), National Assc	IGCDS	IG17		\$7.76	1,529	NO	YES
<u>Banks/Finance - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Bank Of America Corporation	IGCDS	NO		\$58.83	7,669	NO	NO
Morgan Stanley	IGCDS	NO		\$50.03	5,971	NO	NO
The Goldman Sachs Group, Inc.	IGCDS	NO		\$46.95	5,444	NO	NO
JP Morgan Chase	IGCDS	NO		\$42.71	4,511	NO	NO
Citigroup Inc.	IGCDS	NO		\$36.27	4,270	NO	NO
Wells Fargo & Company	IGCDS	NO		\$34.05	4,085	NO	NO
International Lease Finance Corporati	HYCDS	HY17		\$24.50	3,819	NO	NO
Merrill Lynch & Co., Inc.	IGCDS	NO		\$16.08	1,996	NO	NO
Residential Capital, LLC	HYCDS	HY17		\$15.13	3,831	NO	NO
Block Financial	IGCDS	NO		\$10.88	2,050	NO	NO
Orix Corporation	IGCDS	NO		\$3.62	696	NO	NO
Springleaf Finance Corporation	HYCDS	HY17		\$1.29	374	NO	NO
Bank Of Montreal	IGCDS	NO		\$0.00	0	NO	NO
Bank Of Nova Scotia/Scotia Bank	IGCDS	NO		\$0.00	0	NO	NO
Canadian Imperial Bank Of Commerce	IGCDS	NO		\$0.00	0	NO	NO
Royal Bank Of Canada	IGCDS	NO		\$0.00	0	NO	NO
State Street Corporation	IGCDS	NO		\$0.00	0	NO	NO
Toronto Dominion Bank	IGCDS	NO		\$0.00	0	NO	NO

<u>Chemicals - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
The Dow Chemical Company	IGCDS	IG17		\$16.23	2,622	NO	YES
Eastman Chemical Company	IGCDS	IG17		\$11.35	2,166	NO	YES
The Sherwin-Williams Company	IGCDS	IG17		\$10.96	1,671	NO	YES
E. I. Du Pont De Nemours And Compa	IGCDS	IG17		\$6.65	1,264	NO	YES
<u>Chemicals - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Olin Corporation	HYCDS	HY17		\$7.65	1,477	NO	NO
Sealed Air Corporation	HYCDS	NO		\$6.37	1,388	NO	NO
Rohm And Haas Company	IGCDS	NO		\$5.50	930	NO	NO
PPG Industries	IGCDS	NO		\$4.46	839	NO	NO
Cytec Industries Inc.	IGCDS	NO		\$3.46	798	NO	NO
Nova Chemicals Corporation	HYCDS	HY17		\$3.10	891	NO	NO
RPM Intl. Inc.	IGCDS	NO		\$2.79	656	NO	NO
Nalco Company	HYCDS	NO		\$2.62	831	NO	NO
Agrium Inc.	IGCDS	NO		\$2.10	534	NO	NO
Polyone Corporation	HYCDS	HY17		\$1.98	675	NO	NO
Potash Corporation Of Saskatchewan	IGGCDs	NO		\$1.80	428	NO	NO
Huntsman International, LLC	HYCDS	NO		\$1.70	619	NO	NO
Air Products And Chemicals, Inc.	IGCDS	NO		\$1.42	348	NO	NO
Praxair, Inc.	IGCDS	NO		\$0.80	209	NO	NO

<u>Consumer - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Whirlpool Corporation	IGCDS	IG17/HVOL17		\$16.91	3,286	NO	YES
Sara Lee Corporation	IGCDS	IG17		\$15.60	2,767	NO	YES
Altria Group, Inc.	IGCDS	IG17		\$10.74	1,755	NO	YES
Darden Restaurants, Inc.	IGCDS	IG17		\$10.14	2,008	NO	YES
Kraft Foods Inc.	IGCDS	IG17		\$9.89	1,519	NO	YES
Conagra Foods, Inc.	IGCDS	IG17		\$8.92	1,685	NO	YES
Campbell Soup Company	IGCDS	IG17		\$7.81	1,532	NO	YES
Tyson Foods, Inc.	IGCDS	IG17/HVOL17		\$7.78	1,582	NO	YES
H. J. Heinz Company	IGCDS	IG17		\$6.49	1,246	NO	YES
McDonald's Corporation	IGCDS	IG17		\$4.90	901	NO	YES
General Mills, Inc.	IGCDS	IG17		\$4.39	864	NO	YES
Reynolds American Inc.	IGCDS	IG17		\$3.79	848	NO	YES
Yum! Brands, Inc.	IGCDS	IG17		\$3.50	778	NO	YES
Beam Inc.	IGCDS	NO		\$0.65	144	NO	YES
<u>Consumer - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Brunswick Corporation	HYCDS	HY17		\$7.88	1,763	NO	NO
Compass Group, PLC	IGCDS	NO		\$7.72	1,134	NO	NO
Fortune Brands, Inc.	IGCDS	IG17		\$6.73	1,123	NO	NO
The Goodyear Tire & Rubber Compan	HYCDS	HY17		\$6.64	1,977	NO	NO
Avon Products, Inc.	IGCDS	NO		\$4.95	949	NO	NO
Dean Foods Company	HYCDS	HY17		\$4.53	1,482	NO	NO
Wendy's Intl., Inc.	HYCDS	NO		\$4.02	756	NO	NO
The Clorox Company	IGCDS	NO		\$3.65	808	NO	NO
US Tobacco	IGCDS	NO		\$3.02	578	NO	NO
Kimberly-Clark Corporation	IGCDS	NO		\$2.93	459	NO	NO
Archer-Daniels-Midland Company	IGCDS	NO		\$2.81	518	NO	NO
United Rentals (North America), Inc.	HYCDS	HY17		\$2.72	1,041	NO	NO
Constellation Brands, Inc.	HYCDS	NO		\$2.66	699	NO	NO
Hasbro, Inc.	IGCDS	NO		\$2.66	624	NO	NO
Dole Food Company, Inc.	HYCDS	NO		\$2.48	651	NO	NO
Cargill, Incorporated	IGCDS	NO		\$2.40	497	NO	NO
Manor Care, Inc.	HYCDS	NO		\$2.17	385	NO	NO
Monsanto Company	IGCDS	NO		\$1.79	334	NO	NO
Universal Corporation	HYCDS	NO		\$1.56	453	NO	NO
Bausch & Lomb Incorporated	HYCDS	HY17		\$1.35	432	NO	NO
The Coca-Cola Company	IGCDS	NO		\$1.13	208	NO	NO
PHH Corp	HYCDS	NO		\$0.83	187	NO	NO
Molson Coors Brewing Company	IGCDS	NO		\$0.82	188	NO	NO

<u>Healthcare - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Boston Scientific Corporation	IGCDS	IG17		\$9.27	1,814	NO	YES
Cardinal Health, Inc.	IGCDS	IG17		\$6.34	1,213	NO	YES
Baxter International Inc.	IGCDS	IG17		\$5.98	917	NO	YES
McKesson Corporation	IGCDS	IG17		\$5.85	1,157	NO	YES
Bristol-Myers Squibb Company	IGCDS	IG17		\$5.84	974	NO	YES
UnitedHealth Group Incorporated	IGCDS	IG17		\$5.53	949	NO	YES
Pfizer Inc.	IGCDS	IG17		\$5.08	864	NO	YES
<u>Healthcare - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Universal Health Services, Inc.	HYCDS	HY17		\$8.89	1,799	NO	NO
HCA Inc.	HYCDS	HY17		\$6.92	1,710	NO	NO
Johnson & Johnson	IGCDS	NO		\$5.93	690	NO	NO
Tenet Healthcare Corporation	HYCDS	HY17		\$3.58	1,224	NO	NO
Community Health Systems, Inc.	HYCDS	HY17		\$3.49	1,074	NO	NO
Abbott Laboratories	IGCDS	NO		\$3.45	595	NO	NO
Eli Lilly And Company	IGCDS	NO		\$3.27	554	NO	NO
Amerisourcebergen Corporation	IGCDS	NO		\$2.39	628	NO	NO
Health Management Associates, Inc.	HYCDS	HY17		\$2.04	634	NO	NO
Merck & Co., Inc.	IGCDS	NO		\$1.83	391	NO	NO
Humana Inc.	IGCDS	NO		\$1.75	556	NO	NO
Wellpoint, Inc.	IGCDS	NO		\$1.62	381	NO	NO

<u>Homebuilders - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Toll Brothers, Inc.	HYCDS	NO		\$9.92	1,263	NO	YES
M.D.C. Holdings, Inc.	IGCDS	IG17/HVOL17		\$6.32	1,893	NO	YES
<u>Homebuilders - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
K. Hovnanian Enterprises, Inc.	HYCDS	HY17		\$15.06	5,001	NO	NO
Lennar Corporation	HYCDS	HY17		\$15.02	2,938	NO	NO
Pultegroup, Inc.	HYCDS	NO		\$14.51	3,082	NO	NO
Centex Corporation	HYCDS	NO		\$11.05	1,892	NO	NO
KB Home	HYCDS	HY17		\$10.05	2,654	NO	NO
Masco Corporation	HYCDS	NO		\$9.74	1,827	NO	NO
D.R. Horton, Inc.	HYCDS	NO		\$8.67	1,666	NO	NO
Louisiana-Pacific Corporation	HYCDS	HY17		\$8.64	1,863	NO	NO
Beazer Homes Usa, Inc.	HYCDS	NO		\$8.47	2,661	NO	NO
The Ryland Group, Inc.	HYCDS	NO		\$7.70	1,467	NO	NO
Standard Pacific Corp.	HYCDS	HY17		\$6.50	1,688	NO	NO
Realogy Corporation	HYCDS	HY17		\$4.91	1,933	NO	NO
Mohawk Industries, Inc.	HYCDS	NO		\$4.65	948	NO	NO

<u>Industrials - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Caterpillar Inc.	IGCDS	IG17		\$9.71	1,866	NO	YES
Pitney Bowes Inc.	IGCDS	IG17/HVOL17		\$9.59	1,833	NO	YES
Amgen Inc.	IGCDS	IG17		\$7.84	1,287	NO	YES
Deere & Company	IGCDS	IG17		\$6.02	1,038	NO	YES
Ingersoll-Rand Company	IGCDS	IG17		\$4.68	900	NO	YES
The Black & Decker Corporation	IGCDS	IG17		\$2.99	697	NO	YES
<u>Industrials - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
United States Steel Corporation	HYCDS	NO		\$6.51	1,829	NO	NO
Nucor Corporation	IGCDS	NO		\$5.21	948	NO	NO
Vulcan Materials Company	HYCDS	HY17		\$4.58	1,129	NO	NO
AK Steel Corp.	HYCDS	HY17		\$4.47	1,499	NO	NO
Aramark Corporation	HYCDS	HY17		\$3.22	1,081	NO	NO
Waste Management, Inc.	IGCDS	NO		\$2.80	521	NO	NO
Caterpillar Financial Services Corpora	IGCDS	NO		\$2.32	667	NO	NO
Owens-Illinois, Inc.	HYCDS	HY17		\$2.29	718	NO	NO
Tyco International Ltd.	IGCDS	NO		\$2.14	534	NO	NO
3M Company	IGCDS	NO		\$2.00	311	NO	NO
Danaher Corporation	IGCDS	NO		\$1.79	370	NO	NO
Martin Marietta Materials, Inc.	IGCDS	NO		\$1.65	325	NO	NO
Iron Mountain Inc.	HYCDS	HY17		\$1.61	474	NO	NO
Eaton Corporation	IGCDS	NO		\$1.36	323	NO	NO
The Servicemaster Company	HYCDS	NO		\$1.11	295	NO	NO
John Deere Capital Corporation	IGCDS	NO		\$1.03	238	NO	NO
Emerson Electric Co.	IGCDS	NO		\$0.75	136	NO	NO

<u>Insurance - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
American International Group, Inc.	IGCDS	IG17/HVOL17		\$18.70	3,163	NO	YES
Metlife, Inc.	IGCDS	IG17/HVOL17		\$18.50	3,835	NO	YES
The Hartford Financial Services Group	IGCDS	IG17/HVOL17		\$11.99	2,153	NO	YES
Berkshire Hathaway Inc.	IGCDS	IG17/HVOL17		\$11.41	1,684	NO	YES
XL Group Ltd.	IGCDS	IG17/HVOL17		\$9.41	1,797	NO	YES
The Allstate Corporation	IGCDS	IG17		\$7.13	1,342	NO	YES
Aetna Inc.	IGCDS	IG17		\$7.05	1,335	NO	YES
Ace Limited	IGCDS	IG17		\$7.02	1,302	NO	YES
The Chubb Corporation	IGCDS	IG17		\$5.77	1,089	NO	YES
Cigna Corporation	IGCDS	IG17		\$5.56	1,114	NO	YES
Loews Corporation	IGCDS	IG17		\$5.53	1,111	NO	YES
Marsh & McLennan Companies, Inc.	IGCDS	IG17		\$5.15	1,107	NO	YES
<u>Insurance - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
MBIA Insurance Co.	HYCDS	HY17		\$76.73	10,223	NO	NO
Radian Group Inc.	HYCDS	HY17		\$35.19	5,517	NO	NO
The PMI Group, Inc.	HYCDS	HY17		\$26.71	4,087	NO	NO
MGIC Investment	HYCDS	HY17		\$25.10	4,022	NO	NO
MBIA Inc.	HYCDS	NO		\$21.16	3,115	NO	NO
Assured Guaranty Municipal Corp.	IGCDS	NO		\$14.90	1,998	NO	NO
Genworth Financial, Inc.	IGCDS	NO		\$10.05	1,875	NO	NO
Assured Guaranty Corp.	IGCDS	NO		\$9.53	1,729	NO	NO
Lincoln National Corporation	IGCDS	NO		\$7.26	1,416	NO	NO
Prudential Financial, Inc.	IGCDS	NO		\$6.95	1,361	NO	NO
The Travelers Companies, Inc.	IGCDS	NO		\$3.91	761	NO	NO
AON Corp.	IGCDS	NO		\$2.85	529	NO	NO
CNA Finl Corp.	IGCDS	NO		\$2.71	637	NO	NO
Liberty Mutual Group Inc.	IGCDS	NO		\$2.64	653	NO	NO
Unum Group	IGCDS	NO		\$2.32	585	NO	NO

<u>Leisure - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Carnival Corporation	IGCDS	IG17		\$11.12	2,070	NO	YES
Marriott International, Inc.	IGCDS	IG17		\$9.26	1,802	NO	YES
<u>Leisure - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Caesars Entertainment Operating Cor	HYCDS	HY17		\$14.40	3,358	NO	NO
MGM Resorts Intl	HYCDS	HY17		\$11.37	3,113	NO	NO
Royal Caribbean Cruises Ltd.	HYCDS	HY17		\$11.34	2,550	NO	NO
Starwood Hotels & Resorts Worldwid	HYCDS	HY17		\$10.46	2,344	NO	NO
Boyd Gaming Corporation	HYCDS	HY17		\$6.16	1,861	NO	NO
Host Hotels & Resorts, L.P.	HYCDS	HY17		\$4.09	1,095	NO	NO
Hilton Worldwide, Inc.	HYCDS	NO		\$2.91	593	NO	NO

<u>Oil/Gas - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Transocean Inc.	IGCDS	IG17/HVOL17		\$14.62	2,688	NO	YES
Anadarko Petroleum Corporation	IGCDS	IG17		\$13.40	2,180	NO	YES
Valero Energy Corporation	IGCDS	IG17/HVOL17		\$11.63	2,302	NO	YES
ConocoPhillips	IGCDS	IG17		\$9.04	1,656	NO	YES
Halliburton Company	IGCDS	IG17		\$6.96	1,310	NO	YES
Nabors Industries, Inc.	IGCDS	IG17		\$6.72	1,340	NO	YES
Devon Energy Corporation	IGCDS	IG17		\$6.54	1,298	NO	YES
Kinder Morgan Energy Partners, L.P.	IGCDS	IG17/HVOL17		\$4.59	944	NO	YES
Canadian Natural Resources Limited	IGCDS	NO		\$4.20	873	NO	YES
<u>Oil/Gas - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Chesapeake Energy Corporation	HYCDS	HY17		\$9.69	2,527	NO	NO
El Paso Corporation	HYCDS	HY17		\$6.44	1,139	NO	NO
Nexen Inc.	IGCDS	NO		\$5.59	1,005	NO	NO
Hess Corporation	IGCDS	NO		\$5.44	1,090	NO	NO
Weatherford International Ltd.	IGCDS	NO		\$5.09	987	NO	NO
Forest Oil Corporation	HYCDS	HY17		\$4.73	1,368	NO	NO
Apache Corporation	IGCDS	NO		\$4.68	885	NO	NO
Tesoro Corporation	HYCDS	HY17		\$4.30	1,119	NO	NO
Encana Corporation	IGCDS	NO		\$4.08	779	NO	NO
Pioneer Natural Resources Company	HYCDS	HY17		\$4.05	930	NO	NO
Sunoco, Inc.	HYCDS	HY17		\$3.88	926	NO	NO
Diamond Offshore Drilling, Inc.	IGCDS	NO		\$3.58	721	NO	NO
Kinder Morgan Kansas, Inc.	HYCDS	HY17		\$3.25	713	NO	NO
Enbridge Inc.	IGCDS	NO		\$3.05	623	NO	NO
Suncor Energy Inc.	IGCDS	NO		\$2.63	486	NO	NO
Occidental Petroleum Corporation	IGCDS	NO		\$2.56	525	NO	NO
Talisman Energy Inc.	IGCDS	NO		\$2.50	528	NO	NO
Chevron Corporation	IGCDS	NO		\$2.34	364	NO	NO
Marathon Oil Corporation	IGCDS	NO		\$2.22	579	NO	NO
Energy Transfer Partners, L.P.	HYCDS	NO		\$2.15	476	NO	NO
Pride International, Inc.	IGCDS	NO		\$2.11	518	NO	NO
Enbridge Energy Partners, L.P.	IGCDS	NO		\$2.03	423	NO	NO
Woodside Petroleum Ltd.	IGCDS	NO		\$2.02	303	NO	NO
Enterprise Products Operating LLC	IGCDS	NO		\$1.98	410	NO	NO
Baker Hughes Incorporated	IGCDS	NO		\$1.85	375	NO	NO
Ashland Inc.	HYCDS	NO		\$1.43	423	NO	NO
Parker Drilling Company	HYCDS	HY17		\$1.39	398	NO	NO
Noble Energy, Inc.	IGCDS	NO		\$1.31	337	NO	NO
Kerr-McGee Corporation	HYCDS	NO		\$1.16	316	NO	NO
Massey Energy Company	HYCDS	NO		\$1.11	320	NO	NO
Murphy Oil Corporation	IGCDS	NO		\$1.03	234	NO	NO
Oneok Partners, L.P.	IGCDS	NO		\$0.92	224	NO	NO

<u>Paper/Pulp/Mining - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Alcoa Inc.	IGCDS	IG17/HVOL17		\$23.33	4,469	NO	YES
International Paper Company	IGCDS	IG17/HVOL17		\$10.98	2,178	NO	YES
Freeport-Mcmoran Copper & Gold Inc	IGCDS	IG17/HVOL17		\$7.46	1,754	NO	YES
Barrick Gold Corporation	IGCDS	IG17		\$5.02	944	NO	YES
<u>Paper/Pulp/Mining - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Weyerhaeuser Company	HYCDS	HY17		\$11.38	2,387	NO	NO
Temple-Inland Inc.	IGCDS	NO		\$10.59	2,127	NO	NO
Meadwestvaco Corporation	IGCDS	NO		\$9.98	1,925	NO	NO
Georgia-Pacific LLC	IGCDS	NO		\$4.60	971	NO	NO
Rio Tinto Alcan Inc.	IGCDS	NO		\$4.52	924	NO	NO
Domtar Corporation	HYCDS	NO		\$4.05	1,015	NO	NO
Pactiv Corporation	HYCDS	NO		\$3.58	780	NO	NO
Norbord Inc.	HYCDS	NO		\$3.23	711	NO	NO
Commercial Metals Company	HYCDS	NO		\$2.20	584	NO	NO
Newmont Mining Corporation	IGCDS	NO		\$2.05	473	NO	NO
Freeport-McMoran Corporation	IGCDS	NO		\$1.60	415	NO	NO

<u>Reits - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Simon Property Group, L.P.	IGCDS	IG17		\$10.76	2,040	NO	YES
Vornado Realty L.P.	IGCDS	IG17		\$4.14	943	NO	YES
ERP Operating L.P.	IGCDS	IG17		\$2.90	620	NO	YES
Boston Properties Limited Partnership	IGCDS	NO		\$2.76	643	NO	YES
<u>Reits - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
iStar Financial Inc.	HYCDS	HY17		\$14.75	3,318	NO	NO
Prologis	IGCDS	NO		\$4.78	969	NO	NO
Kimco Realty Corporation	IGCDS	NO		\$4.70	1,060	NO	NO
HCP, Inc.	IGCDS	NO		\$3.75	723	NO	NO
Developers Diversified Realty Corpora	HYCDS	NO		\$2.25	454	NO	NO
Health Care Reit, Inc.	IGCDS	NO		\$2.21	374	NO	NO
Avalonbay Communities, Inc.	IGCDS	NO		\$2.08	558	NO	NO
Duke Realty Limited Partnership	IGCDS	NO		\$1.69	316	NO	NO
First Industrial, L.P.	HYCDS	NO		\$0.88	246	NO	NO
Hospitality Properties Trust	IGCDS	NO		\$0.88	207	NO	NO
Mack-Cali Realty, L.P.	IGCDS	NO		\$0.72	160	NO	NO
Weingarten Realty Investors	IGCDS	NO		\$0.67	180	NO	NO
Archstone-Smith Trust	HYCDS	NO		\$0.26	77	NO	NO

<u>Retail - Clearable</u>		Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent	(\$ billions)	Contracts	CME	ICE
Macy's, Inc.	IGCDS	IG17	\$19.24	3,593	NO	YES
Safeway Inc.	IGCDS	IG17	\$14.65	2,740	NO	YES
The Kroger Co.	IGCDS	IG17	\$10.15	1,663	NO	YES
Nordstrom, Inc.	IGCDS	IG17	\$9.90	1,903	NO	YES
Autozone, Inc.	IGCDS	IG17	\$9.40	1,775	NO	YES
Wal-Mart Stores, Inc.	IGCDS	IG17	\$9.18	1,179	NO	YES
Newell Rubbermaid Inc.	IGCDS	IG17/HVOL17	\$8.31	1,541	NO	YES
The Home Depot, Inc.	IGCDS	IG17	\$8.08	1,680	NO	YES
Kohl's Corporation	IGCDS	IG17	\$7.12	1,509	NO	YES
Target Corporation	IGCDS	IG17	\$6.88	1,266	NO	YES
CVS Caremark Corp.	IGCDS	IG17	\$6.41	1,141	NO	YES
Staples, Inc.	IGCDS	NO	\$4.38	847	NO	YES
Lowe's Companies	IGCDS	IG17	\$4.35	866	NO	YES
The TJX Companies	IGCDS	NO	\$2.26	516	NO	YES
<u>Retail - Non-Clearable</u>		Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent	(\$ billions)	Contracts	CME	ICE
The Jones Group Inc.	HYCDS	NO	\$14.81	2,728	NO	NO
Limited Brands, Inc.	HYCDS	HY17	\$13.42	2,684	NO	NO
The Gap, Inc.	IGCDS	IG17/HVOL17	\$12.44	2,066	NO	NO
J. C. Penney Company, Inc.	HYCDS	NO	\$12.34	2,635	NO	NO
Liz Claiborne, Inc.	HYCDS	HY17	\$12.31	2,972	NO	NO
Radioshack Corporation	HYCDS	HY17	\$11.20	2,346	NO	NO
Sabre Holdings Corporation	HYCDS	HY17	\$10.08	2,237	NO	NO
Supervalu Inc.	HYCDS	HY17	\$8.91	2,579	NO	NO
Rite Aid Corporation	HYCDS	HY17	\$7.28	2,597	NO	NO
Sears Roebuck Acceptance Corp.	HYCDS	HY17	\$6.39	1,704	NO	NO
The Neiman Marcus Group, Inc.	HYCDS	HY17	\$5.45	1,497	NO	NO
Best Buy Co., Inc.	IGCDS	NO	\$4.86	1,094	NO	NO
Smithfield Foods, Inc.	HYCDS	HY17	\$4.61	1,337	NO	NO
Saks Incorporated	HYCDS	HY17	\$4.43	1,297	NO	NO
Levi Strauss & Co.	HYCDS	HY17	\$4.36	1,263	NO	NO
New Albertson's, Inc.	HYCDS	NO	\$4.32	892	NO	NO
Toys 'R' Us, Inc.	HYCDS	HY17	\$4.30	1,368	NO	NO
Office Depot, Inc.	HYCDS	NO	\$4.15	1,109	NO	NO
Dillard's, Inc.	HYCDS	HY17	\$3.82	1,127	NO	NO
Mattel, Inc.	IGCDS	NO	\$3.34	723	NO	NO
Pepsico, Inc.	IGCDS	NO	\$2.56	336	NO	NO
The Hershey Company	IGCDS	NO	\$2.43	483	NO	NO
Kellogg Company	IGCDS	NO	\$1.81	331	NO	NO
Costco Wholesale Corporation	IGCDS	NO	\$1.17	241	NO	NO
Dover Corporation	IGCDS	NO	\$0.76	139	NO	NO
Ikon Office Solutions, Inc.	HYCDS	NO	\$0.56	138	NO	NO
VF Corp.	IGCDS	NO	\$0.00	0	NO	NO

<u>Telecom/Media/Technology/Cable - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Computer Sciences Corporation	IGCDS	IG17/HVOL17		\$17.76	3,378	NO	YES
AT&T Inc.	IGCDS	IG17		\$15.88	2,193	NO	YES
Centurylink, Inc.	IGCDS	IG17/HVOL17		\$14.68	2,931	NO	YES
CBS Corp.	IGCDS	IG17		\$14.49	2,759	NO	YES
R.R. Donnelley & Sons Company	HYCDS	HY17		\$14.48	3,075	NO	YES
Verizon Communications Inc.	IGCDS	IG17		\$13.24	2,145	NO	YES
Time Warner Inc.	IGCDS	IG17		\$11.99	1,961	NO	YES
Arrow Electronics, Inc.	IGCDS	IG17/HVOL17		\$10.48	1,906	NO	YES
Hewlett-Packard Company	IGCDS	IG17		\$10.33	1,727	NO	YES
Xerox Corporation	IGCDS	IG17/HVOL17		\$10.03	1,710	NO	YES
Motorola Solutions, Inc.	IGCDS	IG17		\$9.35	1,978	NO	YES
News America Incorporated	IGCDS	IG17		\$9.03	1,784	NO	YES
Expedia, Inc.	IGCDS	IG17/HVOL17		\$8.62	1,522	NO	YES
Cox Communications, Inc.	IGCDS	IG17		\$8.06	1,381	NO	YES
The Walt Disney Company	IGCDS	IG17		\$7.97	1,228	NO	YES
Omnicom Group Inc.	IGCDS	IG17		\$7.65	1,595	NO	YES
Dell Inc.	IGCDS	IG17		\$7.09	1,092	NO	YES
International Business Machines Corp	IGCDS	IG17		\$6.38	1,140	NO	YES
DIRECTV Holdings LLC	IGCDS	IG17		\$6.32	1,232	NO	YES
Quest Diagnostics Incorporated	IGCDS	IG17		\$6.12	1,212	NO	YES
Time Warner Cable Inc.	IGCDS	IG17		\$5.88	1,058	NO	YES
Viacom Inc.	IGCDS	IG17		\$5.44	1,195	NO	YES
Comcast Corporation	IGCDS	IG17		\$5.33	1,005	NO	YES
Avnet, Inc.	IGCDS	IG17/HVOL17		\$4.48	1,094	NO	YES
CA, Inc.	IGCDS	IG17/HVOL17		\$3.55	803	NO	YES
Cisco Systems, Inc.	IGCDS	IG17		\$3.53	586	NO	YES

<u>Telecom/Media/Technology/Cable - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Sprint Nextel Corporation	HYCDS	HY17		\$24.10	4,921	NO	NO
Eastman Kodak Company	HYCDS	HY17		\$19.06	7,193	NO	NO
Clear Channel Communications, Inc.	HYCDS	HY17		\$17.88	4,841	NO	NO
Gannett Co., Inc.	HYCDS	HY17		\$15.91	3,456	NO	NO
First Data Corporation	HYCDS	HY17		\$14.37	3,655	NO	NO
Frontier Communications Corporati	HYCDS	HY17		\$10.07	2,454	NO	NO
The McClatchy Corp	HYCDS	HY17		\$9.67	3,081	NO	NO
Freescale Semiconductor, Inc.	HYCDS	HY17		\$9.18	2,720	NO	NO
The New York Times Company	HYCDS	HY17		\$9.17	2,134	NO	NO
Embarq Corporation	HYCDS	NO		\$8.12	1,385	NO	NO
Belo Corp.	HYCDS	HY17		\$8.09	1,877	NO	NO
Windstream Corporation	HYCDS	HY17		\$6.55	1,628	NO	NO
AT&T Mobility	IGCDS	NO		\$5.80	999	NO	NO
Level 3 Communications, Inc.	HYCDS	HY17		\$5.12	1,721	NO	NO
Advanced Micro Devices, Inc.	HYCDS	HY17		\$4.94	1,585	NO	NO
DISH DBS Corporation	HYCDS	HY17		\$4.75	1,151	NO	NO
Liberty Media LLC	HYCDS	HY17		\$4.48	1,039	NO	NO
Alltel Corporation	IGCDS	NO		\$3.57	765	NO	NO
The Western Union Company	IGCDS	NO		\$3.34	692	NO	NO
Unisys Corporation	HYCDS	HY17		\$3.13	895	NO	NO
Intelsat S.A.	HYCDS	HY17		\$3.11	783	NO	NO
Univision Communications Inc.	HYCDS	NO		\$3.06	892	NO	NO
Qwest Corporation	HYCDS	NO		\$3.03	644	NO	NO
Sungard Data Systems Inc.	HYCDS	HY17		\$2.77	836	NO	NO

CSC Holdings	IGCDS	HY17	\$2.73	765	NO	NO
Amkor Technology, Inc.	HYCDS	HY17	\$2.67	389	NO	NO
L-3 Communications Corporation	IGCDS	NO	\$2.36	526	NO	NO
Qwest Capital Funding, Inc.	HYCDS	NO	\$1.84	511	NO	NO
Telus Corporation	IGCDS	NO	\$1.80	437	NO	NO
Lexmark International, Inc.	IGCDS	NO	\$1.74	506	NO	NO
Oracle Corporation	IGCDS	NO	\$1.46	265	NO	NO
Sanmina-SCI Corp.	HYCDS	HY17	\$3.00	994	NO	NO
Seagate Technology HDD Hldgs.	HYCDS	HY17	\$1.27	341	NO	NO
Texas Instruments Incorporated	IGCDS	NO	\$0.21	310	NO	NO
Alcatel-Lucent USA Inc.	HYCDS	HY17	\$3.30	1,065	NO	NO

<u>Transportation - Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Southwest Airlines Co.	IGCDS	IG17/HVOL17		\$10.92	2,160	NO	YES
Ryder System, Inc.	IGCDS	IG17		\$6.68	1,161	NO	YES
Norfolk Southern Corporation	IGCDS	IG17		\$5.55	1,026	NO	YES
CSX Corp.	IGCDS	IG17		\$5.49	1,243	NO	YES
Union Pacific Corporation	IGCDS	IG17		\$4.66	936	NO	YES
Burlington Northern Santa Fe, LLC	IGCDS	NO		\$3.89	748	NO	YES
GATX Corp.	IGCDS	IG17/HVOL17		\$3.60	814	NO	YES
United Parcel Service, Inc.	IGCDS	IG17		\$3.21	654	NO	YES
<u>Transportation - Non-Clearable</u>			Series 17	Notional Volume	Number of	<u>Clearable</u>	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
AMR Corp.	HYCDS	NO		\$3.57	1,393	NO	NO
Con-Way Inc.	IGCDS	NO		\$2.68	607	NO	NO
Fedex Corporation	IGCDS	NO		\$2.19	470	NO	NO
Canadian National Railway Company	IGCDS	IG17		\$0.52	120	NO	NO

Utilities - Clearable			Series 17	Notional Volume	Number of	Clearable	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Constellation Energy Group, Inc.	IGCDS	IG17		\$8.23	1,537	NO	YES
Dominion Resources, Inc.	IGCDS	IG17		\$7.73	1,295	NO	YES
FirstEnergy Corp.	IGCDS	IG17/HVOL17		\$7.32	1,282	NO	YES
American Electric Power Company, In	IGCDS	IG17		\$7.15	1,221	NO	YES
National Rural Utilities Cooperative Fi	IGCDS	IG17/HVOL17		\$6.15	1,155	NO	YES
Duke Energy Carolinas, LLC	IGCDS	IG17		\$5.66	989	NO	YES
Progress Energy	IGCDS	NO		\$4.64	926	NO	YES
Sempra Energy	IGCDS	IG17		\$4.58	914	NO	YES
Utilities - Non-Clearable			Series 17	Notional Volume	Number of	Clearable	
Entity Full Name	Ratings Type	Index Constituent		(\$ billions)	Contracts	CME	ICE
Texas Competitive Electric Holdings Co	HYCDS	HY17		\$12.93	3,290	NO	NO
Energy Future Holdings Corp.	HYCDS	NO		\$7.56	1,883	NO	NO
Dynegy Holdings Inc.	HYCDS	HY17		\$6.99	2,254	NO	NO
Exelon Generation Company, LLC	IGCDS	NO		\$5.26	722	NO	NO
The Williams Companies, Inc.	IGCDS	NO		\$5.09	1,015	NO	NO
Entergy Corporation	IGCDS	NO		\$4.94	1,005	NO	NO
NRG Energy	HYCDS	HY17		\$4.25	1,240	NO	NO
The AES Corp.	HYCDS	HY17		\$3.83	988	NO	NO
Pacific Gas And Electric Company	IGCDS	NO		\$3.57	573	NO	NO
CMS Energy	HYCDS	HY17		\$2.97	761	NO	NO
Nextera Energy Capital Holdings, Inc.	IGCDS	NO		\$2.45	440	NO	NO
Centerpoint Energy, Inc.	IGCDS	NO		\$2.20	412	NO	NO
GenOn Energy	HYCDS	HY17		\$2.11	679	NO	NO
PPL Energy Supply	IGCDS	NO		\$2.04	506	NO	NO
PSE&G Power LLC	IGCDS	NO		\$1.64	390	NO	NO
Nisource Finance Corp.	IGCDS	NO		\$1.35	390	NO	NO
Con Edison of NY, Inc.	IGCDS	NO		\$1.29	363	NO	NO
DTE Energy Company	IGCDS	NO		\$1.19	315	NO	NO
DPL Inc.	IGCDS	NO		\$1.06	243	NO	NO
Teco Energy, Inc.	IGCDS	NO		\$0.79	243	NO	NO
Southern California Edison Company	IGCDS	NO		\$0.71	139	NO	NO
The Southern Company	IGCDS	NO		\$0.66	118	NO	NO
Centerpoint Energy Resources Corp.	IGCDS	NO		\$0.48	102	NO	NO

Appendix B: Investor Schedule D Public Holdings as of September 30, 2011

Company: Carnival Corp. (CCL)
Coupon: 6.65%
Maturity: January 15, 2028
Amt Issued & Outstanding: \$200 million

<u>Investor (Holder)</u>	<u>Amt Held</u> <u>(\$ millions)</u>	<u>Percentage</u> <u>Owned</u>
Prudential Insurance	\$24.00	12.00%
American Family Life	\$18.01	9.01%
Lincoln National Life	\$14.00	7.00%
Allianz Life Ins Co.	\$13.50	6.75%
American Equity Investors	\$11.63	5.82%
Hartford Casualty Insurance	\$10.00	5.00%
Hartford Underwriting	\$9.30	4.65%
Hartford Life Insurance	\$8.43	4.21%
Washington National	\$8.00	4.00%
New York Life Insurance	\$8.00	4.00%
Bankers Life & Casualty	\$7.50	3.75%
Fidelity & Guaranty Life	\$7.00	3.50%
New York Life Insurance	\$6.00	3.00%
Hartford Accident	\$5.30	2.65%
Senior Hlth Ins Co.	\$5.25	2.63%
Union Central Life Insurance	\$5.00	2.50%
Thrivent Financial	\$5.00	2.50%
Transamerica Life Insurance	\$3.50	1.75%
Aviva Life & Ann Co.	\$3.48	1.74%
Presidential Life Insurance	\$3.26	1.63%
General American Life	\$2.50	1.25%
Conseco Life Insurance	\$2.28	1.14%
John Alden Life Insurance	\$2.23	1.12%
Sunset Life Insurance	\$2.00	1.00%
Wilton Reassurance	\$1.61	0.81%
Kansas City Life Insurance	\$1.00	0.50%
United States Life Insurance	\$1.00	0.50%
Colonial Penn Life Insurance	\$1.00	0.50%
Old American Insurance	\$1.00	0.50%
American Income Life	\$0.69	0.35%
Bankers Conseco Life	\$0.50	0.25%
National Farm Life Insurance	\$0.22	0.11%
North Coast Life Insurance	\$0.14	0.07%
Luso American Life Insurance	\$0.13	0.07%
GBU Financial Life	\$0.10	0.05%
Totals	\$192.55	96.27%