



GREENWICH ASSOCIATES<sup>SM</sup>  
*Focused financial intelligence<sup>SM</sup>*

# Instinet

## Proprietary Trade Execution Study

Research Results

October 20, 2003

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# Research Background

This report summarizes the results from 103 interviews conducted with traders at U.S. equity fund managers. Interviews were conducted by telephone from September 2nd through September 19th, 2003.

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# Universe of Targeted Institutions

*1838 Investment Advisors	Chartwell Investment Partners	*Fiduciary Trust Company International
*Advantis Capital Management	*Chelsea Management Co.	*First Investors Management Co.
Agnos Capital	*Chicago Equity Partners	Fortis Investments
*AIM Management Group, Inc.	Chicago Equity Partners, LLC	Franklin Portfolio Associates
Allianz of America, Inc.	Chilton Investment Co., Inc.	Fred Alger Management, Inc.
*Allied Investment Advisors	*Citigroup Asset Management	Friess Associates of Delaware LLC
Allstate Corporation	Cohen & Steers Capital Management Inc.	Frole, Revy Investment Company, Inc.
Altamira Management Ltd.	*Columbia Management Company	Frontier Capital Management Company, Inc.
*American Century Investment Management	Columbus Circle Investors	Gabelli Asset Management Company
American Express Financial Advisors	*Commerce Bank	Gardner Lewis Asset Management, Inc.
Amerindo Investment Advisors	Craig Drill Capital	Gartmore Global Investments, Inc.
Angelo, Gordon & Co., L.P.	Cumberland Associates LLC	General Electric Asset Management Inc.
*Ardsley Partners	Cypress Funds LLC	George Weiss Associates, Inc.
*Ariel Capital Management Inc.	Delta Asset Management	*Glenmede Trust Company
Arnhold & S. Bleichroeder Advisers, International	DePrince, Race & Zollo, Inc.	Grantham, Mayo, Van Otterloo & Company, LLC
*Artisan Partners, LP	Deutsche Investment Management Americas Inc.	Greenberg-Summit Partners
AXA Rosenberg Investment Management LLC	Diamond Capital Management Inc.	*Harris Associates
Axe-Houghton Associates Inc.	Dimensional Fund Advisors, Inc.	*Harris Investment Management
Banc of America Capital Management Inc.	*DnB Asset Management	Hellman, Jordan Management Company, Inc.
Banc One Investment Advisors Corp.	Dodge & Cox, Inc.	*High Rock Capital
*Baron Capital Inc.	Driehaus Capital Management Inc.	Highbridge Capital Management, LLC
Bear Stearns Asset Management Inc.	*Duff & Phelps	*A57Highmark Capital Management
Bernstein Investment Research and Management	Duncan-Hurst Capital Management	Hintz, Holman & Hecksher, Inc.
Bessemer Trust Company	DuPont Capital Management	HLM Management Company Inc.
*BlackRock Financial Management	Eagle Asset Management Inc.	Hotchkis and Wiley Capital Management LLP
Brandywine Asset Management Inc.	Eaton Vance Corp.	Howard Hughes Medical Institute
*Cadence Capital Management	Employees Retirement System of Texas	*HSBC
California Public Employees' Retirement System	*A31Equinox Capital Management	Husic Capital Management
*Capital International	*Evergreen Investment Management Co.	*ING Investments
Capital Research and Management Company	Fayez Sarofim & Company	Institutional Capital Corporation
Capital Research and Management Company	Federated Investors, Inc. (PA)	INVESCO Capital Management Inc.
CDP Global Asset Management	Fidelity Management and Research Company	Iridian Asset Management LLC

\*Completed interview and disclosed participation

# Universe of Targeted Institutions

*J&W Seligman and Company, Inc.	Olayan America Corporation	State Teachers Retirement System of Ohio
*Jenison Associates	*Paladin Investments Associates	Strong Capital Management, Inc.
*John McStay Investment Council	Palantir Capital, Inc.	Suffolk Capital Management, Inc.
*JP Morgan	*Palisade Capital	SunAmerica Asset Management Corporation (NY)
Jurika & Voyles, L.P.	Perry Capital, L.L.C.	SunTrust Bank, Atlanta
Keefe Managers, Inc.	*Phillips, Hager & North Investment Management	*SunTrust Banks, Inc.
Kopp Investment Advisors, Inc.	PPM America Inc. (IL)	*T. Rowe Price
*Laketon Investment Management	*Principal Global Investors	Tennessee Consolidated Retirement System
*Legg Mason Fund Advisors	RBC Global Investment Management Inc.	*Texas Permanent School Fund
Liberty Wanger Asset Management, L.P.	Regents of the University of California	The Bank of New York
Lincoln Capital Management Company	Robert E. Torray & Co., Inc.	*The Boston Company Asset Management
Loews Corporation	*Rockefeller & Company, Inc.	The Crabbe-Huson Co.
*Luther King Capital Management	*Roger Engemann & Associates	The Fifth Third Bank
M&I Investment Management Corporation	Rothschild Asset Management, Inc.	The Retirement Systems of Alabama
Mackenzie Investment Management Inc.	Roxbury Capital Management	The St. Paul Companies, Inc.
Manning & Napier Advisors, Inc.	*A118RS Investments	*Transamerica Investment Management
Marvin & Palmer Associates, Inc.	Ruane, Cunniff & Company, Inc.	*Trinity Investment Management
McGlinn Capital Management, Inc.	*SAFECO Asset Management	Trusco Capital Management
*A86McKinley Capital	Salomon Brothers Asset Management Inc.	Trusco Capital Management, Inc.
*Mercantile Safe Deposit & Trust	Salomon Brothers Asset Management Inc.	Turner Investment Partners, Inc.
*Merrill Lynch	Sasco Capital, Incorporated	U.S. Bancorp Asset Management (WI)
*MFC Global Investment Management	Schneider Capital Management Corporation	U.S. Bancorp Asset Management (MN)
*Moore Capital Management	Schroder Investment Management N.A>	*UBS Global Asset Management
*Morgan Stanley Investment Management	*Security Benefit Group, Inc.	UBS O'Connor LLC
Morgens, Waterfall, Vintiadis & Company Inc.	Seneca Capital Management, LLC	*Van Kamper Investment Advisory Corp.
*Munder Capital Management Inc.	Sirach Capital Management, Inc.	*Victory Capital Management
*Mutual of America Capital Management	*Skyline Asset Management	*Victory SBSF Capital Management
*National City Bank	Soros Fund Management, LLC	*Virginia Retirement System
Neuberger Berman Management, Inc.	Sound Shore Management, Inc.	*Waddell & Reed Financial
New Jersey Division of Investment	*Southeastern Asset Management, Inc.	Wall Street Associates
New York Life Insurance Company	*Standard Pacific Capital	Weintraub Capital, LLC
NFJ Investment Group, Inc.	State Board of Administration (Florida)	West Highland Capital and Kingsford Capital Mgt.
*Northern Capital Management, Inc.	State Farm Insurance Companies	William Blair & Company, L.L.C.
*Northwestern Mutual Life	State of Michigan Retirement Systems	*Wilmington Trust Co.
Ohio Public Employees Retirement System	State of Wisconsin Investment Board	

\*Completed interview and disclosed participation

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# Respondent Profile - Assets & Investment Style

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# Total U.S. Equity Assets Under Management of Respondents

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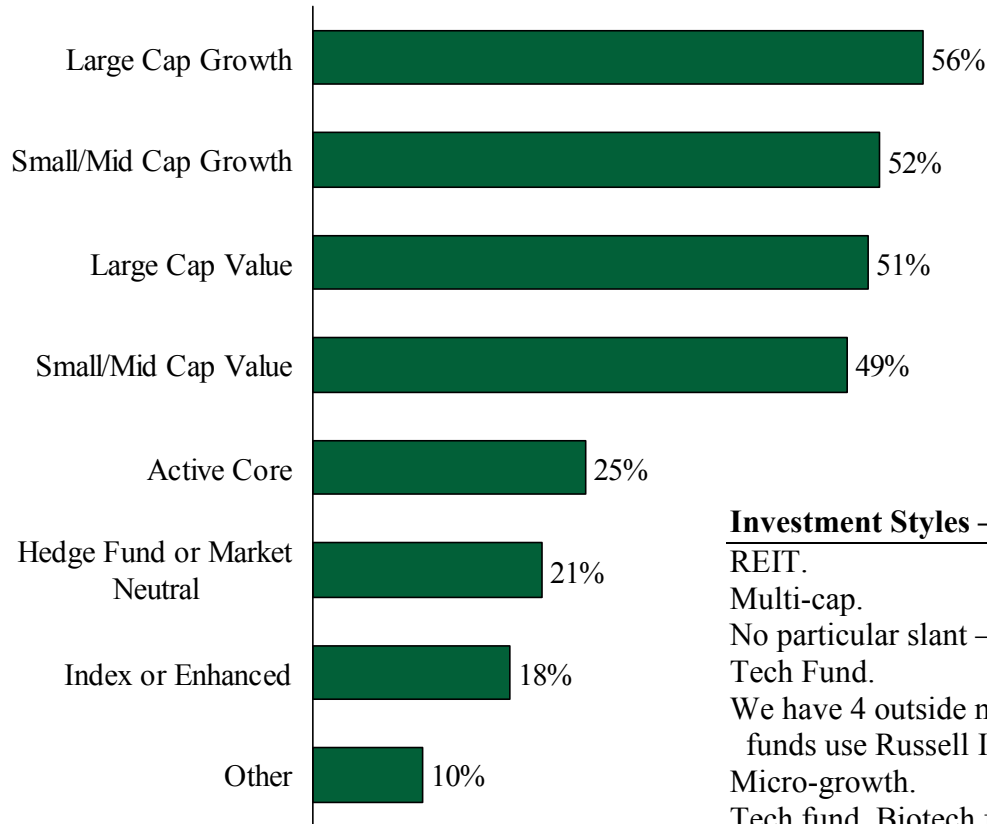
<b>Assets Under Management</b>	
<b>Number of Respondents</b>	<b>Assets</b>
5	\$100 Billion +
5	\$50-\$99 Billion
11	\$25-49 Billion
26	\$10 - 24 Billion
41	\$1-9 Billion
7	Under \$1 Billion
8	No Answer

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**Average Assets Under management = \$25 billion**

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# Investment Styles of Respondents



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## Investment Styles – Other:

REIT.

Multi-cap.

No particular slant – we do it all (generalist).

Tech Fund.

We have 4 outside managers, and I do not know the styles. Our in-house funds use Russell Index Funds, ( Russell 3000 and Russell 1000).

Micro-growth.

Tech fund, Biotech fund.

Balanced, GinnieMae.

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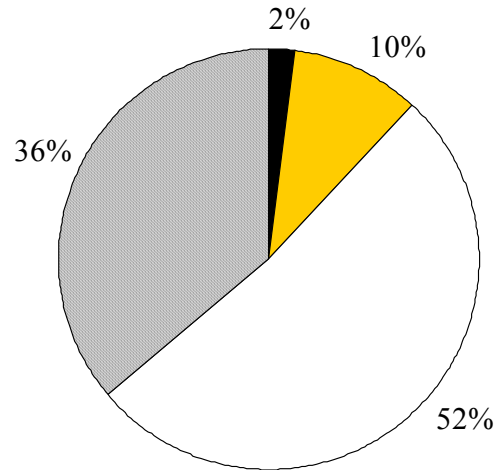
Note: Based on 103 respondents.

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# Volume and Trading Venues

# What Percentage of Your Total U.S. Equity Volume is in Exchange-listed Stocks?

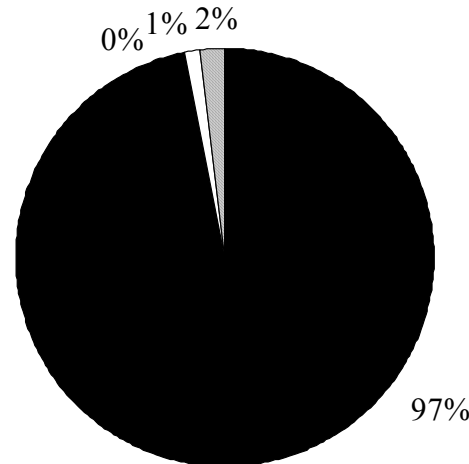


**Average volume in exchange-listed stocks = 67%**

- 0-24% of Volume in Exchange-listed Stocks
- 25-49% of Volume in Exchange-listed Stocks
- 50-74% of Volume in Exchange-listed Stocks
- 75-100% of Volume in Exchange-listed Stocks

Note: Based on 97 respondents.

# What Percentage is in Exchange-traded Funds?

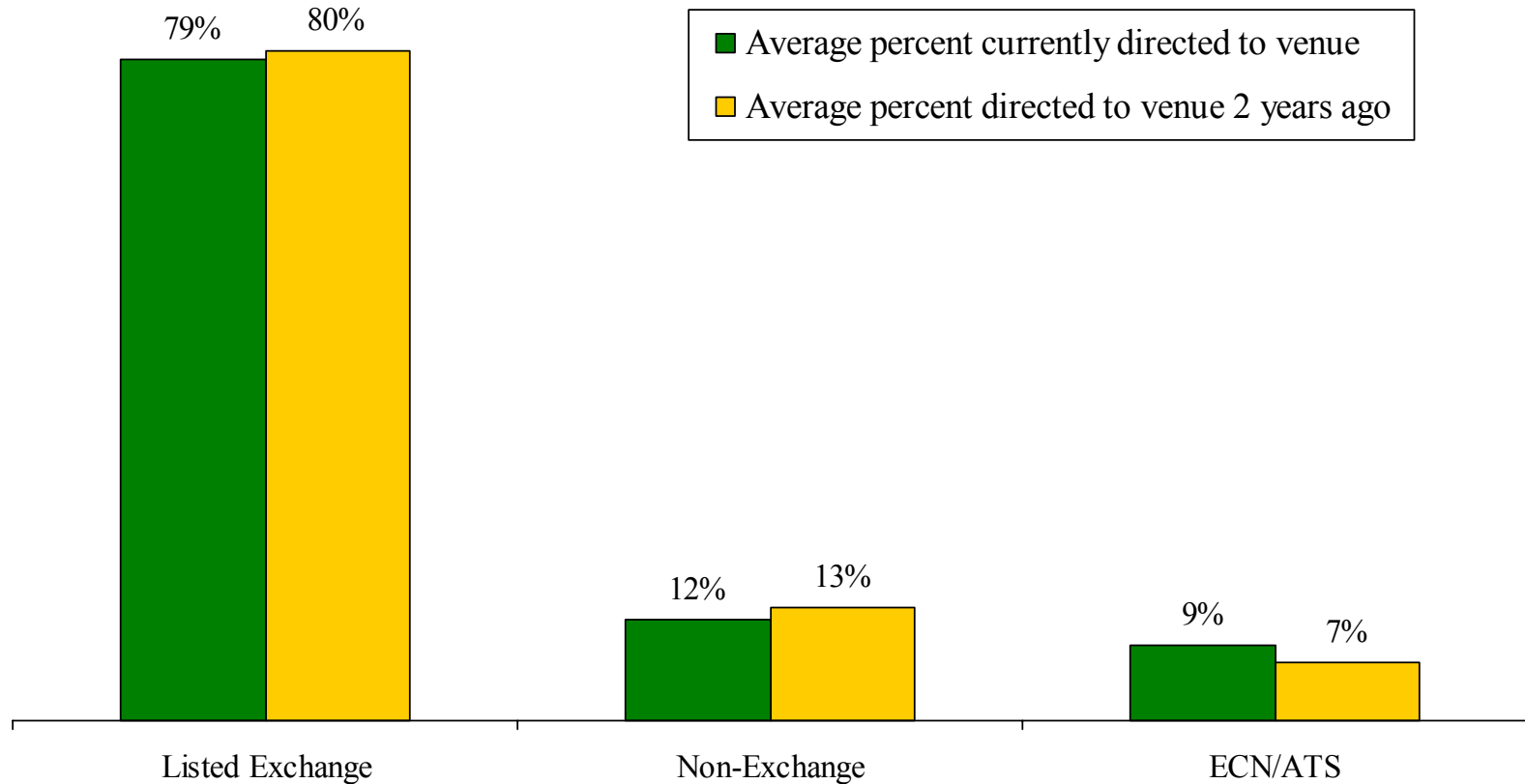


**Average volume in exchange-traded funds = 4%**

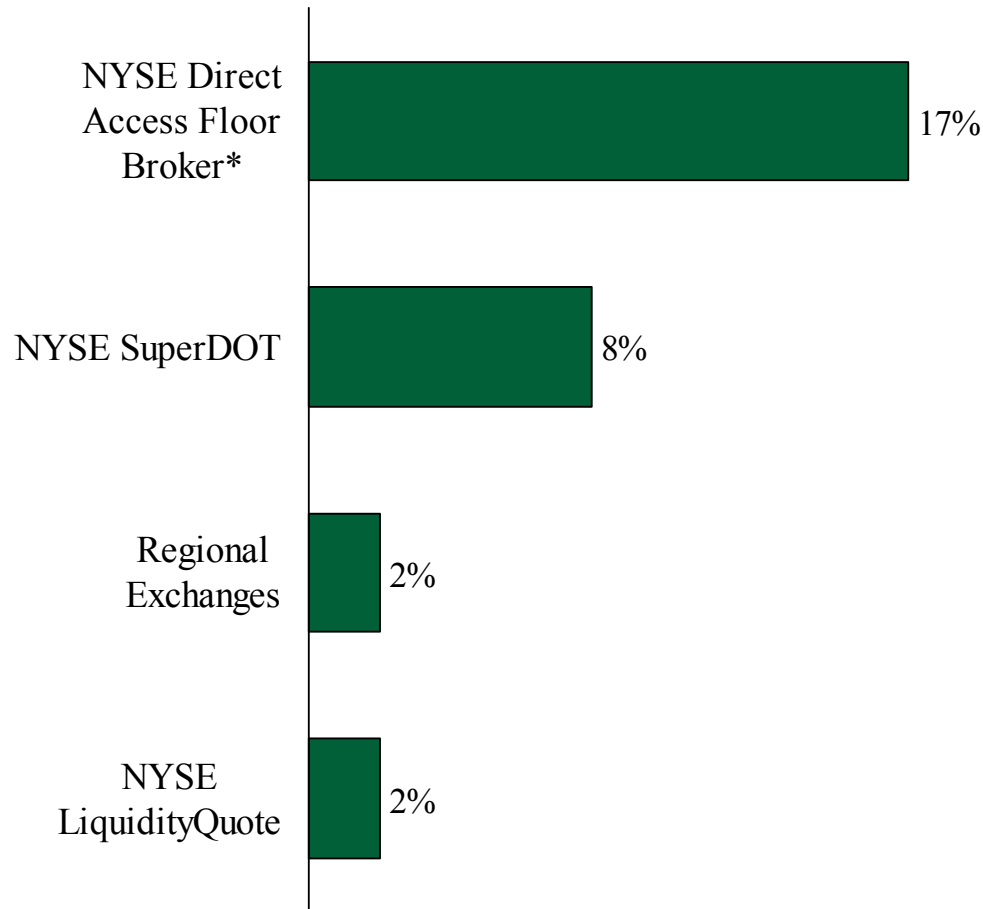
- 0-24% of Volume in Exchange-traded Funds
- 25-49% of Volume in Exchange-traded Funds
- 50-74% of Volume in Exchange-traded Funds
- 75-100% of Volume in Exchange-traded Funds

Note: Based on 96 respondents.

# Exchange-listed Volume Direction



# Listed Volume Executed On an Exchange - Directed Through:

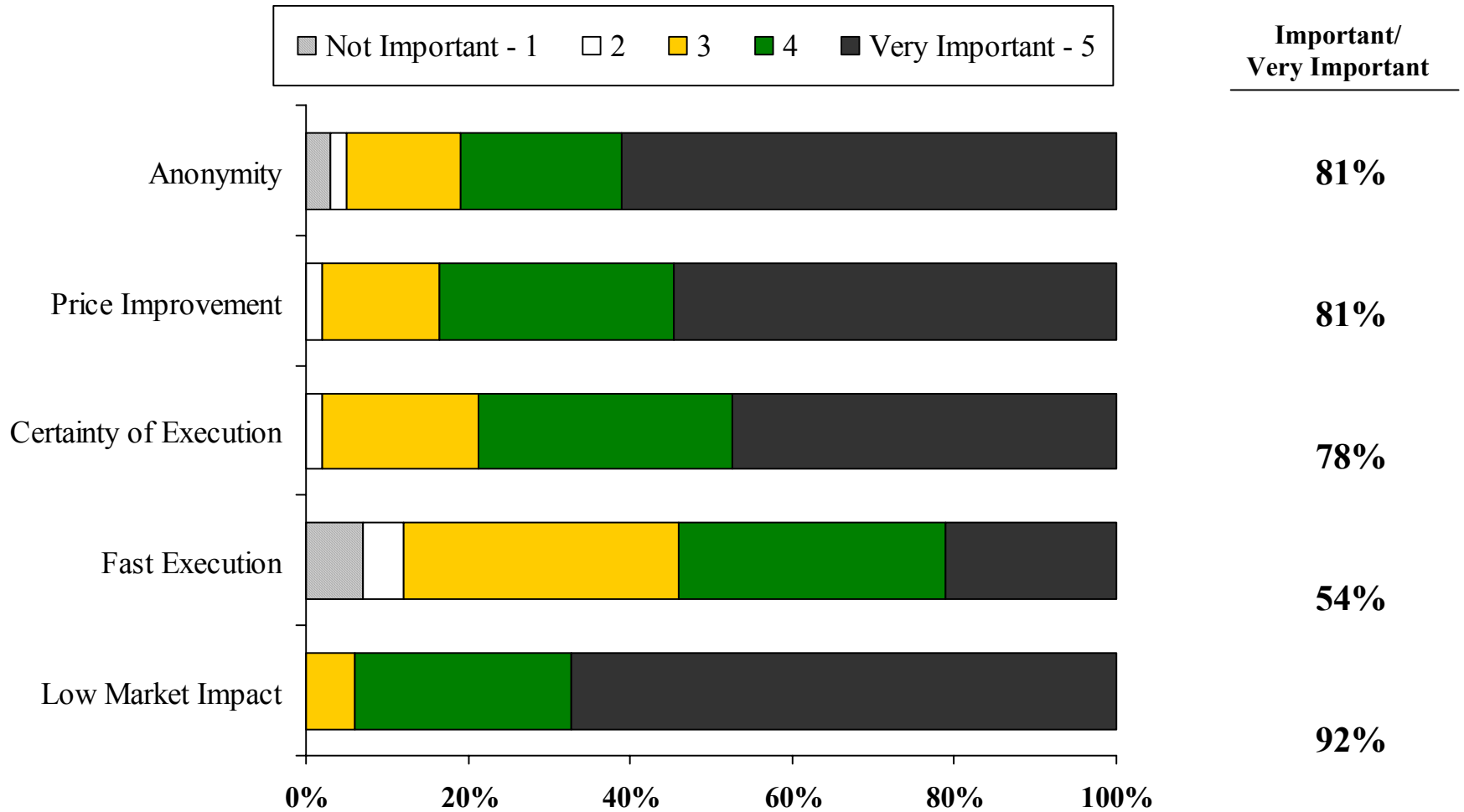


\*Note: Some traders may have lacked clarity between use of floor brokers and brokers generally.

Note: Based on 103 respondents.

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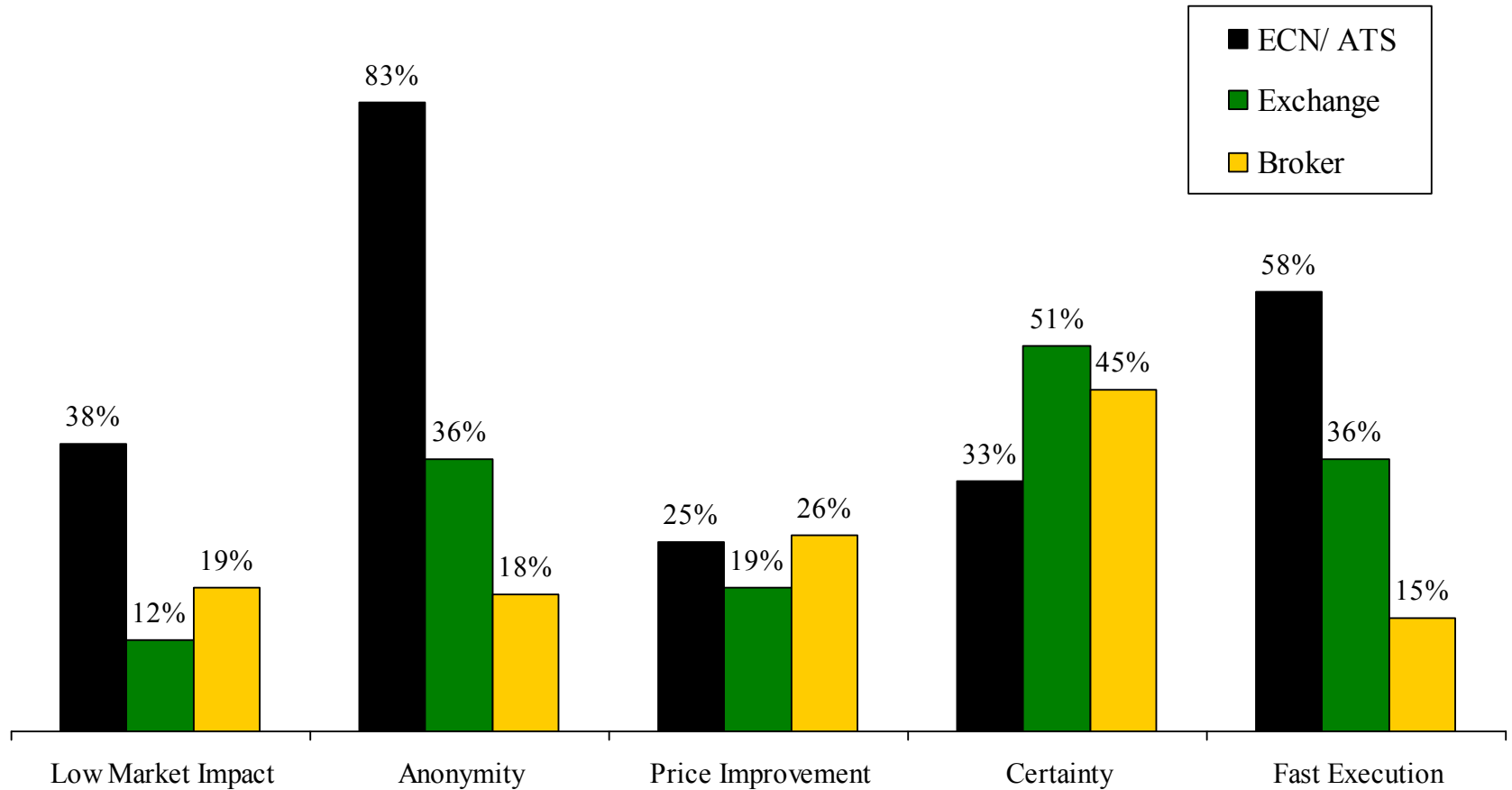
# Importance of Attributes When Executing Orders in Listed Stocks



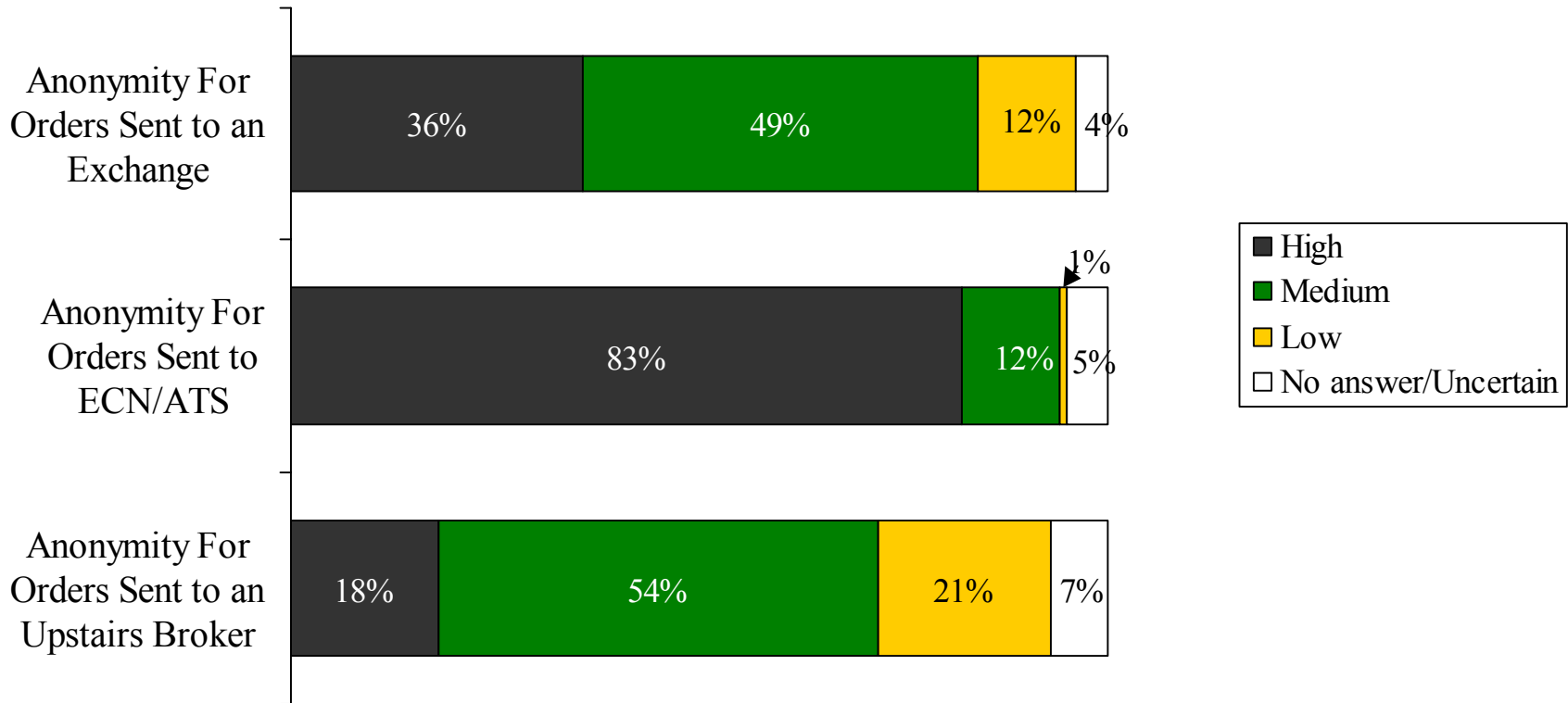
Note: Based on 103 respondents.

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# High Probability of Achieving Objectives by Venue



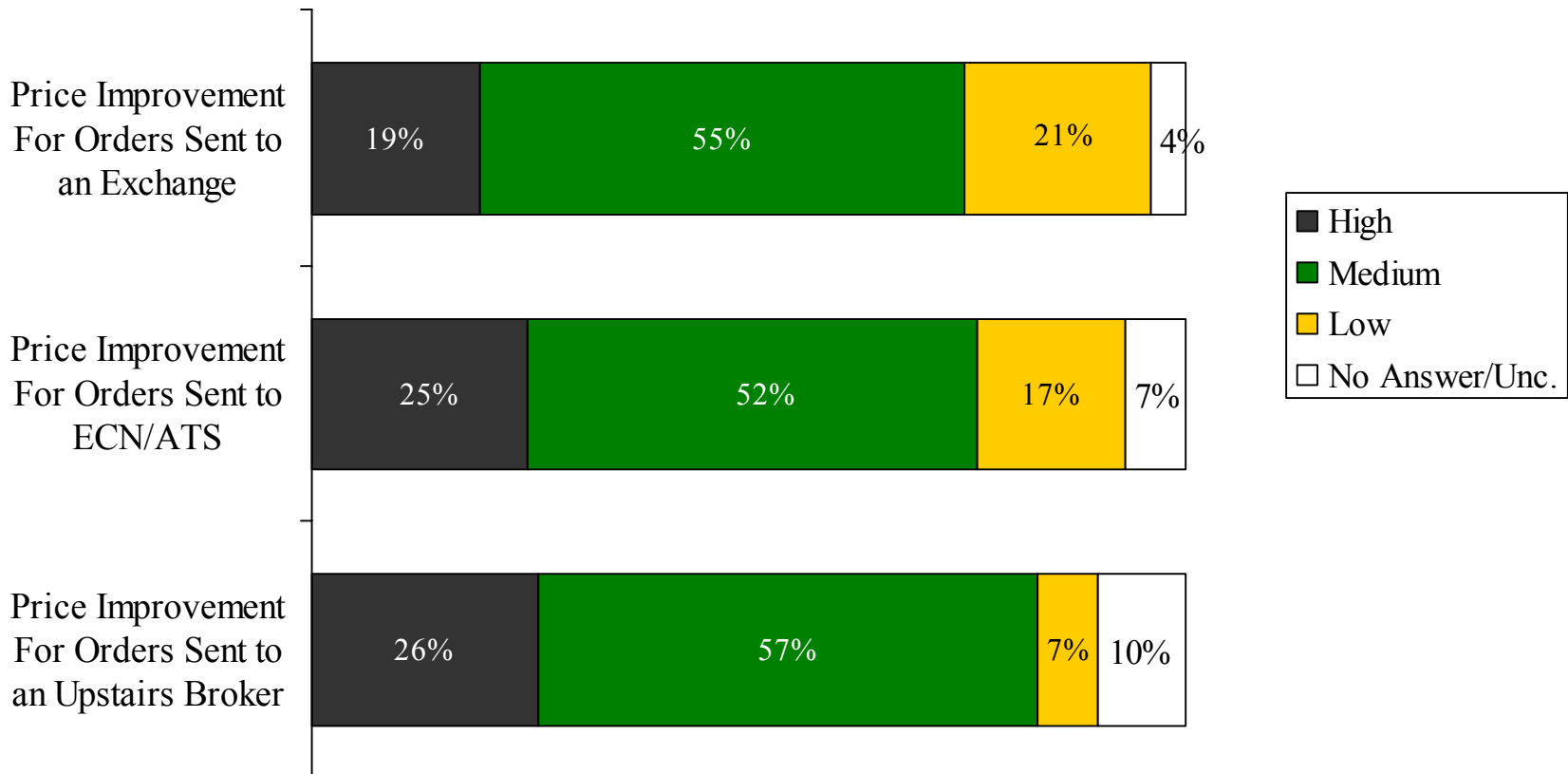
# Probability of Achieving Goals: Anonymity



Note: Based on 103 respondents.

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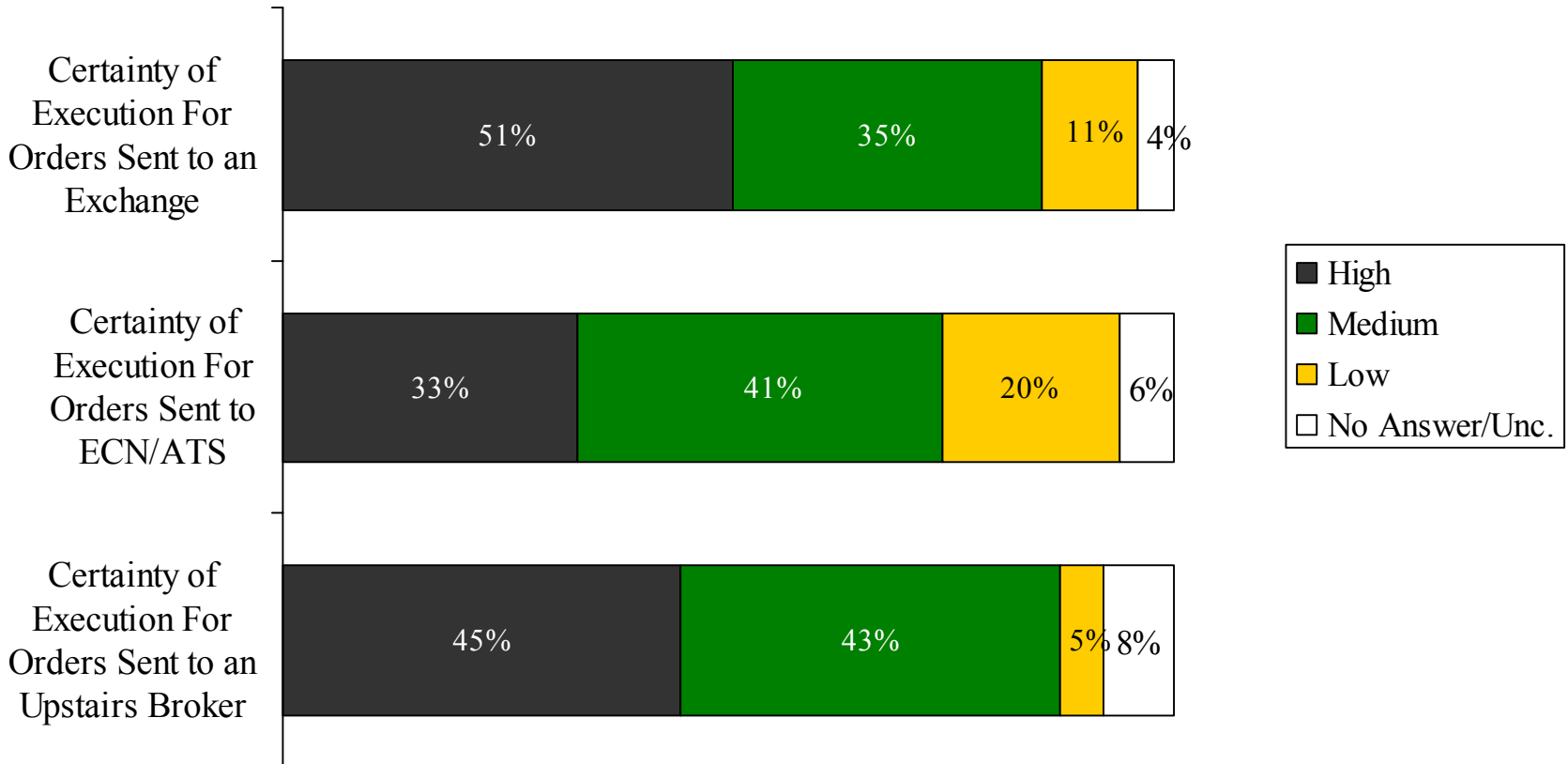
# Probability of Achieving Goals: Price Improvement



Note: Based on 103 respondents.

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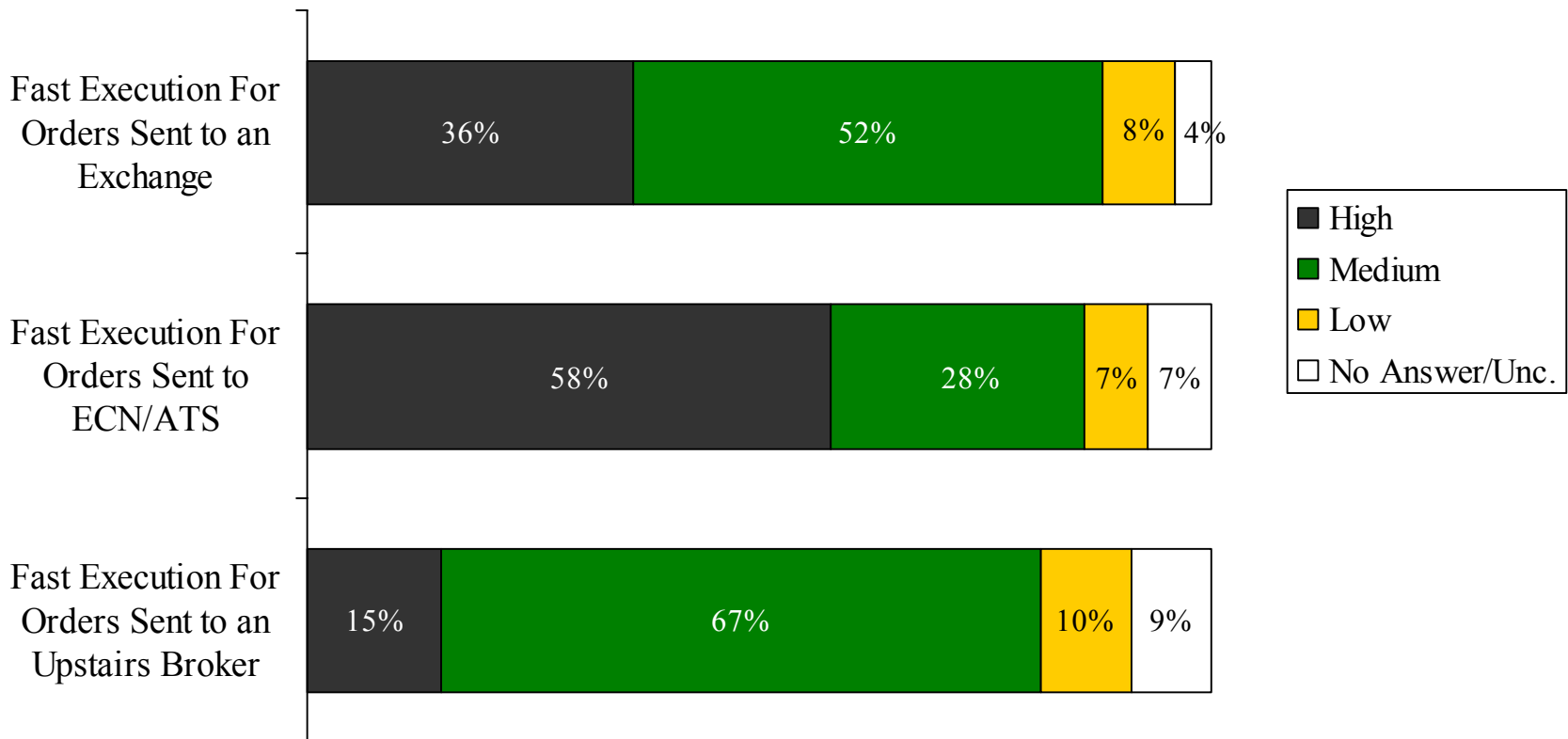
# Probability of Achieving Goals: Certainty of Execution



Note: Based on 103 respondents.

Confidential

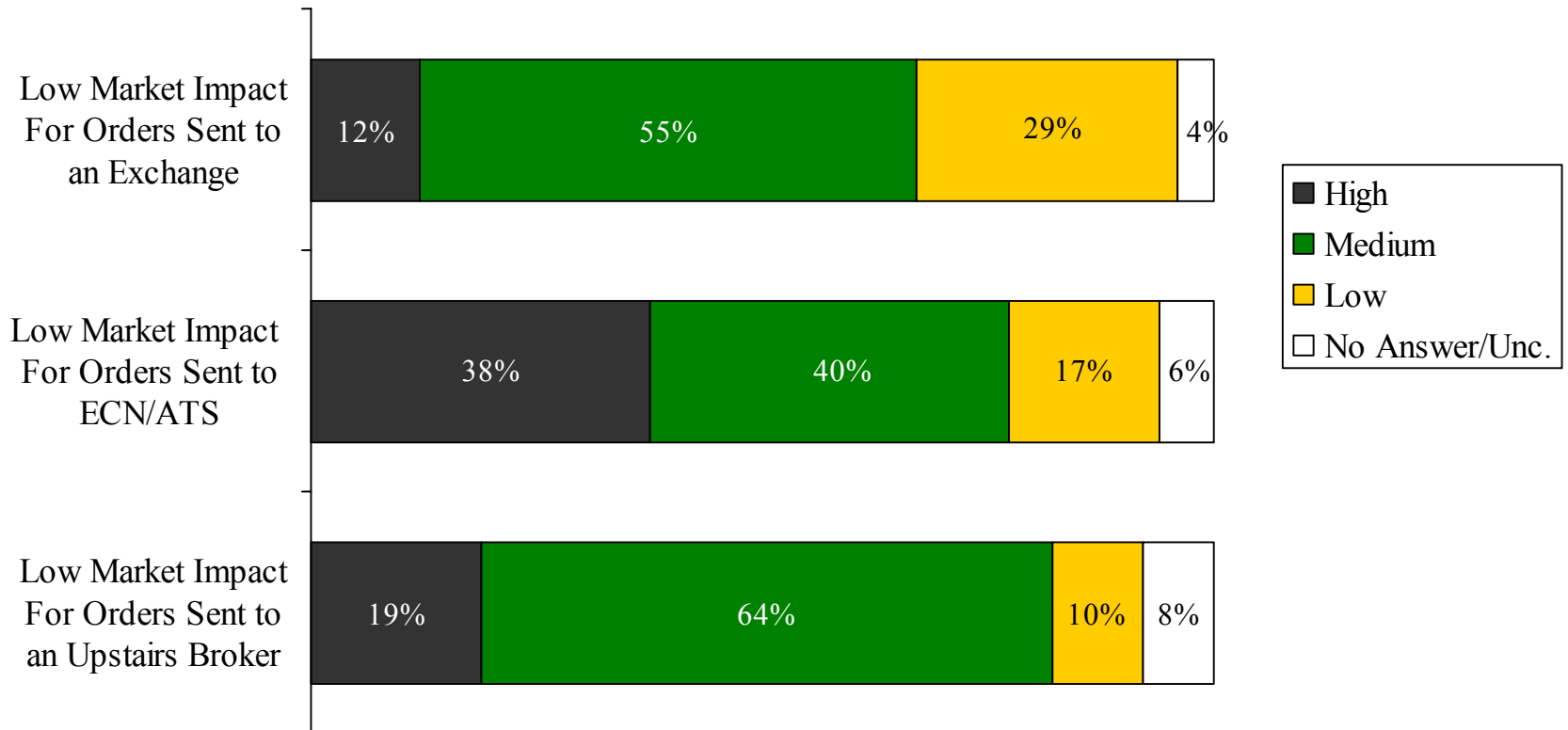
# Probability of Achieving Goals: Fast Execution



Note: Based on 103 respondents.

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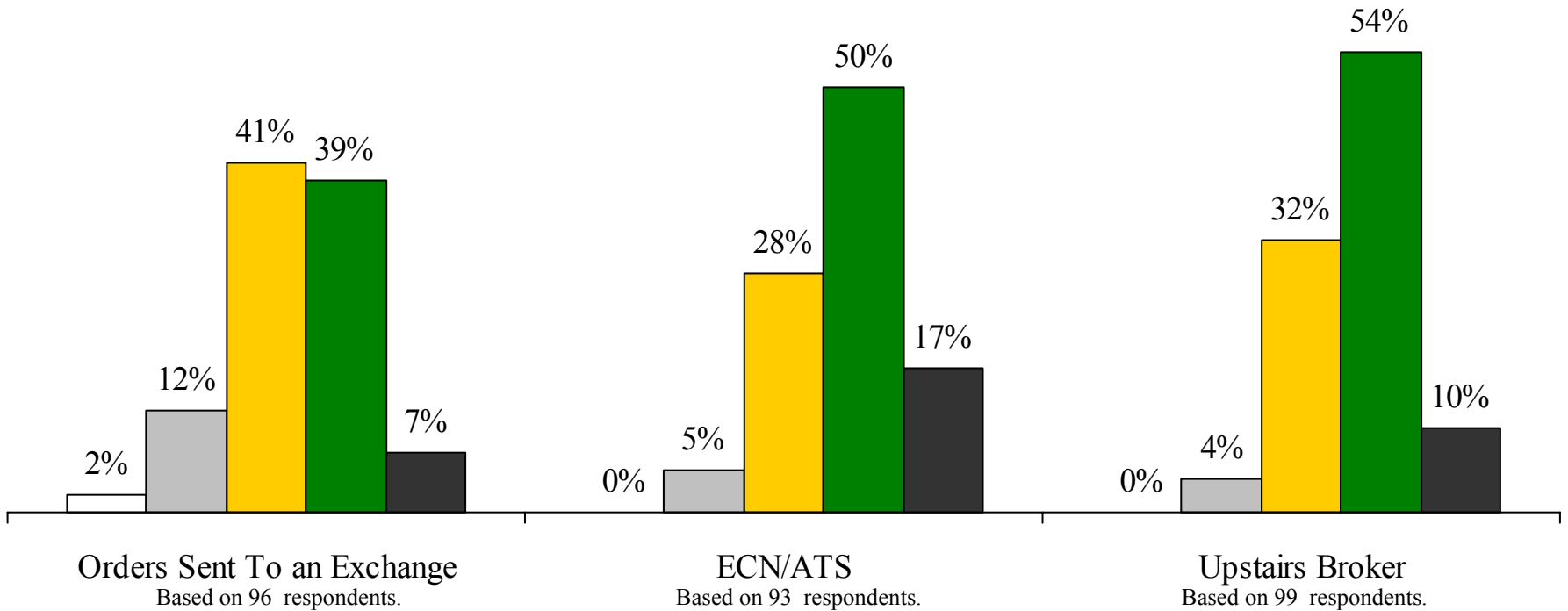
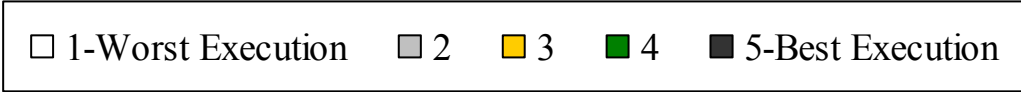
# Probability of Achieving Goals: Low Market Impact



Note: Based on 103 respondents.

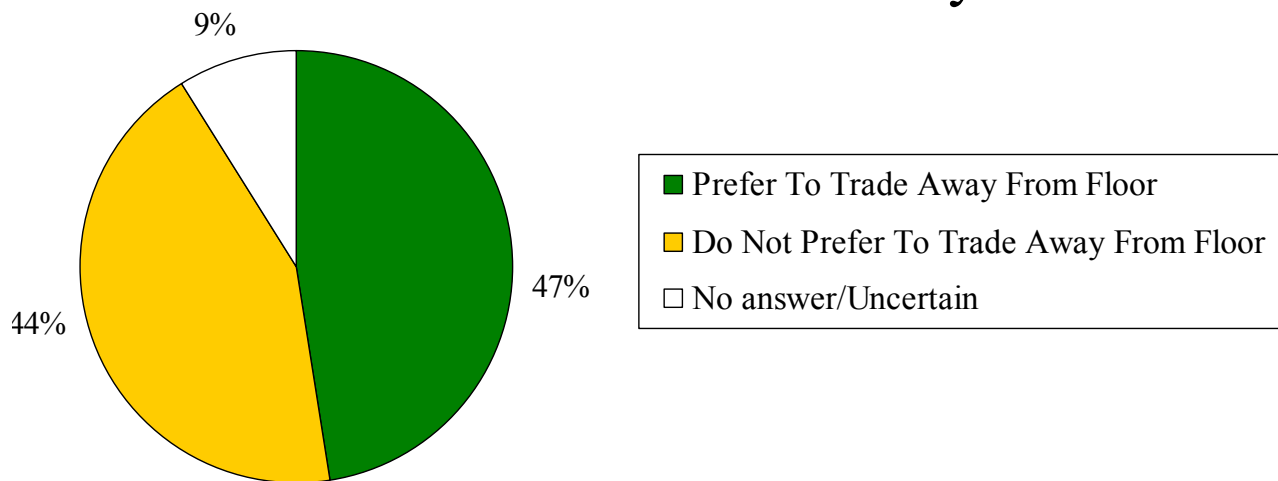
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# Quality of Execution By Venue



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# Would You Prefer to Trade More Volume Away From an Exchange Floor?



## **Why Respondents *Prefer To Trade Away From an Exchange Floor***

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If I could, I would trade everything I have away from the floor. The specialist is a well-funded competitor. To do away with the specialist - remove the middleman. It always feels like there is someone working against you. The primary problem with specialists is pennyng and lack of visible liquidity and order depth. With NASDAQ you can see the other side, ergo, you get a clearer picture.

I would rather trade with upstairs brokers and get the specialist out of the loop.

I prefer to trade away from the floor because of anonymity, price improvement, and liquidity.

I feel like I have more control of my orders.

Market impact and anonymity.

I think it's an antiquated system. They can't handle the volume. Also, I think there is a lot of games going on down there.

I have a guarantee of getting size.

Decimals.

Because of anonymity, price improvement, certainty and speed of execution, and impact on the market.

You're disadvantaged by allowing floor participants to get involved in your situation. The entire process gets gummed up.

Anonymity. Fewer people involved in knowing about your trade is better.

Decimalization; get pennies. Too many times too many people step in front of you .

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Note: Based on 103 respondents.

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# Why Respondents Prefer to Trade Away From an Exchange Floor

## **Why Respondents *Prefer* To Trade Away From an Exchange Floor (continued)**

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It reduces exposure. I prefer a crossing network where anonymity is guaranteed.

Because of the specialist, we constantly battle front-runners.

Because of the consolidation of specialists. They can't maintain fair and orderly markets. There is too much interaction of too many systems. Liquidity is drying up and I have to go where the liquidity is.

I would get more anonymity if away from a broker.

To get better service and avoid being front run.

I perceive that I can get what I need via ECN or alternative trading systems.

To avoid information sharing and front runners.

I get better execution when I get away from specialists.

The quality of execution has deteriorated and specialists are more interested in their own interests.

Better anonymity and less leakage of information.

Specialists are a disadvantage to customers.

There is a higher probability of an improved fill rate, faster execution and lower market impact.

I prefer to trade more volume away from an exchange floor in the interest of discretion and price improvement.

I prefer to trade more away from the floor based on the nature of the business that I do. I don't want to be sized out. If I were a growth and income guy it might be different.

There is less chance of getting broken up.

There is a greater opportunity to have the entire order filled at one price.

I am forced to, given the rule changes by the NYSE and NASDAQ (e.g. decimalization) and their catering to day trades at the expense of institutions. I am forced to go elsewhere to find liquidity. I wish this were not the case.

To get greater liquidity and higher probability of getting better execution.

Lately, on the NYSE we're not getting the best execution.

There is more liquidity and anonymity away from the floor.

Anonymity, speed, and better price.

There is more liquidity away from the exchange.

I like the option of complete anonymity. I also would like to have more control over an order.

There are too many intermediaries who don't have my best interest at heart.

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# Why Respondents Prefer/ Do Not Prefer to Trade Away From an Exchange Floor

## **Why Respondents *Prefer* To Trade Away From an Exchange Floor (continued)**

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I won't be shut out if I trade electronically.

The floor can obstruct my ability to get things done. I don't get as much of what I want.

Anonymity, market impact, and price improvement.

Anonymity issues.

Market impact of having an order executed down on the floor.

Competition would likely force the exchanges to price-improve more often.

I would prefer to trade away from the floor for less price impact.

Specialists are not always consistent with buy-side's best execution.

A specialist system impedes my ability to execute at reasonable prices.

I prefer to trade away from the floor for more anonymity. I find an interested party and go ahead. Less chance of being stepped on.

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## **Why Respondents *Do Not Prefer* To Trade Away From an Exchange Floor**

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If I can get as good as execution on an exchange floor I wouldn't avoid it for the sake for avoiding it.

I have well established relationships with traders who trade well for me.

I prefer to find out who is involved on the other side of the transaction (for REITs). I can't find it out via ECN.

I am satisfied with what I have.

On the floor there is more interaction, which provides a better chance for price improvement. Central location helps pricing.

A majority of the volume is already on the floor. I want to be represented there.

I like the auction market on an exchange - best method.

Central location makes it faster for buyers and sellers to meet.

I would actually prefer to trade everything in one place, but that is obviously not what happens in the real world.

I try to work within available markets. I try to go where I get the best execution. I don't try to take market share from different venues.

We get good execution on the floor.

Quicker and easier to go direct; less leverage.

Auction market works.

Not enough liquidity in other markets yet.

A central marketplace is better; better pricing (more accurate).

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# Why Respondents Do Not Prefer to Trade Away From an Exchange Floor

## **Why Respondents *Do Not Prefer To Trade Away From an Exchange Floor***

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Auction market is still best place to be.

The floor is the primary exchange.

Having all liquidity in one area is better.

Having the visibility of what is happening on the floor is beneficial.

Exchange is where you find the best price with the most liquidity.

Trading away from the floor tends to fragment the marketplace. I have no bias away from the floor, I just want to get it done.

It is an efficient way for price discovery.

I am not a big supporter of fragmentation of the business.

I miss out on liquidity.

I think you achieve better execution and liquidity for a stock on its exchange.

Generally, I go where the liquidity is.

The floor does a good job. If trading large blocks, I find a lot of liquidity there.

It really represents the best system.

I would prefer that everything be centrally visible.

More likelihood to get price improvement and transparency.

We are happy with the people we deal with.

I prefer having a central marketplace.

I prefer to deal with people, there is more control.

I get better feedback via the floor; we get information from the floor.

Generally, I am comfortable with the exchange floor.

I am happy with the way the system is working. I like the human touch, feedback, and auction system.

I don't want to see liquidity stripped off the floor, it leads to less transparency.

I prefer not to trade away from the floor because of transparency. When I go to the floor, any players that are involved in that security are there. When I go to and ECN, I don't know if everyone involved is there.

I prefer not to trade away from the floor because of liquidity.

A central marketplace is best.

We have contacts that we're very comfortable with.

I don't like fragmentation of the market. I want to see all the players in one place.

It depends on each stock and the market.

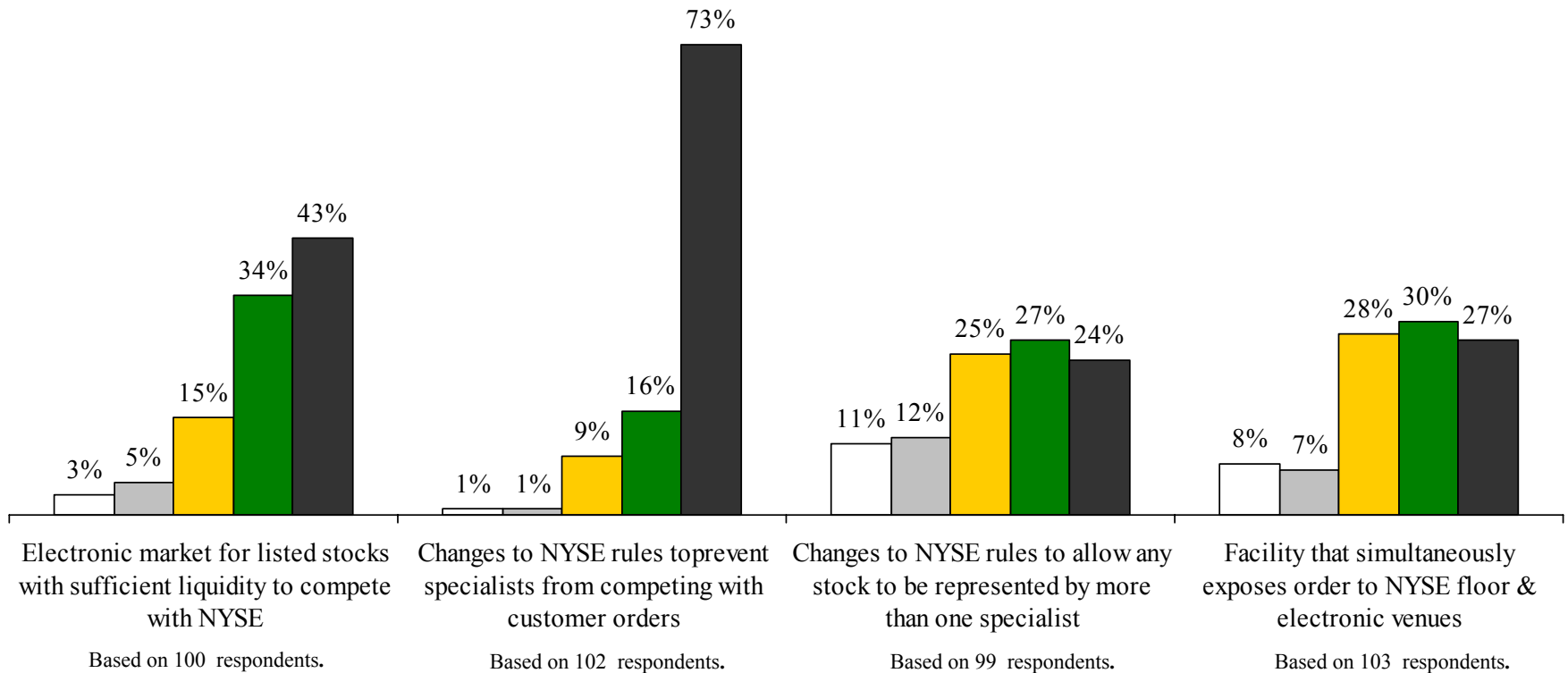
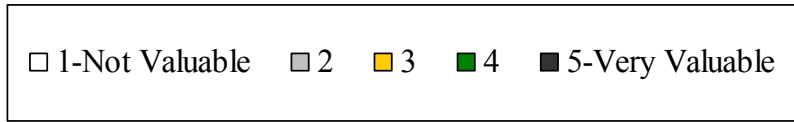
Sometimes, it depends on the situation. Pay an upstairs broker for other things; for research and ideas.

I can get the same execution either way - I'm neutral on this.

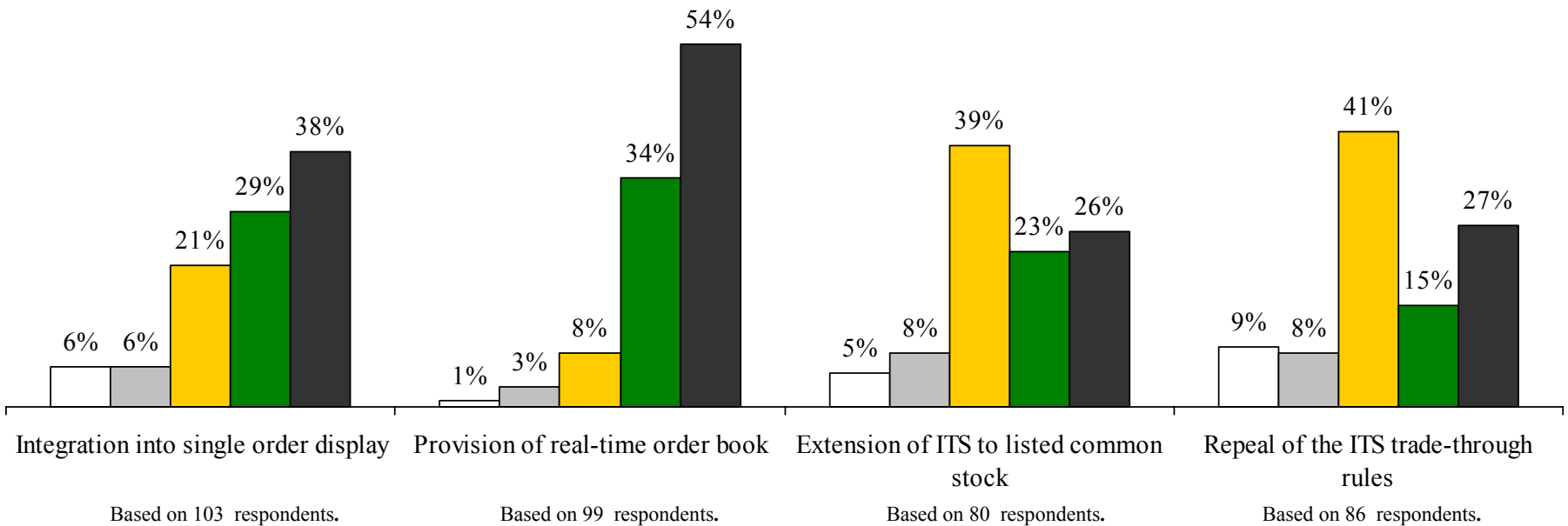
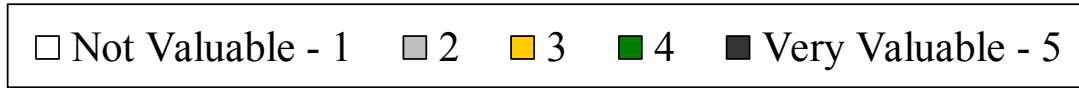
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# Value of Various Trade Execution Changes and Options



# Value of Various Trade Execution Changes and Options

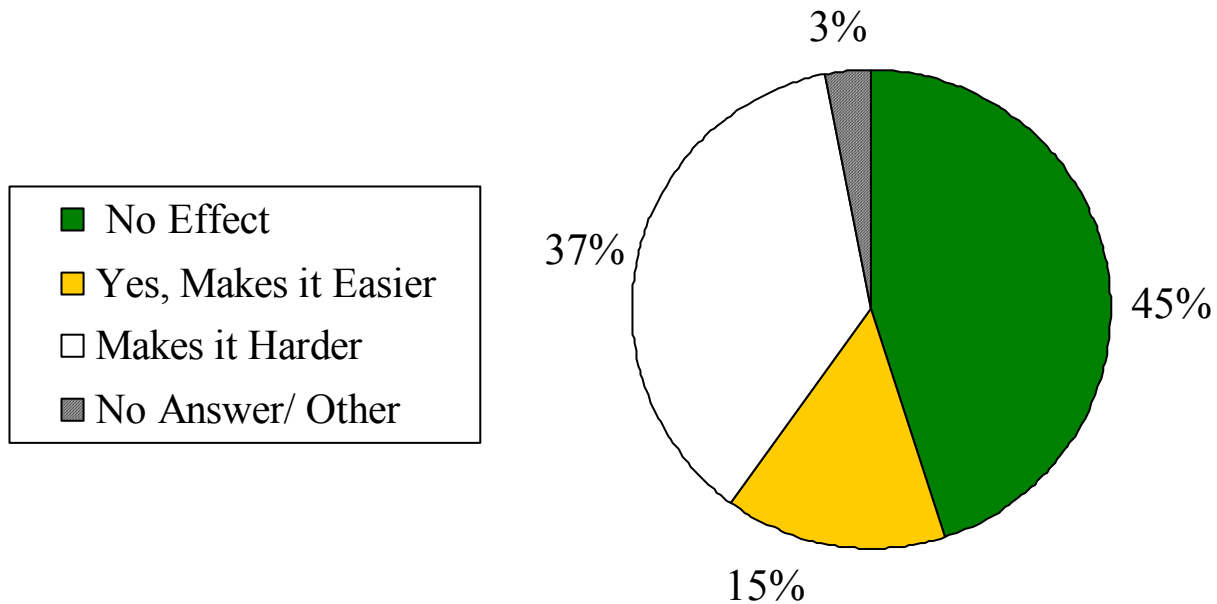


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# Listed vs. NASDAQ Execution

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# Do Multiple Competing Venues Affect Traders' Ability to Achieve Best Execution?



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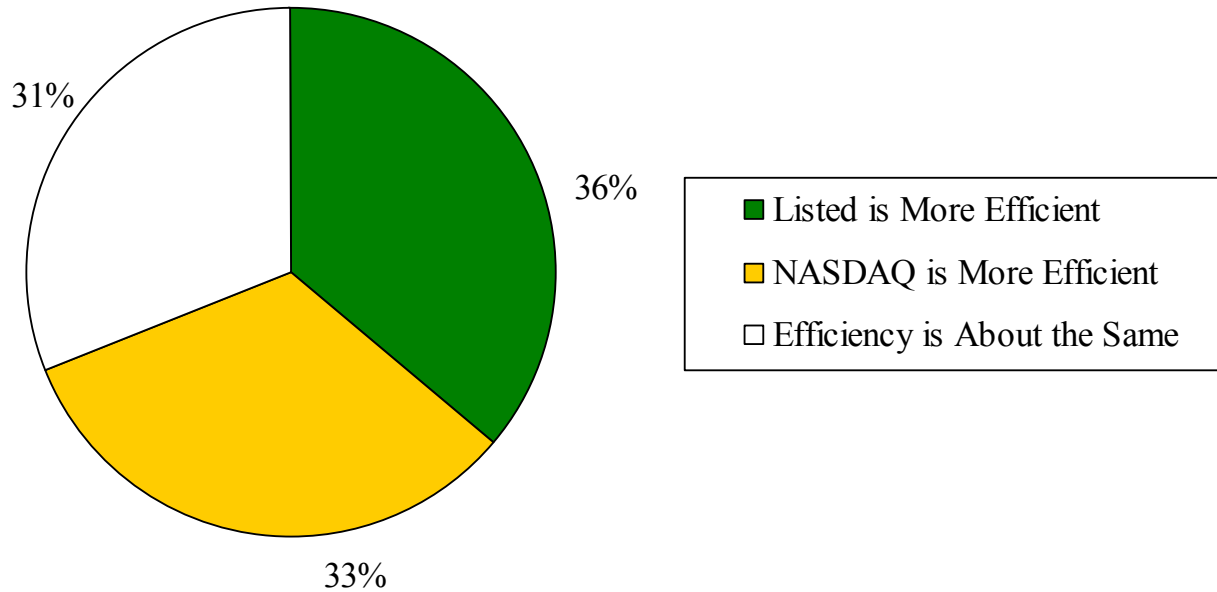
## Effect Multiple Competing Venues Has - Other:

It is sometimes beneficial and sometimes detrimental.

There are both positive and negative effects. It makes it tougher to evaluate executions and harder to understand the volume you're entitled to. However, you have multiple sources to find liquidity.

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# Overall Efficiency of Trading Listed Stocks vs. NASDAQ Stocks

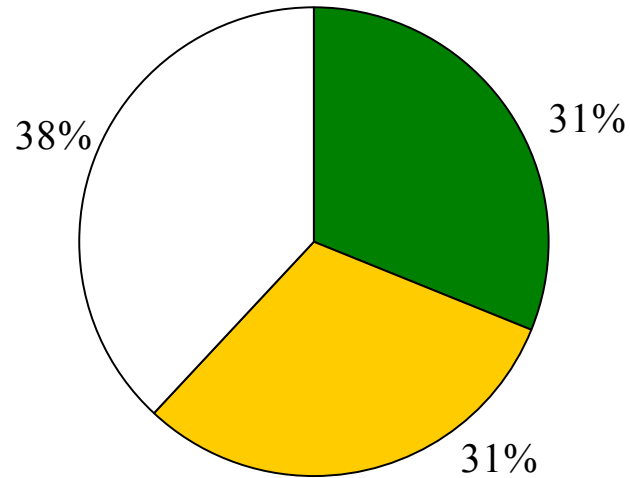


Note: Based on 103 respondents.

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# Breaking Up Large Orders

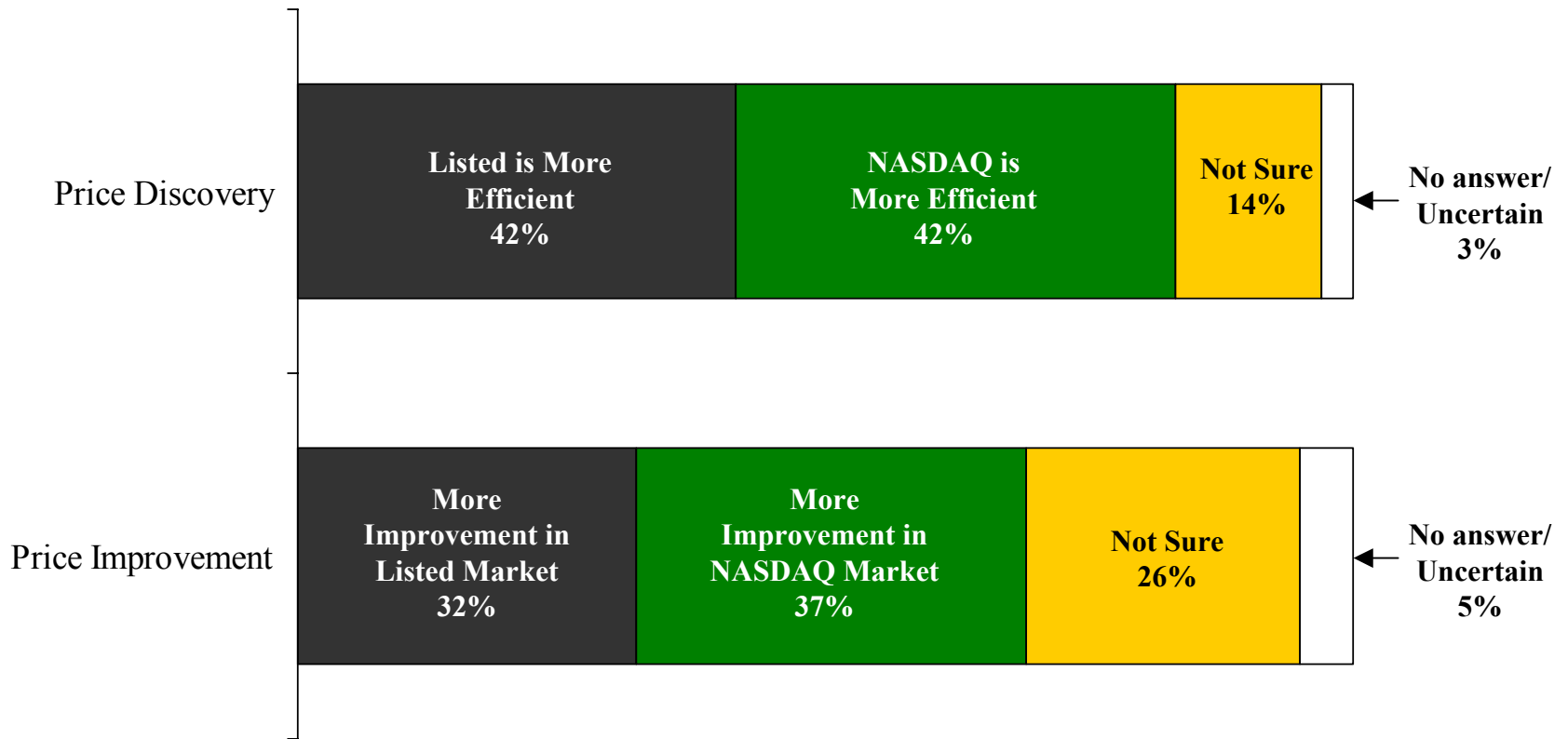


- Break up large orders in listed stocks more often than NASDAQ stocks
- Do not break up large orders in listed stocks more often than NASDAQ stocks
- Break up large orders to listed and NASDAQ about the same

Note: Based on 103 respondents.

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# Listed vs. NASDAQ

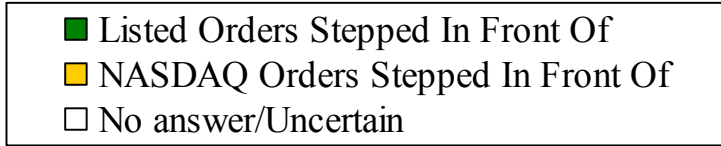
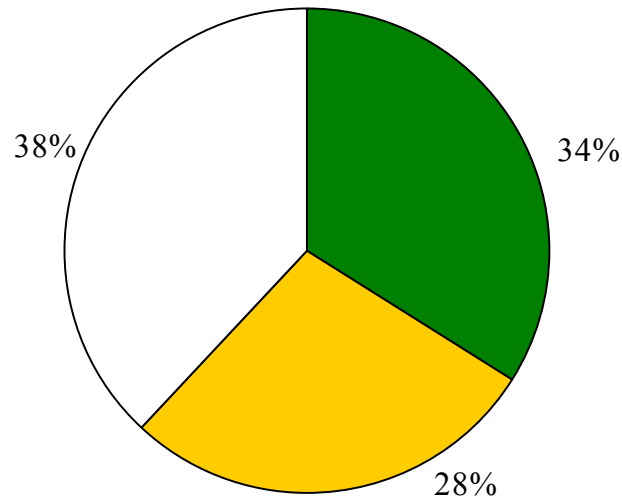


Note: Based on 103 respondents.

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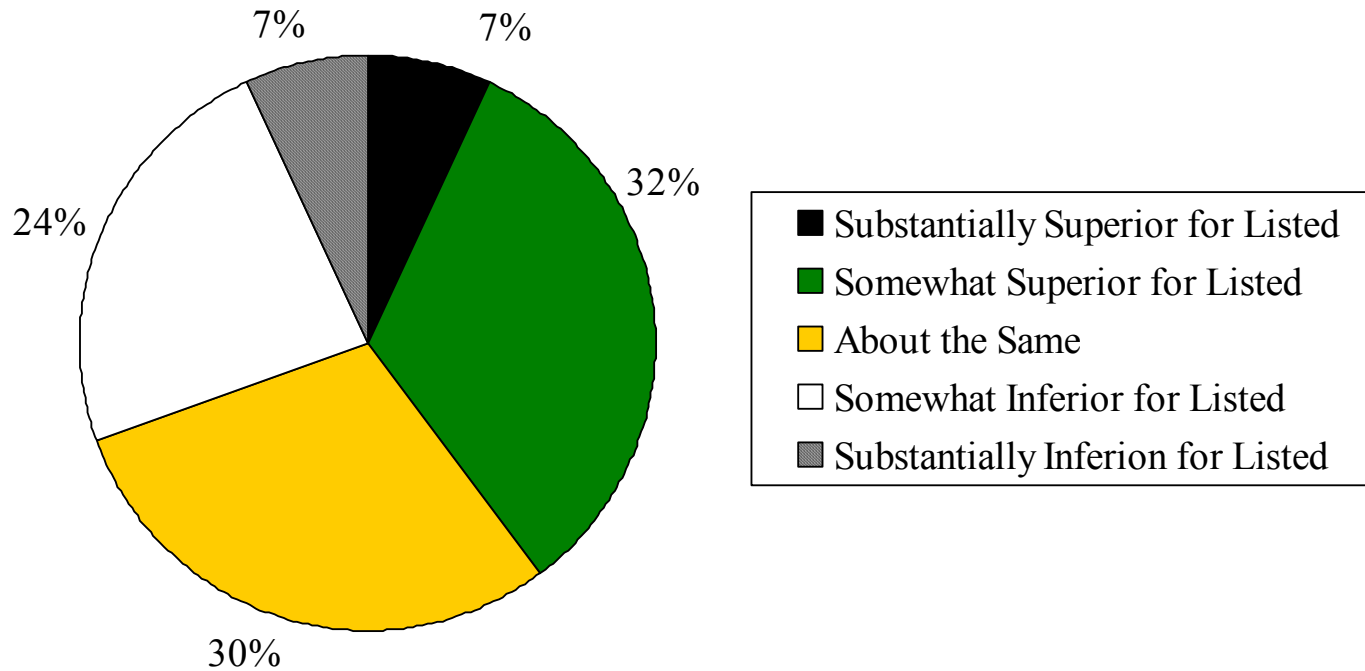
# Approximate Percent Of Orders Stepped In Front Of



Note: Based on 103 respondents.

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# Overall Quality of Execution Between Listed and NASDAQ Stocks

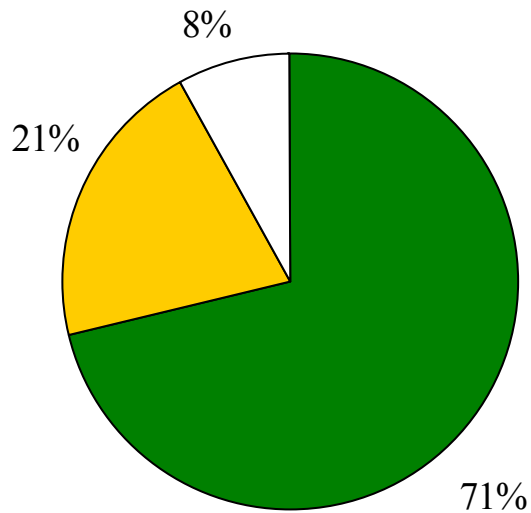


Note: Based on 103 respondents.

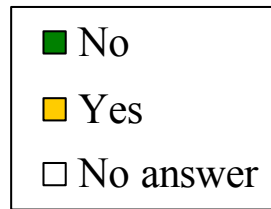
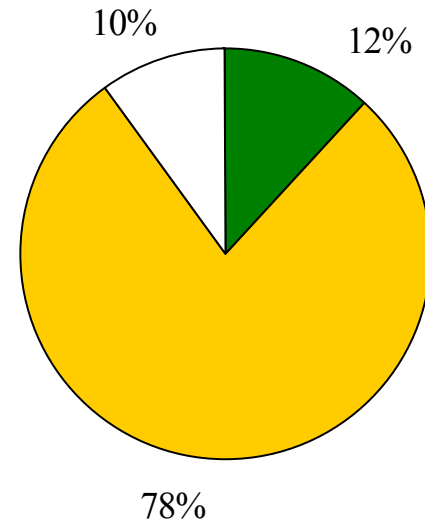
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# Views On Specialists

**Do Specialists and market makers still add value in highly liquid stocks, such as IBM or Intel?**



**Does the Specialist's ability to trade on a proprietary basis constitute a conflict of interest?**



Note: Based on 103 respondents.  
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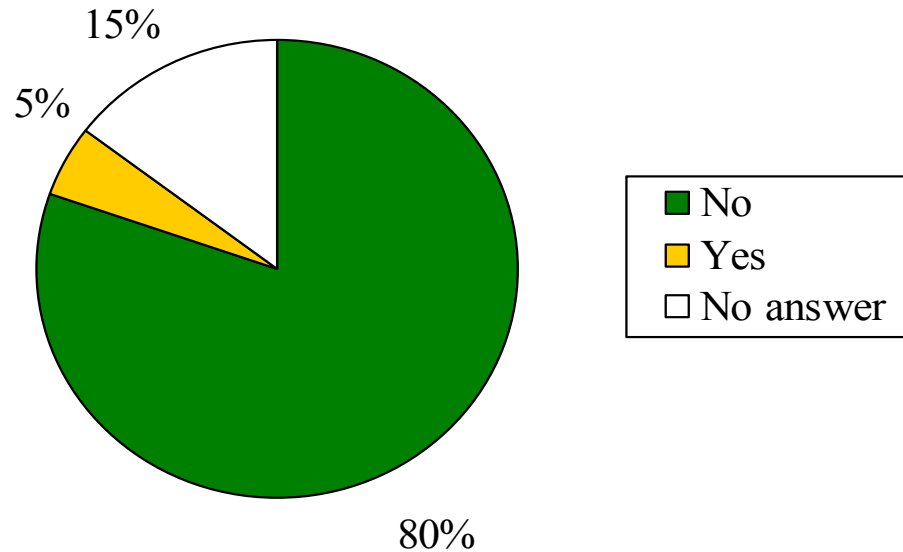
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# Views on LiquidityQuote and Use of Floor Brokers

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# Views On LiquidityQuote

**Has NYSE LiquidityQuote encouraged you to place more large orders on the floor?**



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# Why LiquidityQuote *Has Not* Encouraged Traders to Place More Large Orders On the Floor

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My large orders will get worked.

They are still subject to price improvement and can be stepped ahead of by NYSE members and specialists.

I don't have access to it.

It is a function of trust.

Perception of trust - not 100% transparent.

I like to keep things closer to the vest.

I have not used it.

We don't use it.

We don't use it.

When dealing with such large orders as we are, it can only hurt to put your orders there.

I don't use it, it doesn't matter in the way we place our orders.

Still exposing; giving a free option and not being compensated.

I like to control my orders.

Have more control upstairs and the conflict of interest is an issue. Specialist has better access to information and to book than I do.

We are research driven. Also, we're soft dollar driven.

I don't bother to get it, the specialist runs ahead of them.

Our names are so "thin" it would impact the price. The system does not reward you for putting in liquidity.

LiquidityQuote quotes are far too wide and lack sufficient liquidity to make you want to access that liquidity.

I don't have enough block orders to comment.

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## Why LiquidityQuote *Has Not* Encouraged Traders to Place More Large Orders On the Floor (continued)

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Vendors did a poor job of getting information to us. Also, prioritization of orders needs improvement.

The liquidity is already there.

I haven't seen any benefits for it.

I see no benefit.

There has been no change. It did not improve the situation.

It is not effective though good in theory. There are too many orders out there for the world to see. People can shoot against you.

No access to it because of Bridge.

If specialist couldn't trade, then we would show more liquidity down on the floor.

LiquidityQuote is geared for large-cap stocks and we trade small-cap.

Specialists handle large orders.

It is not at all helpful.

I do not trust them.

I don't use it.

I am not going to give anyone a free option on my position.

Have not used it.

The floor has the ultimate discretion and can trade how much they want.

I don't believe in putting that much merchandise out there at any one time.

LiquidityQuote is not meaningful to date in names and size of names quoted.

I don't use it.

You become a guinea pig.

I don't find much liquidity in it. You have everyone shooting in front of you. With decimalization, someone can top a bid for little money.

Other means are just as efficient to me.

A lot of what we do is position anyway, we then work off the floor.

All they do is cover it up (i.e. with a penny bid).

I don't want to show them everything. They will mark it up or down.

Few people know what LiquidityQuote is, so find nothing there.

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# Why LiquidityQuote *Has Not* Encouraged Traders to Place More Large Orders On the Floor (continued)

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I question the anonymity. It still goes through a specialist.

I pay little attention to every NYSE bell and whistle. We treat the NYSE like it is NASDAQ - every time they come out with something new I'm still going to get screwed. We will still go to a broker to get capital.

We don't trust the specialists and don't want to give away the upper hand so easily. We like to have more control.

Don't use it, feel it's not 100% accurate.

Too wide; spreads quote out too far to make it useful.

I don't want to give up any information. LiquidityQuote provides a level for others to shoot against you.

I don't know if it has encouraged me to place more large orders on the floor, but it has given some welcomed visibility.

I don't really use it very often.

It does not do any good.

I haven't seen enough examples of this to change my way of doing business.

I don't think it is effective.

Not enough steps to the market - the bids and the offers are small.

We have not subscribed to it. It penalizes the liquidity provider.

We mainly use brokers and ECNs.

There is not much there. It's not readily visible due to the cost one incurs to get it.

I don't see the benefit. The bulk of our trades is in small and mid-cap stocks; it's unwise to expose ourselves.

It just doesn't seem large enough.

We don't use LiquidityQuote. That's not the way we trade.

Have not used it. Internal reasons - not a priority.

I haven't seen enough. Quotes out of range with current market price.

It's a joke and doesn't mean anything. There should be one quote for every stock.

It hasn't improved my sense of liquidity.

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## Why LiquidityQuote *Has Not* Encouraged Traders to Place More Large Orders On the Floor (continued)

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Anonymous	People can still price improve against my displayed order.
Anonymous	Decimalization has created a situation where we can't really know what the real market is.
Anonymous	The way LiquidityQuote is structured, people can still trade ahead of you. In addition, limit orders are penalized more.
Anonymous	I don't know how to use it. Probably for bigger institutions.
Anonymous	We don't have it.
Anonymous	I am happy with the way it is right now.
Anonymous	There is conflict - you can get pennied.
Anonymous	LiquidityQuote is not tight enough or deep enough to incent me to do anything. Liquidity is already there. People want less of their information displayed, not more - it defeats its own purpose.
Anonymous	I put all my own orders on the floor anyway.
Anonymous	There is no benefit for us.
Anonymous	It's crazy and worthless! They're trying to fix something the wrong way.
Anonymous	Not a full picture. People are still hesitant to put down what they're doing. It's a valiant effort with LiquidityQuote, but not good enough trade through provisions.

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## Why LiquidityQuote *Has* Encouraged Traders to Place More Large Orders On the Floor

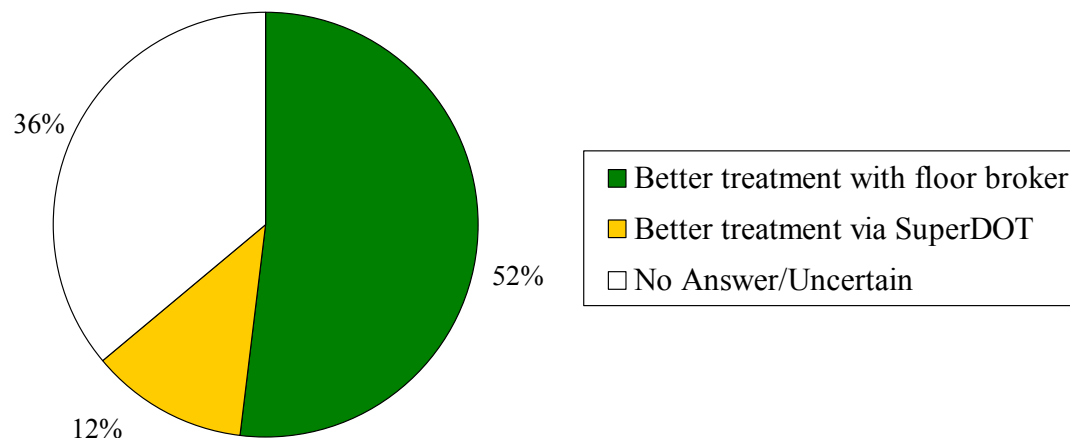
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Paladin Investments Associates	Scott Billeadean	Not directly because of LiquidityQuote, but because we are more comfortable "showing our hand" so we're doing more large orders on the floor.
Anonymous		Better idea of what I am looking at. I can react more knowledgeably to what's going on.
Anonymous		It forces me to look into it more and diversifies my trades.

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# Treatment of Order With a Floor Broker vs. Via SuperDOT



## **Why Does a Floor Broker Give Your Order Better Treatment?**

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Because the broker will take better care.

Humans treat each other better than they do machines. In other words, the human that I hire is more capable of holding another human being accountable.

Human intervention of the broker - with proper instruction - adds value.

It is a function of trust. Someone is working your order vs. lining up with everyone else in an electronic box.

A floor broker has a better chance to protect your order.

Someone is working on behalf of our interest.

It is easier to give special instructions to a human being than a machine. A broker will walk the order over; DOT orders get picked off more often; more recourse with a broker.

I wouldn't send the same type of order. Larger orders are sent to a broker.

It gets personalized service rather than a machine. I can give instructions.

Someone is looking out for my interest. At SuperDOT, they hold up the trades.

with SuperDOT I have to expose my whole hand and a broker can keep some anonymity.

More attentive; I trust them with larger orders.

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# Why Does a Floor Broker Give Your Order Better Treatment?

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SuperDOT is subject to the auction process and someone standing in front of it.

The floor broker works for you.

Generally, we only use the floor brokers who have proven themselves valuable. They are more apt to work an order for us.

A floor broker gives my order more attention than an electronic order.

Introduce the human element. A broker would evaluate better offerings; use their own judgement in timing orders and getting the best price.

The broker has to answer to me and the machine does not.

My order is better protected. By using a floor broker there is someone answerable to me. A floor broker protects my best interest.

At SuperDOT they know who they are screwing over so they're more likely to do so. Floor brokers have to take more responsibility for their actions vs. hiding them through SuperDOT.

If a specialist has a SuperDOT order it's to his own discretion how he does it. There is no representation. A broker acts as your intermediary.

We know that when it's sent to the floor via SuperDOT it appears as if something is trading ahead of it; less probability that you will get the price you want.

With the DOT machine the specialist has nobody to report back to vs. the broker who is accountable.

SuperDOT doesn't necessarily add much value. Floor brokers can add expertise in executing your order.

For larger orders, there is some value added.

It depends on the relationship with the specialist.

I can talk to the person directly, I can get feedback.

When an individual is handling an order it is subject to a certain amount of discretion. If someone has to make a judgement call we benefit from their expertise. An electronic order has a discrete price point and the machine conveys no information.

I can have a dialogue with a floor broker.

The handling by a floor broker is better.

I hope that a human being gives me better treatment.

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# Why Does a Floor Broker Give Your Order Better Treatment?

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I have seen them announce a SuperDOT order and everyone steps away. It's bad execution.

A floor broker on the exchange provides a level of personal service that one does not receive on DOT.

I have more control over my order due to communication with my floor broker.

There is a person behind it. Floor broker applies judgement and can get price improvement.

It comes down to relationships - I'll be protected by the guy who is working with me.

There is better information flow.

I think SuperDOT is ineffective.

I get information back from a floor broker and not from a machine.

A broker acting on my behalf can make intelligent decisions.

Someone's in the crowd finding stuff out for you. You have a guy who can make a decision - who's your advocate.

Yes, because we have the service/relationship of a person.

Orders get better treatment with a broker - with the good brokers.

Absolutely need to have human representation.

Through SuperDOT the specialist is letting the stock move a little too much.

I have someone who is an agent. Would be better to re-orient the payment scheme .

A broker can tell you what is happening with your order and can get more market information.

A floor broker looks out for your order better than a SuperDOT order with just the specialist executing it.

I can get better feedback from a floor broker.

You have a specialist who works the order.

The personal touch works.

I never send orders via SuperDOT. I don't want to be taken advantage of by specialists. I use SuperDOT for smaller orders.

With the right floor broker, the relationships that go on can play to the institution's benefit; human intervention protects us.

There is more control over an order sent to a floor broker.

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# Why Does a Floor Broker Give Your Order Better Treatment?

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The speed of execution is better with SuperDOT.

I get stepped in front of - SuperDOT is quicker.

The more an individual is involved on the floor, the more the service declines.

I don't trust specialists. You show your hand; someone jumps in front of you.

Either way it's in the hands of the specialists.

Sometimes specialists can pick off the floor brokers.

I don't place more large orders on the floor because of the nature of my soft dollar commitments.

Some do, but not overall. Brokers are drawn in so many different directions, so orders are not given the benefit of being worked on.

The feedback I get is that my brokers get better results via SuperDOT.

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