



PT 123

Date: May 2, 2006

To: OCS Users/All Members and Member Organizations/Chief Operations Officers/Managing Partners/Operations Managers/Data Processing Managers and P&S Managers of Member Organizations

Subject: Summary OCS Reversal & Correction indicator

The On-Line Comparison System's (OCS) Equity Comparison and Step Out Service (SOS) products provide users the ability to add a comparison side (or transaction) identified as a "Reversal" or as a "Correction" of a previously compared trade (or affirmed transaction). Clearing firms are reminded that they are required to properly identify items as "Reversal" and "Correction" for audit trail compliance, trade reconciliation purposes and for transaction fee processing. In addition users must correctly populate the audit trail data on equity comparison items (such as broker badge, execution time, account type, etc.)

Summary of Reversal & Correction functionality

- If one side of an "add" is marked as a reversal and the matching opposite side "add" does not contain the reversal indicator, only the side that was added as a reversal will be marked as such when compared.
- If one side is added as a reversal and the opposite side Stamps (Affirms) the Advisory (Alert), both sides will be marked as a reversal when compared.

Buyer Action	Rev/Corr Ind	Seller Action	Rev/Corr Ind	Compared Buyer	Compared Seller
Add	Blank	Add	Blank	Blank	Blank
Add	R (or C)	Add	Blank	R (or C)	Blank
Add	R (or C)	Add	R (or C)	R (or C)	R (or C)
Add	Blank	Stamp	Blank	Blank	Blank
Add	R (or C)	Stamp	R (or C)	R (or C)	R (or C)

Note: the same results apply to the correction indicator.

Listed below is a brief sample of the OCS screen displays:

OCS Add Screen

```

NYSE      EQUITY SYSTEM T-DATE      ADD SCREEN      03/14/06   16:08
                                         USER-NAME: TEST

MAJOR-FIRM: XXX  TRADE-DATE: 03 14 06
  
```

LN	S	QUANTITY	SYMBOL	----	PRICE----	FIRM	BDGE	BDGE	TIME	T	FIRM	TT	P	R	I	
001	_	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
002	_	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
003	_	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
004	_	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
005	_	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
006	_	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Correction/Reversal Indicator on OCS add transaction

PLEASE FILL IN DATA.
 "LN" FIELD: TO REPEAT, ENTER "C" WITH NUMBER OF LINES TO COPY, E.G. "C07"
 TO DELETE, ENTER "D" ON LINE(S) TO BE DELETED.
 PF KEYS: ENTER=EDIT PF1=UPDATE PF2=SCROLL CLEAR=CANCEL/REFRESH PF12=MENU

Uncompared/Advisory Screen

```

NYSE      EQUITY-SYSTEM T-DATE UNCOMPARED / ADVISORIES 03/14/06   16:11
                                         USER-NAME: TEST

MAJOR-FIRM:      XXX      TRADE-DATE: 03 14 06      BUY/SELL: B
SYMBOL: -----      PRICE: -----      CONTRA-FIRM: ----
  
```

LN	S	QUANTITY	SYMBOL	PRICE	FIRM	BDGE	BDGE	P	ND	TIME	T
**	*	*****TOP OF** DATA **** * **									
A02	B	1000	ABC	26	DOT	SPEC				1309	
U03	B	100	DEF	100	JJJ	0001	0001			1200	A
**	*	*****END OF** DATA **** * **									

Displayed Correction/Reversal Indicator on Uncompared/Advisory Screen

SEL COD: C=CHG D=DEL I=INHB R=RVRS S=STMP K=DK-ADV N=KNOWS Z=PX-CHG ENTER=EDIT
 PF-KEYS: PF1=UPDATE PF2=SCROLL PF7=BKWD PF8=FWD PF12=MENU CLEAR=CANCEL/REFRESH

SOS Add Screen

NYSE STEP-OUT-SYSTEM A D D S C R E E N 03/14/06 16:13
 USER-NAME: TEST

MAJOR-FIRM: XXX TRADE-DATE: _ _ _

LN	S	QUANTITY	SYMBOL	NET MONEY	PRICE	FIRM O OF	FOR	ACCT	COMMENTS
001									
002									
003									
004									
005									
006									
007									

Correction/Reversal Indicator on SOS add transaction

PLEASE, FILL IN DATA.

"LN" FIELD: TO REPEAT ENTER "C" WITH NUMBER OF LINES TO COPY, E.G. "C07"
 TO DELETE ENTER "D" ON LINE(S) TO BE DELETED.

PF KEYS: ENTER=EDIT PF1=UPDATE CLEAR=CANCEL/REFRESH P12=MENU

SOS Unaffirmed/Alert Screen

NYSE STEP-OUT-SYSTEM UNAFFIRMED / ALERTS 03/14/06 16:17
 USER-NAME: TEST

MAJOR-FIRM: XXX TRADE-DATE: -- -- -- BUY/SELL: -
 SYMBOL: -----

LN	S	RC	B	QUANTITY	SYMBOL	NET-MONEY	PRICE	FIRM O OF	FOR	ACCT
**				* TRD-DATE: 03/06/06		*****	*****	****		****
02		R	B	9	KMB	532.53	59.17	MGS I		MSCO
03			B	15	KMB	887.55	59.17	MGS I		MSCO
04			S	40	ABS	1016.80	25.42	MGS I		MSCO

Displayed Reversal/Correction Indicator on SOS Unaffirmed/Alert Screen

SEL COD: C=CHANGE D=DELETE R=REVERSE A=AFFIRM J=REJECT PF-KEYS: ENTER-EDIT
 PF1-UPDATE PF2-SCROLL PF7-BACKWARD PF8-FORWARD PF12-MENU CLEAR=CANCEL/REFRESH

Output

The Reversal and Correction indicator appear on all OCS screens and output (files, listings, activity logs) and is forwarded to the Clearing Corporation to appear on the contract output.

Reference Material

NYSE Post Trade circulars:

- PT-99, dated July 15, 2003, subject “New OCS Correction Indicator”
- PT-106, dated January 4, 2005, subject “New Indicators for SOS Product”
- PT-107, dated February 22, 2005, subject “New Indicators for SOS Product”

Any questions regarding OCS should be directed to Nadira Ramtahal (212) 656-5945 or Lawrence Moreno (212) 656-4648.

Any questions regarding transaction fees should be directed to Pat Boyle (212) 656-5280

Any comments regarding this notice should be directed to the undersigned, Thomas Fay at (212) 656-2238.


