**Lyondell Chemical Company LCDS Auction**

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| **Please note that these webpages relate ONLY to the loan-only CDS auction for Lyondell. For information regarding other credit derivative transactions referencing Lyondell, please see the webpages relating to the 2009 Lyondell Entities CDS Protocol.**  The Lyondell Chemical Company LCDS Auction (the “Auction”) relates to settlement issues concerning Lyondell Chemical Company, ("Lyondell"), that announced on January 6, 2009 that it had voluntarily filed to reorganize under Chapter 11 of the US Bankruptcy Code. Lyondell is included in the LCDX credit derivative index and is subject to singe-name loan CDS trades.  Cash settlement at the final price determined by an auction is contemplated by each of the standard documents for North American loan credit default swaps that have been published by ISDA and CDS IndexCo LLC in 2007 [1](http://www.isda.org/2009lyondelllcds/lyondelllcds.html#1). These documents provide that if an auction is held in respect of the reference entity and designated priority of loan referenced by the relevant transaction, then settlement of that transaction will be subject to the terms of that auction.  The circumstances in which an auction will be held are governed by the LCDS Auction Rules published by ISDA and CDS IndexCo (now part of Markit North America, Inc.) on May 22, 2007. Pursuant to these rules, the Eligible LCDX Members voted to hold an auction in respect of Lyondell Chemical Company First Lien Loans. The terms of this auction are contained in the LCDS Auction Settlement Terms for Lyondell Chemical Company, (the “Auction Terms”), which were published by ISDA and Markit North America, Inc. on January 28.  This auction is scheduled for February 3, 2009. Markit Group Limited and Creditex Securities Corp. will administer the auction.  In order to ensure that a transaction is brought within the Auction Terms, parties must have delivered a credit event notice and notice of publicly available information (or entered into a settlement agreement deeming these notices to be delivered) effective on or prior to February 2, 2009. It should be noted that for loan-only CDS transactions, there is no requirement for the parties to adhere to a protocol in order for a transaction to be covered by the Auction Terms. |

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| * [List of Participating Bidders](http://www.isda.org/2009lyondelllcds/lyondelllcds_bidders.html) * [Lyondell Chemical Company LCDS Auction Settlement Terms](http://www.isda.org/2009lyondelllcds/lyondelllcds_ast.html) * [Blackline against Tribune LCDS Auction Settlement Terms](http://www.isda.org/companies/lyondell/pdf/Blackline-Lyondell-LCDS-Auction-Terms.pdf) * [Frequently Asked Questions](http://www.isda.org/2009lyondelllcds/lyondelllcds_faq.html) * [Plain English Summary](http://www.isda.org/2009lyondelllcds/docs/Lyondell-Plain-English-Summary.pdf) * [Customer Physical Settlement Request Letter](http://www.isda.org/2009lyondelllcds/docs/Lyondell-form-of-Customer-Physical-Settlement-Request.doc)        |  |  | | --- | --- | | 1. | These documents include the Syndicated Secured Loan Credit Default Swap Standard Terms Supplement published by ISDA on May 22, 2007, the LCDX Untranched Transactions Standard Terms Supplement published by ISDA and CDS IndexCo on May 22, 2007 and the LCDX Tranche Transactions Standard Terms Supplement published by ISDA and CDS IndexCo on September 25, 2007. Parties should note for this purpose that any single-name loan CDS transactions documented under the June 8, 2006 version of the Syndicated Secured Loan Credit Default Swap Standard Terms Supplement will have been updated to the 2007 form if both parties adhered to the ISDA LCDS Protocol. | |