

Meeting Name: Symbology Committee Meeting

Date: Wednesday October 1, 2008

Attendees: John Jacik (AMEX), Karen Fogarty, Shantharan Iyer, Loren Taylor, Ellen Xu (Barclays Capital), John Goode, Carl Miedaner, Todd Treworgy (BOX), Steve Chodash (CBOE), Deb Lucas (Charles Schwab), Ashley Ahl (Citadel Solutions), Antone Granada, Larry Hart, Gege Tam (Credit-Suisse), Bob Curtis (CSS Software), Tshering Shresha (eTrade), Susan Newton (Fidelity), Stephen Barnitz, Stephen Bedosky, Justin Palamara, Frank Pirih, Aurelia Trgo (Goldman Sachs), Stephen MacDonald (IBM Canada), Jill Bolen (Interactive Data), Mike Savitsky (Jefferies), Tom Biondi, Tina Carfi, Doren Jacobs, Vincent Mattera, Bill Metzger (JP Morgan), Wesley Bugaj, Patricia Mayo, Peter Peluso, Joe Vecchione (Merrill Lynch), Jonathan Weiner (Morgan Stanley), Elina Gamburg, Ken Hawley, John Shelton (NASDAQ QMX PHLX), Sharon Basso, Karen Glad, Dave Harrison, Mary Kay Kulinski, Geri Love, Tracy Poole, Doreen Scheulin (OCC), Tom Brown, Greg Stevens (Omgeo), Marie Hughes, Jim Knight, Gene Lane, Denise Siebert (Raymond James), Chris Cavaliere (RBC Capital), Dana Stopczynski (Rolfe & Nolan), Brian Connor (Scottrade), Lee Clifford (SFB Market), Mike Collazo (SIAC), Richard Bommer (SIFMA), Kelly Bell, Mary Hanan, Michael McAllister (Southwest), Denise Martin (Stephens), Ann Duggan (Stifel), Lisa Cardwell, Frank Williams (Sungard), Susan Crozier (Sungard Phase 3), Rajeev Ahooja (TD Bank Financial), Brian Ramdial (TD Wealth Management), Aparna Devershetty (Thomson Reuters), Vanita Gupta, Andre Kupelian, John Scott, Mark Yuknet (UBS), John Coverly (WestWater).

Key Discussion Points:

Agenda

09/23/08 Symposium

Dave Harrison, Vice President of Member Services for OCC opened the meeting with an update on the Options Symbology Symposium held in New York City on 9/23/2008. Dave stated that there was a fair turnout, approximately 150 – 160 people. General impression was that the Exchanges and OCC have been consistent in their message about preparing for scripted industry testing. Common theme across Exchanges, OCC and Vendors was to encourage the industry to be certified prior to the start of scripted industry testing in September 2009.

At the following link you can find the presentations from the September 23, 2008 SIFMA OSI Symposium.

<http://events.sifma.org/2008/201/event.aspx?id=1354>

Frank Pirih, Goldman Sachs provided an update on the OSI Steering Committee's recommendation on a standard display for the OSI key. Although the committee understands the desire for a standardized key they also acknowledge that there isn't a solution that fits everyone's needs. As such the committee's recommendation is

that everyone should display the OSI key as appropriate. Each firm should support the 4 key fields as appropriate within their systems. The committee didn't feel that it was appropriate to step in and attempt to recommend and/or impose a solution.

Tom Brown, Omgeo asked if there was any feedback on the numbers that were presented at the symposium regarding the overall cost. Dave Harrison, OCC, indicated that there are no real comments regarding the figures presented. The figures presented at the symposium were derived costs extrapolated from responses that were received from the survey participants which may or may not accurately represent a diverse sampling of industry. What could be commented on is the fact that as an industry we never entered into this initiative as a cost savings venture. Instead the OSI initiative has and continues to be viewed as an opportunity to move the industry forward. The cost may be more or less we really don't know at this point. What we do know is that the dates are solid and we are moving forward towards those dates as an industry.

Dave Harrison, OCC, indicated that there have been numerous questions regarding what appears to be a lack of communication with the buy side participants. Dave stressed that clearing members need to communicate with their customers on both the buy and sell sides to ensure they understand the OSI impact. Dave offered to speak with any other group(s) that might benefit from hearing about the OSI initiative. Frank Pirih, Goldman Sachs strongly suggested that firms start involving their client service areas sooner rather than later. He also indicated that the need exists to heighten awareness of the OSI initiative in Europe.

Scripted Industry Testing Sub-Committee

Karen Glad, OCC provided an update on Scripted Industry testing. The test scripts version 14 have been posted for some time on the website and were presented during the symposium. Some feedback has been received and version 15 should be posted prior to the next meeting. Karen indicated that version 15 updates were mainly typo corrections and that the actual content of the test cases won't be changing. Karen's SIFMA presentation is available on both the OCC OSI Website as well as the SIFMA website. This presentation lays out the assumptions, expectations and timelines for scripted industry testing. Specific questions regarding this presentation or testing in general can be directed to Karen at kglad@theocc.com.

OCC's testing timeline was reviewed with the group. That timeline is:

- October 2008 – September 2009 Inbound OSI compliant data testing
- May – June 2009 Outbound DDS parallel test (current and OSI compliant DDS will be made available from a test environment.)
- July – September 2009 Connectivity, Consolidation and OSI throughput/round-trip processing in OSI compliant test environment utilizing consolidate and non-consolidated classes.

- September 2009 OSI Scripted Industry Beta Test
- October 2009 OSI Scripted Industry Testing Phase I – absent OPRA codes and equity products defined with decimal strikes.
- November 2009 OSI Scripted Industry Testing Phase II – consolidation process
- December 2009 reserved for additional testing if needed
- January 2010 replay of October and November testing efforts.

Karen reiterated the need to begin testing and the precertification process early to ensure preparedness for the scripted in industry testing effort. As part of work done by the OSI Testing Subcommittee, a checklist for testing preparedness has been created. This checklist will be distributed with the meeting minutes and it will also be posted to the OCC website. Frank Pirih Goldman Sachs, recommended that broker dealers strive to have all development and precertification testing completed by September 2009 not Feb 2010.

A question was raised if OCC or the OSI steering committee could provide any percentages of overall preparedness within the industry. Dave Harrison said that this information wasn't currently available.

Lee Clifford, SMCC, spoke up in response to industry preparedness. Lee said that she felt that the biggest area of concern for the industry is the actual consolidation process and the mapping of existing symbols to their new consolidated symbols. Lee also raised concern on the existence of non-standard symbols for binary options and options where the root underlying exceeds 5 characters. Lee wanted to know when decisions would be made with respect to the consolidation and what the new symbols would be. Lee indicated that SMCC had some sample data that mapped IBM and Microsoft through the consolidation. Anyone interested in this data should contact Lee Clifford at SMCC directly.

Another question was raised regarding the type of data that OCC would be providing as a result of the consolidation process. Karen Glad, OCC indicated that the results of the consolidation process would utilize the standard OCC corporate action DDS output. Security list add, modify and link records would be provided with the corporate action type of "S". Adjusted positions would also be available identifying how the positions were updated.

Vendor Subcommittee Update

Karen Fogarty, Barclays Capital (formerly Lehman) gave a brief update on the vendor subcommittee. The last meeting walked through a high-level project plan geared at ensuring broker dealer readiness for scripted industry testing.

The next meeting is tentatively scheduled for 11/15/2008 and Karen is working on getting Thompson Reuters and Bloomberg to present their OSI plans. OSI plans were presented at a prior meeting from:

- Broadridge
- Sungard GMI
- Real Tick

Frank Williams, Sungard GMI indicated that they had just finalized their OSI plans and would be releasing detailed specs to their members over the next couple of days.

Firm Issues

Steve Barnitz, Goldman Sachs indicated that some of the vendors he has worked with are only utilizing a 5 character symbol and he wondered why if the OSI recommendation is 6. Dave Harrison indicated that the OPRA limitation is 5 characters. This is a limitation that we have known about and have accepted to work with however the OSI recommendation continues to be a minimum supported length of 6.

Mark Yuckneck, UBS Securities raised a concern over the Index ½ point strike conversion that would take place. He was not sure how his systems handled this or what changes would potentially be needed. Dave Harrison, OCC said that the OCC would be publishing a memo with respect to ½ point strike conversion that would provide more detailed information.

Next Meeting: Conference Call – October 15, 2008 – 9:00 AM, CST (10:00 AM, EST)

Call in: Phone: 800.582.9056 Room: *8818637*