

PRODUCT SPOTLIGHT

BNY ESI Upgrade to Meet SEC Soft-Dollar Guidelines

While the much anticipated soft-dollar report released by the Securities and Exchange Commission proved less threatening than most expected, some brokers and money managers will be keeping a closer eye on soft-dollar expenditures. Reacting to the growing demand, BNY ESI & Co. released an upgrade to its Commission Optimizer brokerage allocation software designed to address the SEC recommendations regarding soft-dollars.

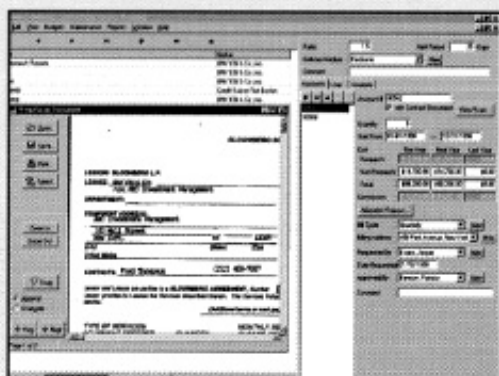
The Commission Optimizer is a Windows-based system designed to enable brokers and investment managers to handle all aspects of the budget allocation process including budgeting, proprietary research, soft-dollar research, client-directed arrangements, execution only business, payment of brokers, and many other functions.

The key enhancement of the software is its scanning capability. The paperwork associated with third party research services — contracts, invoices and statements — now can be scanned and incorporated into the database maintained by the system.

"This system allows you to really manage your budgets effectively, and know where your commission dollars are going," says Penne Garry, vice president and manager of U.S. equities administration at Trust Company of the West.

Trust Company of the West has used the system since its early 1997 debut. A spokesperson for the vendor says BNY ESI has 15 installed clients for the software. Of those firms, at least five are running the enhanced version. The rest are scheduled for upgrade before the end of the year, says a spokesperson for the vendor.

"One of the major focuses of the system is



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to help the money manager document in great detail all the information that they need to know about their soft-dollar arrangements," says Robin Howard, senior vice president at BNY ESI. Howard says that as it stands today, the Commission Optimizer meets or exceeds the SEC recommendations and all Association for Investment Management Research (AIMR) soft-dollar standards.

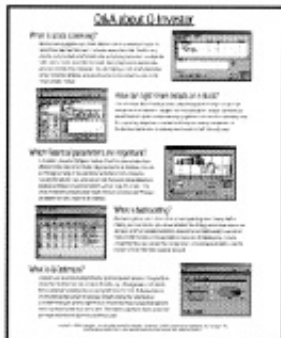
The SEC review of 75 brokers and 280 money managers covered \$274 million in soft dollar payments for third party research, representing between 32% and 41% of all soft-dollar commissions paid for third party research by advisers from January through October 1996 [See story in WST newsletter, Buy Side Technology Week, Oct. 5]. "We found that a significant number of broker/dealers (35%) and advisers (28%) provided and received non-research products and services in soft dollar arrangements," states the report, which goes on to say that if the parties properly disclosed the situations, they could still have escaped legal problems.

BNY ESI is a separate brokerage affiliate of The Bank of New York.

— Craig McGuire

Q-Analytics Releases Stock Screening

Q-Analytics announced the upcoming release of Q-Investor, a new stock screening and backtesting application for individual investors and investment clubs.



Q-Investor fact sheets are available at www.qanalytics.com

Q-Investor is designed to produce stock screens based on fundamental financial parameters. It comes with a 14-year database of 11,000 stocks and over 250 fundamentals.

Some features of Q-Investor include Q-Optimize, which automatically optimizes screening criteria after considering investor preferences for risk and diversification, and Q-Explore, which uses an extensive historical database to show clearly and visually how financial statement data items relate statistically to stock performance.

Q-Investor is compatible with Windows 95, 98 and NT 4.0. It uses extensively tested historical data from Market Guide as well as current earning estimates from I/B/E/S and Vickers ownership data.

Q-Investor costs \$99 to \$999 depending on the subscription. ■