

Omega ATS Receiving Positive Support for New Pricing Model

We have received terrific support from the dealer community for our new pricing model, which goes live on Monday, March 9th (see <http://omegaats.com/fees-and-incentives>).

Mostly, we are getting expressions of relief. “Each new marketplace meant higher - not lower - trading fees for us” was a typical response. “Finally we are seeing some real price reductions.”

Another dealer put it well: “You guys get that a marketplace is a utility”. And utilities focus on using technology and automation to process large numbers of transactions at low prices. It’s that simple.

One dealer asked us to clarify our pricing of a \$0.50 processing fee on penny stock trades: “If a 10,000 market/marketable order for a penny stock executes against 6 posted contra orders of 1,000 shares each, is the processing fee \$0.50 or \$3.00?” The answer is \$0.50, even if the posted contra orders are at different price levels. We process one average fill for the active order and so charge one processing fee. If the dealer resends the balance of 4,000 in a new IOC/FOK order, Omega will recognize that as a new order attracting another \$0.50 if filled. The upshot is that dealers gets pricing certainty based on the order size parameters they set, not on the size and number of contra orders executed against.

Three new dealers joined us this week and other prospects are accelerating their process of connecting to us. You can see the growing list at <http://omegaats.com/dealers-that-trade-on-omega>.

The new attention is causing us some problems this week while our old pricing remains in place. The day after we explained our new pricing to one client, his shop traded almost 250,000 shares of a three-cent stock. “I owe you over \$900 on these two trades. I thought you were charging me \$0.50 per active fill?” But he understood that legally we had to give our clients five business days’ notice of the pricing change and that we can’t break the \$900 “make fee” entitlement to the contra.

So we are cringing as Omega penny stock quotes get hit for the remainder of this week – we want this trading business, but not on high “take fee/make fee” terms any more.

We look forward to watching our new pricing model take hold next week. Expect volumes to start low and then build as liquidity providers start realizing how many of our dealer clients have moved us up in their “tie” tables.

Feel free to pass on this e-mail to co-workers and external colleagues who might be interested in what Omega ATS is doing.

Sincerely,

Mario Josipovic
President
Omega Securities Inc.
416.646.2765
mjosipovic@omegaats.com

Greg King

Chief Operating Officer
Omega Securities Inc.
416.646.2764
gking@omegaats.com