

tends to boost the Desisco operation in the U.S., hiring "two or three" people to be based in MTI's offices in New York City.

Meanwhile, despite a long—and not particularly successful—history of Digital efforts to sell trading room data distribution systems to firms and banks on Wall Street and elsewhere in the U.S., Williams contends that the New World represents virgin territory for Desisco. "Surprisingly, Desisco has always been under-represented in the U.S.," says Williams. "It's a fairly key market, particularly because it's where new instruments are being developed and we have to be able to keep up with those developments."

Once the sale to MTI is complete, Digital will have finally quit the trading room data distribution software business—a market niche in which it was once a major player. All told, Digital devoted 10 years to building and, more recently, winding down these efforts. The bulk of the customer base for Digital's trading room data distribution software is in the U.K. and Europe—though Digital at one time was also a strong contender at Chemical Bank and Union Bank of Switzerland in New York and at Mellon Bank in Pittsburgh.

Under the new deal, MTI acquires rights to the Dectrade software and customer base, including liabilities, says Williams. A substantial part of the negotiations concerned disentangling these liabilities: MTI will be responsible for ongoing maintenance of the Dectrade software, but Digital will remain liable for hardware and systems software maintenance contracts. Williams says that MTI will honor existing contracts for the next three years and renegotiate with customers as those contracts expire.

The full complement of Desisco staff were expected to become MTI employees as of Jan. 1, says Williams. Williams will join the board of the new company, where Peter Morris, general manager of Desisco, will remain as managing director of the company.

The staffing issue is one of the stumbling blocks which led to the collapse of the Dealformatics negotiations. Earlier this year, Desisco had a headcount approaching 200, but that number included some Digital employees and contracted consultants.

In the last few months, this number has been reduced, as staff—including 19 support staff in administration—were transferred back to Digital and consultants were not rehired because Desisco was being sold. Morris says the headcount fluctuates "between 128 and 148," depending on the number of contractors employed at a given moment.

Williams says that the acquisition will not result in

From Bloomberg To Superdot: Salomon Pilots Routing System

AS expected, (*TST*, Oct. 7, 1991), Bloomberg Financial Markets has developed a system that allows institutions to send equity market orders from their Bloomberg terminals to the New York Stock Exchange's Superdot order-routing system. The system is being piloted by Salomon Brothers Inc.

When it is fully implemented, Bloomberg's equity trading system will allow institutions to direct orders through any of the participating brokerage firms to any designated execution destination.

The system currently works like this: A customer enters an order on a Bloomberg terminal, which has an interface to Davnet, Davidge Data Systems Corp.'s routing switch, which in turn sends the order to the Salomon message switch. Salomon then sends it to the Superdot system. The executed report flows back following the same path; the customer sees the report on the Bloomberg terminal.

Sharon Lawrance, a vice president at Salomon, says the system will be expanded to include limit orders and that Salomon has asked Bloomberg to add a front-end feature that will allow a client to access the firm's block and OTC desks using the Fix (Financial Information Exchange) protocol (*Investment Management Technology*, Jan. 21, 1994). She expects the changes will be made by the second quarter. A Bloomberg official confirms Lawrance's comments but declines further comment.

Five to 10 Salomon customers will participate initially; the service will be expanded to all of the firm's customers once the enhancements are made.

any redundancies—indeed, he expects headcount to increase in the short term as infrastructure staff are hired to perform those functions formerly carried out by Digital staff outside the Desisco umbrella. "We'll certainly be hiring accounting people," he says.

Standalone Companies

According to Williams, MTI does not plan to have MTI Trading Systems and MTI Abraxsys integrate their product lines. "We want to run them as standalone companies with no common projects," he says, adding that MTI does not want to tie its back-office systems to a specific front-office architecture, or vice versa. "We wouldn't want a bank to not buy the back-office because it had a different requirement in the front-office,