

HAIRCUT Snippets

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Can the Leopard Change His Spots?

I personally think the leopard is stuck with his spots. And I would be willing to wager that a number of our clients would think that LDB wasn't going to change the languages in which our applications were written. Well, we're changing.

In the past I would have joked that LDB was being dragged kicking and screaming into the 21st century of technology. But with our acquisition by ConvergEx and our close relationship with LiquidPoint, that is no longer the case.

As of this writing, LDB is testing new versions of RBH and RBM. Both applications have been rewritten using C++ in the .NET environment. If nothing else, IT readers of Snippet will probably be giving us a standing ovation at this point.

We have been testing the new versions throughout July and August and anticipate further testing into October. Then these modules will be ready for prime time and use by our clients.

The rewrite utilizes a proprietary in-memory data base developed by LiquidPoint (BLAZE IMDB). LiquidPoint uses this data base in its speed-sensitive applications, such as low latency trade execution. What does it mean to our users? The new modules are FAST - possibly giving the leopard mentioned in paragraph 1 a run for his money.

The rewrite provides a number of advantages:

- 1) More modern technology (.NET Framework) and language (C++)

- 2) Speed: 50-60% reduction in elapsed time on import and calculate
- 3) Improved User Interface
- 4) True Windows application
- 5) First step towards the next generation of RBH/RBM products: Intraday charge calculations, API, ASP/Cloud computing

While LDB tests RBH and RBM, LiquidPoint has begun to rewrite Weaver and Wrapper. Both applications will benefit greatly from the in-memory data base in the new environment. These modules will be ready in the fourth quarter. Shortly thereafter Splitter, OTC and DOCCOMMOD will follow.

As of this writing, the rewrite modules are nameless. Once we have something that does them justice, we will begin using the names for these rewritten applications.

LDB will be contacting users in late September and early October regarding the rewrite and pricing (including early adopter discounts). If you have questions in the meantime, please contact [Len Bole](#).

Day Trade – Things Keep Getting Faster

Volatility and volume in the market soared in early August. Among other lessons learned from this period was that the methodology employed to compute day trade requirements in the LDB OMO Plus/Day Trader module was not equipped to efficiently handle these greatly increased volumes. Although the application ran, it ran for a long, long time in certain instances.

Large numbers of trades in individual accounts caused the module to run untenably slowly, taking hours rather than minutes. When that situation was presented to us by one of our clients, we began to investigate both a short term work around AND a longer term, more robust solution.

Our investigations led us to reorganize the processing of trades within Day Trade. After additional testing with various size

accounts and different securities, elapsed time was reduced exponentially, back to minutes from hours.

It is possible to teach newer tricks to an older dog. Our success with Day Trade illustrates that. For more information or for an upgrade of your Day Trade software, please contact [Aaron Williams](#).

SALLIE – AEP and XML

Don't you just love all these acronyms?

SALLIE is the LDB 15 c3-3 stock allocation system (Stock Allocation Information Engine). It runs locally at client sites, handles stock records from multiple back office systems in a single run and allows users to define an allocation sequence based on their business model.

FINRA has embarked on an initiative to obtain data for exams from clients in XML format. The project is titled Automated Exam Program or AEP. Among other things FINRA is requesting that member firms submit their stock record, chart of accounts and 15c3-3 reserve allocation in a standardized format using eXtended Markup Language (XML).

LDB has programmed XML extracts of the required data sets per the latest FINRA documentation provided to us. We have submitted sample files to FINRA and await their comments.

Our XML functionality will be a user add-on option, licensed separately from SALLIE but requiring the SALLIE application to run. For further information please contact: [Rick Yaksich](#).

No Wooden Nickels: A Tip or Two or More Don't Let History Drag You Down

Three of our applications retain a history file that allows the user to go back and view entries for a given date. For example, the user may go back and view the ratings of a specific CUSIP, repos/reverse repos within a specific counter party, or a given stock borrow/ stock loan.

Our Fixed Income, Repo Reverse Repo, and Stock Borrow Loan systems all retain a user's history for a given date. At times it may be advisable to purge this history. Have you noticed an increase in Import and Calculate times? Maybe it's time for you to purge.

Each application has the ability to purge manually:

1. FIH can be purged using our Single Day History or Bulk History Purge menu items. These items can be found under Ratings\History menu. Consult with LDB as to whether the CUSIP Exclusion file should ALSO be purged.
2. RRR can be purged using our Purge History (single day) or Bulk History Purge. These items can be found

under the Maintain menu.

3. SBL can be purged using our Purge History (single day) or Bulk History Purge. These items can be found under the Maintain\History menu items.

RRR and SBL have the ability to purge the history automatically. Check HISTPURGE in the RRR and SBL manuals. Before purging data, please check your internal requirements regarding data retention. LDB contact [Aaron Williams](#).

Shortcuts and INI Files

If you find yourself changing settings in either the switch menu or INI file on a regular basis, you may want to avail yourself of the ability to create multiple shortcuts on your desktop for the LDB apps. At the end of the target box in the properties tab of the shortcut you can place the path and name of an alternate *name*.INI file. The system will then use this different INI file (and its related switch file) in lieu of the standard configuration. Keep in mind that you may not run more than one shortcut for a given app at a time. LDB Contact: [Chris Kemper](#).

Product Support Calls

You all know by now that we are a decentralized organization with 3 of us working from remote offices. Chris and Aaron work at the same place – our Aberdeen office.

When you have product support questions, you certainly may call us individually, but it may be best for you to call the Aberdeen office at 312-235-6944. The advantage to calling this number is that TWO people are there to answer. And even if they are both engaged, any message you leave is emailed to ALL of us.

The choice is yours, but we are working to make contacting LDB more efficient for you.

PDIFY Reports in FIH, RBH, RBM

Our haircut and margin systems are written to handle a single price for each unique security. Sometimes the input files have different prices for the same security. The Price Difference Report, aka PDIFY, lists those securities that have multiple prices. By using the PDIFF INI setting, users may control which price differences are reported by defining the minimum difference for inclusion in the report. Please be aware that FINRA has stated that using SINGLE PRICES per CUSIP is proper for haircut/margin calculations.

ConvergEx News Items

Going forward, recipients of our semi-annual newsletter will also be receiving informational releases from ConvergEx. The goal here is to keep you informed on the many products and services that ConvergEx has to offer.

Please make certain your mail servers accept email from [ConvergEx](#) or info@convergex.com. Future issues of Snippets may well emanate from that address as well. ■

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