



PT 0107

Date: February 22nd, 2005

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

Subject: *New Indicators for Step Out Service Product*

Effective, March 21, 2005, the On-Line Comparison System's Step Out Service (SOS) product will provide users with the ability to add a transaction identified as a "Step-In", "Step-Out" or "Correction". The new indicators will appear on the SOS screens and associated output.

Listed below is a summary of the screen changes:

Add Screen

- To enter the new Correction indicator on the "Add Screen", the user must enter the letter "C" in the Reversal/Correction (R/C) on the "Add Screen" (similar in fashion to the entry of the "R" for the Reversal indicator).
- To enter the new Step-In/Step-Out indicator on the "Add Screen", the user must enter the letter "I" to denote that the firm is Stepping-In on the transaction or the letter "O" to denote that the firm is Stepping-Out of the transaction.

SAMPLE ADD SCREEN

```
NYSE  STEP-OUT-SYSTEM  A D D  S C R E E N  01/27/05  14:13
                                     USER-NAME: TESTING
MAJOR-FIRM: VVV  TRADE-DATE: 01 27 04
  B
LN  S  QUANTITY  SYMBOL  NET MONEY  PRICE  CNTR  I  ACCT  R  COMMENTS
001  B  100  ABC  1000.00  10.0  ZZZ  I  TEST  C  -----
002
```

Screen Displays

The SOS Screens will display the following values in the “Reversal/Correction” and “Step-In/Step-Out” indicator fields.

- Reversal/Correction Indicator:**
 - If the value of “C”, (the Correction Indicator) was entered by the submitting firm and the contra side rejects that item, then the value of “RC” (Reject Correction) will appear in the RC/RJ field.
 - If the value of “R”, (the Reversal Indicator) was entered by the submitting firm, and the contra side rejects that item, then the value of “RR” (Reject Reversal) will appear in the RC/RJ field.
 - If the Reversal/Correction field contained a space and the contra side rejected that item, then the value of “RJ” (Reject) will appear in the RC/RJ field.

SAMPLE UNAFFIRMED/ALERT SCREEN

LN	S	RC	B	QUANTITY	SYMBOL	NET-MONEY	PRICE	CNTR	I	ACCT	FOR
NO	C	RJ	S					FIRM	O	OF	
**	*			TRD-DATE:	01/27/05	TOP OF DATA	*****	****		****	
02		RC	B	100	ABC	1000.00	10.	ZZZ	I	TEST	
03		RR	B	200	ABC	1000.00	10.	ZZZ		TEST	
04		RJ	B	300	ABC	1000.00	10.	ZZZ		TEST	
ALT 05			S	200	ABC	2000.00	10.	ZZZ		0	
**	*			*****	*****	END OF DATA	*****	****		****	

- Step-In/Step-Out Indicator:**
 - If the submitting firm enters the value of “I” in the Step-In/Step-Out indicator field, then the contra firm screen will display the value of “O” on the Alert.
 - If the submitting firm enters the value of “O” in the Step-In/Step-Out indicator field, then the contra firm screen will display the value of “I” on the Alert.

SAMPLE UNAFFIRMED/ALERT SCREEN

LN	S	RC	B	QUANTITY	SYMBOL	NET-MONEY	PRICE	CNTR	I	ACCT	FOR
NO	C	RJ	S					FIRM	O	OF	
**	*			TRD-DATE:	01/28/05	TOP OF DATA	*****	****		****	
02			B	100	ABC	1000.00	10.	VVY	I	TEST	
03			B	200	ABC	1000.00	10.	VVY	O	TEST	
ALT 04			S	100	ABC	1000.00	10.	VVY			
ALT 05			S	200	ABC	1000.00	10.	VVY		I	
**	*			*****	*****	END OF DATA	*****	****		****	

EXHIBIT

NYSE PRODUCT ID: 06011176 O.C.S. UNAFFIRMED / ALERT LISTING PAGE 1 DATE 01/18/05

CLEARING-FIRM: ABC 9999

B U Y

STATUS	IND	RC	RJ	QUANTITY	PRICE	CNTR FIRM/NUM	CNTR FAO	MAJR FAO	WI	MAJR	IO	COMMENTS	CONTROL-#
SYMBOL				OCA		CUSIP	67083Q101	WI	0				
UNF		RC		300		6.000000	ABC /9999	LPM		LPM	O	LPM 22	10060081018
ALT		RR		500		6.000000	ABC /9999	LPM		LPM	O	LPM 21	10060080018
UNF		RJ		1000		6.000000	ABC /9999	LPM		LPM	O	LPM 20	10060079018

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CLEARING-FIRM: ABC 9999

S E L L

STATUS	IND	RC	RJ	QUANTITY	PRICE	CNTR FIRM/NUM	CNTR FAO	MAJR FAO	WI	MAJR	IO	COMMENTS	CONTROL-#
SYMBOL				OCA		CUSIP	67083Q101	WI	0				
ALT		RC		300		6.000000	ABC /9999	LPM		LPM	I	LPM 22	10060081018
UNF		RR		500		6.000000	ABC /9999	LPM		LPM	I	LPM 21	10060080018
ALT		RJ		1000		6.000000	ABC /9999	LPM		LPM	I	LPM 20	10060079018

NYSE PRODUCT ID: 06010779 S.O.S

ACTIVITY LOG

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ACTIVITY DATE: 05/01/18

SYMBOL	CONTROL #	B	S	QUANTITY	NET MONEY	PRICE	CNTR FIRM	CNTR FAO	MAJR FAO	TERM ID	COMMENTS	MKT IND	RC	ADJ TIME	ADJ TYPE	SO STATUS	MAJ FIR
OCA	10060081018	B		300	1800.00	6.000000	M	LPM		MF83 LPM 22		0	C	1106	ADD	UNF	*M
							*			MF83			RC	1107	CHG	UNF	
PEP	10060066018	B		100	5200.00	52.000000	M	LPM		MF83 LM 12		0	C	1041	ADD	UNF	*M
										MF83 CHANGE			R	1046	CHG	UNF	*

NYSE PRODUCT ID: 06010778 S.O.S.

A F F I R M E D L I S T I N G

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CLEARING-FIRM: ABC 9999

B/S QUANTITY SYMBOL

NET MONEY

PRICE

CNTR FIRM FAO

IO
IO
OR

COMMENTS

MKT IND CONTROL-#

ENTR TIME

S	600	DCN	9,600.00	16.000000	XY	LPM	I	MATCH 6	0	10060095018	1115
S	500	OCA	3,000.00	6.000000	XY		C	LMTEST	0	10060030018	1017
S	100	PEP	5,200.00	52.000000	XY		R	CHANGE	0	10060066018	1041