

fee based on the number of terminals in use. The 1989 purchase agreement also required Quotron to reimburse Phoenix for employee severance payments.

The legal groundwork for the current dispute did not emerge until 1991, however. In that year, Phoenix and Quotron renegotiated their service contract to structure payment based on the volume and type of service Phoenix performed. The new payment plan specified five different types of service—one of which was defined as "service calls." According to court papers, Phoenix believed that service calls encompassed technical advice provided over the telephone—what Phoenix described in court as "the most lucrative part of the business." By 1993, Phoenix began to notice that Quotron's payments were 25 to 35 percent less than anticipated, according to court papers.

Quotron's service contract with IBM also emerged in 1991, under which IBM agreed to provide customer support for the Advantage AE service (*IMD*, Dec. 23, 1991). With that deal, IBM took over Quotron's Call-In Center. Asserts Alexander: "After the IBM deal, Phoenix got only the on-site service. [IBM] began dealing with customer problems by phone, which we believe is in violation of the contract," says Alexander.

Caught Unawares?

Alexander goes on to say that when Phoenix renegotiated its contract with Quotron in 1991, Phoenix was not aware that the service agreement with IBM would alter the role of Quotron's call-in center and have the effect of diverting work away from Phoenix. This fact, he says, is what led to Phoenix RICO claims

against Quotron.

Claims Alexander: "It seems as though Quotron went forth to find ways to eliminate certain types of incidents that ordinarily we expected to come to us.... They came through and did what is known as cherry picking. They figured out how to eliminate the easy calls coming to us and left us with the hard calls."

Alexander says that Phoenix subsequently learned, as a result of court proceedings, that the contract with IBM was signed just two days prior to the signing of the new Phoenix contract, in December of 1991.

According to Alexander, Phoenix considered its initial deal with Quotron to be favorable even though Quotron was phasing out the Q800 and Q1000 terminals. "It was at least a five-year project, and that is not a small project," says Alexander. "It's been five years now and we feel there's another two years left." Phoenix had also planned to use the Quotron deal as a launching pad to expand its third-party support business to other clients, says Alexander.

Bloomberg Readies Applix Link Launch; Wingz On Deck

News has emerged that Bloomberg L.P. has constructed two interfaces enabling connectivity between Bloomberg's fixed-income pricing and analytics service and two real-time spreadsheet applications—Applix Inc.'s Applix Real Time and Informix Software Inc.'s Wingz. Bloomberg plans to formally announce the first of these

agreements, for Applix's spreadsheet, some time next month. The official announcement of the second agreement, for Informix's Wingz, is expected to follow soon after. Financial terms of the two five-year-agreements were not disclosed.

"We add new functions on a continual basis. This is just another step in that direction," says an official at Bloomberg. The official says the interface to Applix's product will be available to some 50,000 Bloomberg users within 60 days. The link to Informix's Wingz will be accessible shortly thereafter, says the official. "There will be a minimal additional cost, but we have not decided what that will be yet," says the official.

News of the interface between Bloomberg's data and Applix's product line first surfaced last year at about the same time Paine-Webber Inc. was selected as the beta-test site for the Micrognosis Inc.-developed digital interface to the Bloomberg terminal service (*IMD*, Nov. 21, 1994). At the time, a source close to the betas said that while Bloomberg stands firm on not allowing its data to be digitally delivered to non-proprietary hardware, the vendor was still eager to look into using the new interface to display other vendors' data on Bloomberg terminals. The development deal with Micrognosis subsequently ground to halt (*Trading Systems Technology*, April 17).

According to a spokesperson for Applix, this interface is the latest in a series of links—built during the last few years—to provide connectivity between Applix Real Time spreadsheets and a variety of financial data distribution systems. "We're excited to expand our