FINANCIAL INFORMATION FORUM

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New York, New York 10004
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March 28, 2007

Ms. Jackie Witchko
The Nasdaq Stock Market, Inc.
9600 Blackwell Road
Rockville, MD 20850

Dear Ms. Witchko:

The Financial Information Forum would like to take this opportunity to provide feedback on the Nasdaq Symbology effort. Our members work together to understand industry initiatives in order to make informed decisions regarding their internal development efforts. As a longstanding member, Nasdaq has been an active FIF participant in working to implement industry-wide initiatives in an efficient manner that reduces systemic risk.

The FIF Multi-Client Back Office Committee would like to express its concern over the planned June 2 implementation of Phase 2 of the Nasdaq Symbology Initiative. Our concerns are with the timing of the Comstock suffix implementation due to:

- Need for additional analysis and testing to ensure that the Comstock symbology use of special characters does not result in unexpected behavior in legacy back office systems that would disrupt trade processing for clients.
- Availability of business analyst, development, QA and testing resources that have been engaged in migrating to automated trading systems (e.g., Nasdaq SingleBook), implementing Reg NMS message format changes for Nasdaq/TRF as well as analysis for NASD OATS and the implementation of away market indicators on confirms.

While firms are at different stages of implementing Nasdaq's Symbology, a significant number of service bureaus and broker dealers request additional time to interact with test symbols to analyze the scope of implementation and aid in testing newly developed functionality. For firms that have mainframe and legacy back office systems that were not designed to process the Comstock Symbology, it is imperative that there is adequate time for a complete analysis, development and testing lifecycle.

We appreciate you considering our prior request for test symbols. Unlike other initiatives that are primarily using test symbols for testing an implementation of a system change unrelated to symbology, test symbols in this case would be used for analyzing the impact of the symbology change on systems. QA test scripts will need to test each permutation of the new Nasdaq suffixes with 1-,2-,3- and 4- character symbols. It is important to test special characters at different positions within the symbol since parsers may behave differently depending on the position of the character. We recommend Nasdaq generate 32 test symbols as follows:

1. Z.A	1. ZX.A	1. ZZO.A	1. ZXZZ.A
2. Z:W	2. ZX:W	2. ZZO:W	2. ZXZZ:W
3. Z*	3. ZX*	3. ZZO*	3. ZXZZ*
4. Z-	4. ZX-	4. ZZO-	4. ZXZZ-
5. Z-A	5. ZX-A	5. ZZO-A	5. ZXZZ-A
6. Z-*	6. ZX-*	6. ZZO-*	6. ZXZZ-*
7. Z+	7. ZX+	7. ZZO+	7. ZXZZ+
8. Z+A	8. ZX+A	8. ZZO+A	8. ZXZZ+A

After a month of analysis and testing using these symbols, we would like to conduct a call to discuss implementation issues and set an implementation date. At that time, firms will have a better understanding of the scope of the implementation effort and the development time required to ensure that trades process correctly from several perspectives:

- Across the order lifecycle – order entry, OMS, order routing, security masters, P&S, etc.
- Migration planning – open order management, OATS, end user training, etc.

Additionally, during this call we can cover open questions related to the symbology effort, including:

- For firms with significant problems with the asterisk because of its traditional wildcard usage in searches, would Nasdaq consider offering an alternate symbol mapping?
- When does Nasdaq expect to introduce symbols with multiple delimiters whose total length exceeds six characters? We understand that no such symbols will be introduced this year but would like to understand the expected timing of symbols greater than 6 characters.
- What is the ultimate maximum on Nasdaq symbol length?

The current June 2 date does not leave sufficient time for adequate analysis and testing. In the period of time since the suffixes were presented in their current form (November 16, HTA 2006-193), firms have been addressing several concurrent initiatives:

- Nasdaq Symbology Phase 1 – While firms did not have major issues with implementation, analysis and testing were required to ensure that all systems appropriately identified 1,2,3, character Nasdaq symbols.

- Nasdaq Operational as an Exchange resulted in changes to regulatory reporting, market data, OATS and raised issues regarding NYSE Rule 409(f). Note: Implementing Rule 409(f) is a current regulatory requirement that firms are preparing for and affects trading in NYSE-listed securities on Nasdaq.

- Automated Trading Center System Rollouts including Nasdaq SingleBook which was fully rolled out on February 12, 2007. It is worth noting that in addition to SingleBook, eight other exchange systems came online after the October 16 Reg NMS Specifications Date.

- NASD OATS for OTC - Firms provided NASD with analysis sufficient to divide implementation into two phases: June 2007 and February 2008.

- Regulation NMS – Prior to March 5, firms were developing ISO Routing and Self-help functionality in support of Trading Phase. In order to meet the July 9 Pilot Phase Date, firms are concentrating resources on development, QA and testing of Regulation NMS compliant order routing/management, trading, compliance and trade reporting systems including format changes to NASD/Nasdaq TRF messages.

Given that there is no operational or regulatory necessity to institute the new symbology in June 2007, the FIF respectfully asks Nasdaq to delay the start of implementation. The new date could be set after the month-long analysis with test symbols is conducted. We look forward to working with you to address the open issues identified above and develop a roll-out plan that leaves sufficient time for development and testing.

Sincerely,

Manisha Kimmel,
on behalf of the FIF Multi-Client Back Office Committee