

NASDAQ Plans to Migrate 20 Pilot Stocks From Brut to INET, Effective Friday, November 10, 2006



Please Route To: Head Traders; Technical Contacts; Compliance Officers; Vendor Technical Contacts

What you need to know:

- As announced in [Head Trader Alert #2006-169](#), NASDAQ plans to integrate Brut and INET for trading non-NASDAQ-listed stocks.
- Effective Friday, November 10, 2006, **20 pilot stocks*** will be migrated from Brut to INET.
- The target for completing the migration is Monday, November 20, 2006, pending approval from the Securities and Exchange Commission (SEC).**

Whom you should contact: [NASDAQ Market Sales](#) at 800.846.0477

What is the NASDAQ systems integration update?

As announced in [Head Trader Alert #2006-169](#), NASDAQ® plans to integrate Brut and INET with the migration of non-NASDAQ-listed stocks, pending SEC approval.**

To ensure the smoothest migration possible for market participants and investors, effective Friday, November 10, 2006, **20 pilot stocks*** will be migrated from Brut to INET as a first step toward the integration. The list of stocks to be migrated is available on the NASDAQ Trader® website in both [csv format](#) and [txt format](#). All non-NASDAQ-listed stocks will be migrated from Brut to INET by Monday, November 20, 2006.

Will there be another migration of pilot securities prior to November 20th?

Yes. NASDAQ plans to migrate a second group of pilot securities from Brut to INET prior to November 20th. The migration date and list of securities will be announced as soon as they become available.

Will I still be able to use my existing Brut FIX connections?

Yes. Brut FIX connections will be valid access points to the INET book for the posting and execution of orders, as well as for routing to other market centers, just as they currently are for NASDAQ-listed securities.

Where will customer orders sent via Brut connections be represented?

Customer orders in the pilot securities will be represented as part of the INET quote in the montage as well as in TotalView-ITCH.

Please note that Brut will continue to publish a stub quote in the pilot stocks. In addition, Brut ITCH will no longer disseminate information in the pilot securities.

Will there be any changes to Brut order behavior?

Brut order types will be mapped to INET order types, similar to NASDAQ-listed securities. Please refer to the [Brut-to-INET Order Types Mapping Document](#) for more information.

Will this affect clearing or drop copies?

No. You will continue to clear against BRUT #0568 as your contra party as well as receive drop copies from Brut if you are configured for them.

Will this affect OATS reporting?

No. You should continue to report to OATS using the Destination Market "BRUT" and the Destination Code "E". For more information, please refer to the [NASD guidance](#).

Where can I get additional information?

- Refer to the [NASDAQ Systems Integration page](#) on the NASDAQ Trader website.
- Contact [NASDAQ Market Sales](#) at 800.846.0477

** Please note that due to corporate actions, the list of securities to be migrated may fluctuate. Corporate actions (i.e., delisting, symbol or name changes, etc.) will be reflected as they are effective. NASDAQ will complete all updates to this list by 6:00 p.m., ET, on Thursday, November 9th.*

*** Please note that the integration of Brut and INET does not represent the completion of NASDAQ systems integration or NASDAQ's exchange operation. This is only the migration of the Brut book onto the INET book. The NASDAQ and INET systems will continue to be operated as part of the Third Market and are not yet NASDAQ exchange trades. NASDAQ will provide additional information and the implementation date for the completion of systems integration and exchange operation in non-NASDAQ-listed securities as they become available.*

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