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February 15, 2008

Nancy M. Morris, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

CC: Robert Griefeld, President and Chief Executive Officer, The NASDAQ Stock Market, Inc.

Re: Release No. 34-57171; File No. 4-534

Dear Ms. Morris:

Omgeo would like to take this opportunity to provide feedback on Amendment #1 of File No. 4-534 regarding the Proposed National Market System Plan for the Selection and Reservation of Securities Symbols. Omgeo believes it is of paramount importance that an NMS Exchange Symbology Plan cover all NMS securities. We strongly recommend a common symbology implementation across markets in order to minimize investor confusion, promote cross-market consistency required by Reg NMS and reduce systemic risk.

We hope that the SEC will not view the impact of special characters on the nation's financial infrastructure as merely a technology problem. It is the SEC's stated mission "to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation". System changes requiring the use of proprietary suffix conventions with special characters raise policy concerns both from an NMS and a market resiliency perspective that are well within the purview of this mandate. The SEC should act swiftly to prevent the planned April 7<sup>th</sup> deployment of NASDAQ's Symbology Initiative - to protect investors and prevent possible market disruptions.

Omgeo is in support of a single NMS symbology plan for root symbols, subordinate issues, options and test symbols because this approach offers the following benefits.

#### **Minimize Investor Confusion**

One of the motivations for symbol portability and a consistent NMS symbology policy is to ensure that investors are not affected by an issuer switching listing exchanges. Given that subordinate issues are securities that (both retail and institutional) investors trade, adopting a common suffix symbology across markets would be advantageous from the investor perspective. Our concerns with inconsistency are not just across markets but also with the application of the Nasdaq Symbol convention across symbols of a different root size. According to the [Nasdaq Guidance Document](#), a Class 'A' When Issued will be identified with a '#' sign if the root is 4 characters but with a '.A#' if the root is 3 or less characters.

Additionally, adopting a plain English suffix convention would reduce fat finger trading errors, verbal miscommunication, and display misinterpretation (e.g., AAA.A looks very similar to AAAA) in both text and phone-based order entry.

#### **Promote Market-wide Consistency**

In reviewing Release No. 34-57171, we are pleased that the SEC may expand the coverage of the Exchange Symbology Plans to include options and subordinate issues. Expanding the scope of an NMS Symbology Plan would be consistent with the Regulation NMS definitions of "listed equity securities" and "NMS securities" both of which include subordinate issues.

Because of Regulation NMS requirements to route orders to all execution venues trading an NMS security with better prices, the implementation effort associated with adopting Nasdaq's new suffix symbology expands well beyond connectivity to Nasdaq encompassing changes to smart order routing and trading systems not currently configured to accommodate special characters. FIF and SIFMA members continue to raise concerns regarding this

initiative. As demonstrated in the 45 responses received to the FIF/SIFMA Survey, firms across the industry support cross-market standardization of suffixes.

It is difficult to justify the millions of dollars in cost to the industry, for a proprietary symbology change required to accommodate only 192 issues (less than 6% of NASDAQ's volume). Especially when as an interim solution NASDAQ can accommodate subordinate issues in 3 character symbols as the industry works toward a common NMS Symbology. As discussed in the January 31, 2008, [Head Trader Alert #2008-012](#) the 3-character ticker symbol III is associated with two subordinate issues. Its units trade under the symbol IIIIU and its warrants trade under the symbol IIIIW.

Today, variations of the CMS suffix convention, the Comstock suffix convention, and the NASDAQ Integrated Platform suffix convention are in production at different exchanges. Unfortunately, broker dealers, vendors and exchanges have already spent significant resources to accommodate different suffix conventions across the U.S. exchanges. With the SEC's focus on NMS symbology, we hope you will take this opportunity to bring harmonization to this aspect of the national market system.

#### **Mitigate Operational Risks**

Inconsistent symbology schemas across NMS securities, especially those using special characters, present operational risks for several reasons. Changes to symbology affect every system that touches an order – from market data and order entry to back office and regulatory reporting systems. The safety and soundness of the industry infrastructure should not be underestimated. Testing of member firm and industry wide systems is a major undertaking and may not uncover unexpected behavior that could occur in production. The use of special characters exacerbates these problems due to the fact that special characters are often used as delimiters and wildcards in databases and legacy systems. In some instances, special characters do not translate properly when transmitted in either file or MQ protocols. On behalf of its participants, DTCC's post-trade applications, both clearing and depository, are being remediated and tested to ensure the safety and soundness of what is often referred to as the industry-wide utility. Omgeo is undertaking similar efforts.

Additionally, changes to equity symbology reach beyond equity trading impacting the options markets. However, neither the OCC nor OPRA will adopt the NASDAQ subordinate issue suffix convention. Furthermore, it is understood by the industry that NASDAQ has a field-size limitation that has brought them to the decision point of selecting the symbol change, rather than expanding their field size. Taking into consideration the field expansion proposed for the OCC Symbology Initiative, NASDAQ should be expanding their field to ensure standardized formatting for all NMS securities.

In web-based applications, the use of special characters introduces cyber-security vulnerabilities that could be exploited by malicious code. Best practices established to reduce cross-site scripting, advocate eliminating the use of special characters in input fields. Any symbology implementation effort should be carefully planned and coordinated at an industry level to minimize systemic risk.

In addition to standardizing root and suffix symbols across NMS securities, adopting test symbols to be used industry-wide would mitigate operation risk by enabling testing in production. With the adoption of Reg NMS establishing inter-market order routing obligations, we would urge the SEC to also consider establishing test symbols to be used for testing system changes that affect the National Market System. Testing with test symbols in production is the closest simulation to actual production conditions. Test symbols in production facilitate end to end testing. To avoid data corruption, market data vendors do not pass dummy data in actual symbols to their production systems; however, dummy trades in test symbols are disseminated and would allow end user firms to test more effectively.

#### **Promote Market-Wide Business Continuity**

Omgeo is well aware of the need to continually strengthen the resiliency of the financial markets against terrorist attacks and other threats to the nation's financial infrastructure. As discussed earlier, the introduction of special characters introduces cyber-security issues that could be exploited to disrupt our financial markets.

Additionally, a common symbology implementation across markets would support industry-wide business continuity allowing trading in securities even when the primary exchange is not able to trade as a result of a natural or man-made disaster. Currently, the CTA and UTP data feed specifications do not accept alternate suffix conventions. In the event of a disaster, significant development work would be required to modify trading, market data and back office systems not only at the broker dealers but also at the exchanges and utilities. While a common symbology is not the only obstacle to maintaining trading in the event of a primary market outage, the adoption of a special character suffix convention would add another hurdle to recovery.

In closing, we are concerned that failure to adopt an NMS Exchange Symbology Plan that does not include all NMS securities will result in significant wasted effort and risk to the industry. Therefore, pursuant to the SEC's efforts to establish and maintain a fair and orderly National Market System, Omgeo urges the SEC to (1) immediately request that NASDAQ and the NASDAQ SIP suspend the NASDAQ Stock Symbol System changes currently scheduled for April 7, 2008 and (2) work towards the adoption an NMS Exchange Symbology Plan that includes options and subordinate issues. Omgeo stands ready to assist in the development of an industry solution to NMS symbology.

**About Omgeo:**

Omgeo, LLC is the global provider of automated post-execution institutional trade management services and is a joint venture between DTCC and Thomson Financial, a unit of The Thomson Corporation. Omgeo plays an increasingly critical role in the global securities industry as a central information and processing hub for institutional trades.

Omgeo plays a significant role in post-trade pre-settlement trade management within the global securities industry by offering transaction, information, and business intelligence products to more than 6,000 users in 42 countries. After a trade is executed (post-trade) and prior to settlement (pre-settlement), *i.e.*, before the exchange of securities and/or monies between the counterparties, Omgeo acts as a hub for the trade messages sent between its clients and the trading and settlement counterparties. Specifically, Omgeo's systems electronically translate and transmit trade-related messages sent through Omgeo's systems by its clients between all counterparties to domestic and foreign trades. This process allows the counterparties to exchange information, such as price and quantity, necessary to accurately and efficiently settle trades. As a result, Omgeo is able to substantially improve a client's operational efficiency and reduce transactional costs by lowering the risk of failed trades. Moreover, a key performance indicator of STP is SDA rates (same day affirmation). This means that both counterparties to the trade have agreed to the trade details on trade date, which allows more time to focus on exception processing and thus preventing trades from failing. Omgeo reports SDA rates to the SEC, SIFMA and the exchanges on a monthly basis. This is because these groups understand that the only way to improve SDA and reduce fails (and reduce settlement costs) is through the implementation of STP where manual intervention is minimized.

Please don't hesitate to contact me with any questions  
Sincerely,



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