

Meeting Name: OSI Steering Committee Conference Call Meeting

Date: Tuesday, January 15, 2008

Attendees: Charlie Hulihan (CBOE), Edlynn Meringlo (DTCC), George Fisher (E-Trade), Jim Halm (Fortis Clearing), Frank Pirih (Goldman Sachs), Mark Grinbaum (ISE), Walter Roesch (Merrill Lynch), Mark Baumgardner, Erin Collins, Brian Connor (Scottrade), Rich Bommer (SIFMA), John Scott (UBS), Sahil Dharia (Reuters), Tom Jordan (J&J was invited as a guest to this meeting based upon his role on the SIFMA OSI symposium)

Key Discussion Points:

Frank Pirih opened the meeting introducing himself and thanking everyone for electing him Chairman of the OSI Steering Committee.

The SIFMA OSI Symposium Panel status was discussed.

1. SIFMA OSI Symposium Panel Status

- Open Remarks Speaker –
 - There are two invites out for an opening remarks speaker. Mark Grinbaum asked David Krell if he would be the Opening Remarks Speaker. Mark Baumgardner also asked Joanna Fields from Deutsche Bank, Chair of the SIFMA Options Committee. David Krell is not available.
- Exchange Panel –
 - Charlie Hulihan indicated that he emailed all of the exchange and utilities to designate a representative for this panel. He has heard back from some but not all of the entities. Charlie will work this week to compile participants and work on specifics to discuss on the panel.
 - It was asked if it would be helpful to have a standard template for all of the exchanges and utilities to follow for the presentation. Charlie is going to discuss this suggestion with the panel once compiled.
 - It was determined that the exchange panel should also give an overview of the impact at each utility and suggestions on how to structure testing.
 - It was also suggested that this panel should include any documentation or links to appropriate Symbology websites for the audience to take with them.

- Broker Dealer Panel Status
 - Buy Side –Rich Bommer has sent out invites to Buy Side firms and hopes to have the representatives wrapped up by the end of this week. Walter will also help Rich organize the panel.
 - Sell Side – Frank updated that he has representatives lined up for the Sell Side.
 - Retail – George updated that E-Trade had additional questions and his communication department was going to contact Rich to receive further information.
- Institutional/Professional Vendor – Tom Jordan from Jordan & Jordan will run the vendor panel. He stated that the focus of this panel should be on the best approach for implementation of the OSI for end users. He wants to focus on potential implementation issues and is working on recruiting participants from possibly Reuters, Broadridge, an Order Routing Firm, and a Retail Firm.

It was also determined that it would be useful to have a ten or fifteen minute update from the Scripted Industry Testing subcommittee. This update will be provided by Karen Glad from OCC and may be slated between the Exchange Panel and the Broker Deal Panel.

2. Escalated Issues

- Determine if the industry should use unique test symbols or production – Several concerns with using production symbols were voiced. It was discussed that most firms do not have a dedicated test environment that connects through all downstream systems that would allow them to use production symbols. It was also stated that using production symbols creates additional risk that the firms do not want to take on. The Steering Committee decided that for industry testing test symbols will need to be used and that OCC should be the one to coordinate this effort. **Closed**
- Determine an end date for OSI Symbology consolidation. – Mark Baumgardner stated that if it takes the industry a long time to complete the symbol consolidations then the sense of urgency may get lost. Mark discussed that the basic understanding of the consolidation should be to do a small set of symbols first and go through a standard expiration and then ramp up to bigger increments and address the specific in committee. The committee walked through the overview that was created out of the Scripted Industry Testing subcommittee that there would be one small consolidation first followed by three consolidations of around 1000 underlying symbols completing by the end of 2009. The Broker Dealer representatives voiced that while they don't want to take on unnecessary risk that they agree that we should try and have the conversions completed by the end of 2009. They also agreed that three iterations of 1000 underlying symbols sounded feasible. Mark Grinbaum from ISE stated that they believe that to complete the consolidation in three iterations of 1000 underlying symbols is too aggressive. The Broker Dealer representatives are going to follow up with

more information about system capabilities to help finalize the decision at the next meeting. **Open – This Committee should decide on whether a 2009 completion is a requirement and instruct the subcommittee to plan accordingly.**

- Determine the fate of resting orders on July 31, 2009 and in consolidation events. – Charlie Hullihan at CBOE stated that in past instances CBOE let each firm decide if they want to cancel or roll their resting orders. The question was asked that if you cancel and reenter the order do you lose your place in priority and the answer was yes. George from E-Trade mentioned that it would be easier to communicate with their end clients if there was a uniform process for all exchanges. It was also mentioned that in decimalization the firms were given the option. Mark Grinbaum stated that if one exchange chooses to give the option of rolling over, then all exchanges should give the option. The sub committee should poll each exchange and determine the outcome. **Closed unless unresolved at sub committee.**
- Discuss vendor and buy side representation on OSI Steering Committee – A consultant has asked to be an advisor to represent the buy side. The committee decided that it would be best to invite a buy representative rather than a consultant. A representative from SFB (a vendor supporting listed options markets in product and series data) had asked to be considered for the open vendor committee position. The committee determined that a vendor that supports front end order entry products was appropriate. Rich Bommer will recommend the buy side member and Tom Jordan will recommend the vendor representative from the front end space. **Open**

It was also discussed at the end of the meeting that each panel leader should take their conversations offline and work with Rich to have the panels finalized as soon as possible. SIFMA would like to send out information regarding the OSI Symposium and the panel participants as soon as possible.

Our next call is Tuesday, 01/22/08 @ 2:30 p.m., EST to finalize the panel participation and discuss the organization of materials.

Call in: Phone: 800.582.9056 Room: *8818637*