

BUNKER  
RAMO

Information Systems Group  
Trumbull Industrial Park, Trumbull, Conn. 06609 · (203) 377-4141

Anthony A. Barnett  
Vice President and Group Executive

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Commissioner James J. Needham  
Securities and Exchange Commission  
500 North Capital Street  
Washington, D. C. 20549

Dear Commissioner Needham:

The attached report will summarize the items that Mr. Trimble and I discussed with you in your office on January 10.

We can, should you so desire, elaborate on any one of the items. We are particularly interested in exploring the composite ticker further since we know that the cost of developing this again would be a significant burden for the financial community to bear, and the lead time to implement it again would be undesirable.

We hope the attached is informative and that you will not hesitate to contact us should you have any further questions.

Yours very truly,

Anthony A. Barnett

AAB/lkw  
Enclosure

## TRADE REPORTING

With regard to the future phases of NASDAQ, we believe that the most logical sequence would be to first implement trade reporting. By that we mean that the trader would enter the data through his NASDAQ Terminal on each trade as it occurs. This information would include stock symbol, opposing broker, price, quantity, and buy or sell.

## COMPARISONS

As soon as both sides of the trade are reported, the system could then make a comparison for accuracy and transmit the data to the National Clearing Corporation for further processing. Mismatches could be immediately brought to the attention of the traders involved.

## LAST PRICE TICKER

A logical fallout would be a last price ticker for NASDAQ securities.

## BLOCK TRADING

The next item as discussed was block trading. We believe the NASDAQ System to be the ideal media for block traders to enter their interest and/or find reciprocal interests. The advantages of NASDAQ serving as a block trading vehicle are cost and its wide spread usage. Additional costs to NASDAQ operator to implement a block system are minimal and require no hardware changes but instead, a few minor programming changes. This system is already installed in the majority of firms that are interested in block trading, so that virtually no additional hardware or communication lines are required. Thus the community of interest is most efficiently served.

## IMPROVED SURVEILLANCE

We mentioned the tremendous amount of unused computer capacity that is available for statistical analysis on NASDAQ data at night. We believe that the surveillance data could be condensed and made more meaningful by the use of these large scale computers in their spare time.

## EXPANSION

We also indicated that without major investment, the NASDAQ system here in Trumbull could be expanded fourfold.

### A COMPOSITE TICKER

Not related to NASDAQ, but instead related to our quotation network for Telequote III and the new System 7, we indicated that Bunker Ramo has a composite ticker in being; and there is just a need for defining the criteria for appropriate display. Our central computer complex at Varick Street in New York assimilates live ticker data from 25 sources including all major exchanges plus NASDAQ Level 1 data from Trumbull and combines this data in order of time received and immediately transmits the combined data via a high speed trunk to satellites in 9 major cities. It would be relatively simple to expand this network and display the data in several fashions.