

Receptive to the idea of replacing its Shark terminals with a less expensive system, Jefferies entered into negotiations with ILX last May for a pilot of the vendor's quote service in one of its 13 offices, officials at the broker told *IMD* in an interview last year.

### The Only One

In early March 1992, bankrupt Financial News Network Inc. made public an ambitious reorganization plan for its market-data subsidiaries, which included Shark and DBC (*IMD*, March 30, 1992). At the time, the vendor boasted firmwide installations at four brokerage houses of size, including Baird, Jefferies, Dallas-based Southwest Securities Inc. and Prescott Ball. Not only did the plan project revenue growth from six to eight percent for Shark over the subsequent three years, but it based these projections on the assumption that Baird, Jefferies and Prescott Ball would renew "at existing prices" in 1994 and 1995.

To date, Southwest Securities—which renewed prior to the release of the reorganization plan in early 1992—remains the only one of the four firms that has given Shark a firm commitment. Southwest Securities has 350 Shark quote terminals installed at 32 sites, including those at its correspondents.

Meanwhile, Baird is seriously considering not renewing its contract with Shark, which has expired. Baird is currently evaluating systems offered by ADP and ILX. Shark's data services currently support some 900 users associated with Baird.

Prescott Ball, which was absorbed by Kemper Corp. in 1982, has since switched to a quote service marketed by Beta Systems Inc. Prescott Ball's jump came as

no great surprise since Beta Systems is a subsidiary of Kemper.

Jefferies is not the first big-name client ILX has lured away from Shark. In 1993, U.S. government securities interdealer-broker Cantor Fitzgerald—which had 120 Shark terminals—decided against renewing its contract with the vendor. While officials decline to comment, a source says Cantor Fitzgerald's rejection of Shark was based on a firmwide commitment to upgrade its investment platform to IBM's OS/2 operating system (*IMD*, Oct. 24, 1994). The source says Shark did not have an OS/2-based version of its quote service.

According to an official at Ark Asset, ADP's plans to integrate Littleton, Mass.-based Investment Software Systems Inc.'s so-called ISS News Analyst with its FS Partner was one of the main reasons why Ark decided to dump Shark in favor of ADP. Ark Asset is currently an ISS News Analyst client.

## Wedbush Back-Office Pick Won't Impact Quote Service Plans

Los Angeles-based Wedbush Morgan Securities Inc. has opted to replace its ADP BTSI back-office processing system with an offering from Beta Systems Inc., the Milwaukee-based subsidiary of Kemper Securities Inc. Although the decision marks a break in ADP's incumbency in the back offices of Wedbush Morgan, it will likely not have any effect on ADP's position as the brokerage's quote service vendor. Instead, Wedbush will likely go through with its anticipated selection of ADP's FS Partner quote service

for its retail brokers.

Signs of Wedbush's dissatisfaction with ADP's systems emerged in 1992 at which time the brokerage confirmed that it was considering not renewing its contract with the vendor for its quote service (*IMD*, June 8, 1992). The firm has relied on ADP's older-generation FS One service for several years. Looking to upgrade to a PC-based system for its 200-plus retail and institutional brokers, Wedbush began evaluating systems offered by Quotron, Comstock and Stockmate Financial Systems Inc., as well as ADP. The firm did not at the time evaluate Beta's own so-called Betaquotes broker workstation offering.

Though Wedbush officials decline to comment on the brokerage's plans, a source close to the firm says Wedbush has over the past several months evaluated various systems for both its front- and back-office operations. The source says that Wedbush is now close to signing a contract with ADP for FS Partner. Another source confirms that Wedbush and ADP were still in negotiations over a quote-service upgrade as recently as Feb. 23—some two days after the firm abandoned ADP's back-office client roster.

Under the terms of the firm's recently signed back-office service bureau agreement, Beta will deliver Betahost, its securities processing and brokerage back-office system, to Wedbush Morgan's retail brokers and to its roughly 130 correspondent clients. Wedbush Morgan's brokers are distributed among 15 branch offices—including five in California, two in Alaska, two in Oregon and one each in Washington, Colorado, Nevada, Arizona, Hawaii and New York.

According to the source