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PT 129

Date: August 15, 2006

To: OCS Users/Operations Managers and P& S Managers of Member Organizations

Subject: **OCS Match Changes**

Effective August 25, 2006, the On-Line Comparison System's (The NYSE OCS[®]) real-time Trade Date match program will be modified to perform an exact match on broker badge and execution time. For Clearing Firm submission containing a valid clearing firm as the contra firm, OCS will perform an exact "A1" and summary "S1" match, requiring all four badges to match exactly and execution times to match within a two-minute window. For Clearing Firm submission claiming "DOT" or "ITSN" as the contra firm, OCS will perform an exact "A3" and summary "S3" match, requiring two badges to match exactly and execution times to match within a two-minute window.

The more restrictive trade date match will prevent the comparison of similar submissions -- such as items with the same side, symbol and price but different audit trail data (e.g. badge, time). Instead, these items will be displayed as uncomparing items on OCS, where they may be corrected on trade date. This may result in a slight increase in trade date uncomparing items, but if users correct these items when they appear in OCS, trade date audit trail quality will increase and the need for corrections at a later time in the Audit Trail Correction System (ACS) will decrease.

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NYSE EQUITY-SYSTEM T-DATE UNCOMPARED / ADVISORIES 07/24/06 12:13
USER-NAME: TEST
MAJOR-FIRM: XYZ TRADE-DATE: 07 24 06 BUY/SELL: B
SYMBOL: ----- PRICE: ----- CONTRA-FIRM: ----

LN S B CNTR CNTR MAJR S CA EXEC A
NO C I DK S QUANTITY SYMBOL PRICE FIRM BDGE BDGE P ND TIME T
** * * TRD-DATE: 07/24/06 *****
U02 B 100 ABC 25 DOT 0001 1234 1000 A Time Mismatch
A03 B 100 ABC 25 DOT 0001 1234 1010
A04 B 200 DEF 32 YZZ 2222 1235 1000
U05 B 200 DEF 32 YZZ 2222 1234 1000 A
** * * ***** *****END OF** DATA *****

Badge Mismatch
  
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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

At the end of the day, OCS will continue to perform the twelve-step drop down match. This will ensure that the T+1 uncompleted rate remains low in case any system problems are experienced by firms accessing OCS or the OCS system itself experiences problems.

Background

Today, OCS performs a twelve-step drop down match. The primary comparison fields (Trade Date, Major Firm, Side, Symbol, Qty, Price, Contra Firm, Trade Type, Special Trade Indicator) must match exactly while the audit trail fields (badge, time) have different levels of match criteria. In addition, OCS performs an exact quantity match and an aggregate or summary quantity match.

OCS performs a special e-Quote match (contra LMT) substituting Badge and DBK Link ID instead of Contra Firm. OCS performs a special OARS and YB match based upon opening price and/or high/low price range. These matches are unaffected by this change.

Current Match Process

Listed below are the match routine steps in sequence:

- A1 Match: Exact match of key comparison fields plus four badges and time.
- A3 Match: Exact match of key comparison fields plus two badges and time
- A5 Match: Exact match of key comparison fields plus time (excluding badges)
- A2 Match: Exact match of key comparison fields plus four badges (excluding time)
- A4 Match: Exact match of key comparison fields plus two badges (excluding time)
- S1 Match: Same as A1 above, with a summary quantity match
- S3 Match: Same as A3 above, with a summary quantity match
- S5 Match: Same as A5 above, with a summary quantity match
- S2 Match: Same as A2 above, with a summary quantity match
- S4 Match: Same as A4 above, with a summary quantity match
- M1 Match: Exact match of key comparison fields (excluding audit trail)
- M2 Match: Same as M1 above, with a summary quantity match

Any questions regarding OCS Matching should be directed to John Schwarzbeck at (212) 656-5462 or Larry Moreno at (212) 656-4648

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


