



383

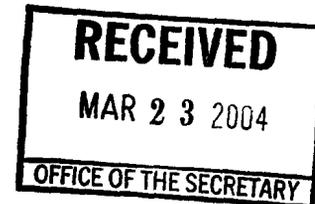
Shaping STP™

Carl H. Urist
General Counsel

Omgeo LLC
55 Water Street
New York, NY 10041

Tel 212.855.3220
Fax 212.855.3215
Carl.Urist@omgeo.com

March 22, 2004



Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: **Confirmation Requirements (File No. S7-06-04)**

Dear Mr. Katz:

Omgeo LLC (“Omgeo”)¹ wishes to comment on the proposals by the Securities and Exchange Commission (the “Commission”) to make certain changes in the requirements for trade confirmations sent by broker-dealers.² Omgeo is not commenting on the substance of the Commission’s proposals. Instead, Omgeo would like to bring to the Commission’s attention the process by which Omgeo, its clients and the clients’ vendors make changes in the form of the trade confirmation.

Through the Omgeo TradeSuite service, broker-dealers can send confirmations to investment managers in compliance with Rule 10b-10 under the Securities Exchange Act of 1934, and investment managers can send affirmations of those confirmations to the broker-dealers. Over 900 broker-dealers use the Omgeo TradeSuite service to send confirmations, and over 3,200 investment managers receive confirmations and send affirmations through the Omgeo TradeSuite service.

¹ Omgeo is a joint venture between The Depository Trust & Clearing Corporation and The Thomson Corporation. Omgeo began operations in 2001. It combines in a single business the TradeSuite service formerly operated by The Depository Trust & Clearing Corporation’s subsidiary, The Depository Trust Company (“DTC”), with the post-trade pre-settlement services formerly operated by subsidiaries of The Thomson Corporation. Its wide range of services helps Omgeo’s clients achieve straight through processing of their trades. More information about Omgeo is available on its website, www.omgeo.com

² Securities and Exchange Commission Release Nos. 33-8358; 34-49148; IC-26341; File No. S7-06-04; 69 FR 6438 (Feb. 10, 2004).

Omgeo also provides the Omgeo OASYS service formerly operated by Thomson Financial, a subsidiary of The Thomson Corporation. Through the Omgeo OASYS service, investment managers can send allocation information to broker-dealers after execution of block trades. Broker-dealers use the allocation information to prepare trade confirmations.

Omgeo has linked the Omgeo OASYS service and the central matching component of the Omgeo TradeSuite service to provide the Omgeo OASYS –TradeMatch service. In the Omgeo OASYS – TradeMatch service, the trade information submitted to Omgeo by a broker-dealer for preparation of Omgeo TradeSuite confirmations is matched to the allocation information submitted to Omgeo by an investment manager. If the match is successful, the Omgeo TradeSuite service sends one or more matched confirmations to the investment manager, who then does not need to send an affirmation.³

Many Omgeo clients send and receive Omgeo TradeSuite confirmations through third parties instead of communicating directly with Omgeo. Those third parties include service bureaus, settlement agents such as clearing brokers and custodian banks and providers of various types of financial services such as order management systems and portfolio management systems. Such third parties are referred to below as “vendors.”

The Commission’s proposals would require changes in the current form of the trade confirmation. Proposed Rule 15c2-2, which would apply to confirmations of trades in open-end management investment company securities, unit investment trust interests and municipal fund securities, contains disclosure requirements not currently contained in Rule 10b-10. The Commission is also proposing additional disclosure requirements in Rule 10b-10 for confirmations of trades in callable preferred stock and callable debt securities.

Omgeo is committed to providing its clients with the trade confirmation services that they need. Through discussions with clients, Omgeo will evaluate how to make changes in the functionality of the Omgeo TradeSuite service to reflect changes in the Commission’s requirements for trade confirmations. Any changes in the functionality of the Omgeo TradeSuite service (and, in the future, the Omgeo CTM service) will require systems changes by Omgeo’s clients and by the clients’ vendors. Whenever Omgeo sends out a revised form of the trade confirmation, Omgeo’s clients and their vendors must have

³ Omgeo is introducing a new service known as Omgeo Central Trade Manager (“Omgeo CTM”). Omgeo CTM is a trade management service that will be available throughout the world for domestic and cross-border trades in all types of securities and financial assets. It performs central matching of trade data, continuous enrichment of settlement instructions from centralized settlement information and automated settlement notifications to custodians and other settlement agents. Omgeo CTM is designed to replace the sequential process for electronic trade confirmation in the Omgeo TradeSuite service with a more flexible and streamlined process. Omgeo CTM is not currently available for trades in securities that settle in the United States.

computer systems that are capable of receiving the revised form of the trade confirmation. In addition, the computer systems connecting vendors and clients that use the vendors' services must be capable of transmitting the revised form.

In the past, DTC followed the practice of giving TradeSuite clients and vendors at least 12 months' notice before the implementation date of any change in the form of the TradeSuite confirmation. That practice was the result of requests from TradeSuite clients and the clients' vendors for sufficient lead-time to accommodate changes in the TradeSuite confirmation. The 12-month period would begin when DTC distributed new message specifications for the TradeSuite confirmation so that TradeSuite clients and their vendors could begin to make the necessary changes to their computer systems.

Omgeo would like to follow a similar process with regard to any changes in the form of the Omgeo TradeSuite confirmation resulting from the Commission's proposals. We would like to give Omgeo TradeSuite clients and the clients' vendors sufficient notice before the implementation date of the changes to enable them to make the necessary changes to their computer systems. We cannot say what notice period would be necessary until the Commission has completed its rule-making process and Omgeo has determined how it will change the form of the Omgeo TradeSuite confirmation. However, we anticipate that Omgeo's clients and their vendors will expect at least 12 months' notice beginning on the date that Omgeo distributes new message specifications for the Omgeo TradeSuite confirmation.

Omgeo is also aware of another proposal, in addition to the Commission's proposals, to make changes in the form of the trade confirmation. We understand that the Securities Industry Association has suggested that, in the prime brokerage context, an additional field might be included in the Omgeo TradeSuite confirmation to indicate whether the sale is long or short.⁴

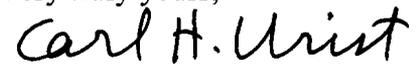
We recommend that whenever the Commission is considering several changes in the form of the trade confirmation, the Commission choose the same effective date for all of the changes that it decides to adopt. If the effective dates cannot be the same, we recommend that the Commission adopt as many changes as possible at the same time. It would be less disruptive and less expensive for Omgeo, its clients and the clients' vendors to make all necessary changes in their computer systems at the same time when several changes in the form of the trade confirmation are required. Frequent changes in the computer systems that send and receive trade confirmations are undesirable from a technological and operational standpoint.

⁴ See Letter to Mr. Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission, from George R. Kramer, Vice President and Acting General Counsel, Securities Industry Association, dated January 30, 2004 (File No. S7-23-03), at page 18.

Mr. Jonathan G. Katz
March 22, 2004
Page 4

Omgeo would welcome an opportunity to meet with the staff of the Commission to discuss these matters.

Very truly yours,

A handwritten signature in black ink that reads "Carl H. Urist". The signature is written in a cursive style with a large, prominent "C" and "U".

Carl H. Urist

CHUKatz 2 (ltr)