

FINANCIAL MARKETS RESEARCH CENTER

Owen Graduate School of Management

Vanderbilt University

Nashville, TN 37203

Conference on

Market Quality

April 19-20, 2001

This conference deals with the definition and measurement of market quality. The Securities and Exchange Commission has recently required markets to provide detailed disclosure of their execution quality, and it has required brokers to disclose how orders are routed and whether any payment for order flow is received. How good are alternative indicators of market quality, and to what extent should order routing decisions be determined by measures of market quality? These and related issues are examined in this conference. The focus of the conference will be on financial markets such as stock exchanges, options exchanges, and futures markets, but the issue of market quality has a broader reach. The advent of the internet has led to a variety of new web-based markets to which principles of market quality also apply.

The conference is sponsored by the Financial Markets Research Center and by a special grant from the New York Stock Exchange. On Thursday, April 19, the conference is hosted by CAT Financial in its new building located next to the Loews Vanderbilt Plaza hotel and directly across from the Vanderbilt campus.

The conference fee is \$1,000, which is waived for Center members, conference participants, and invited guests. The conference takes place all day Thursday, April 19, and half day Friday, April 20, followed by the Dewey Daane Invitational Tennis Tournament. All meals are included. If you are interested in attending the conference, please contact Pat Scott.

More information

Contact Pat Scott at 615-322-3671, pat.scott@owen.vanderbilt.edu. For more information on the Financial Markets Research Center, check our website, <http://mba.vanderbilt.edu/fmrc/>.

Conference locations

- Thursday, April 19: Caterpillar Financial Building, 2120 West End Avenue, (next to the Loews Vanderbilt Plaza Hotel), 2nd floor Auditorium.
- Thursday dinner: Loews Vanderbilt Plaza Hotel
- Friday, April 20: Owen Graduate School of Management, Averbuch Auditorium.

Thursday, April 19, 2001: Caterpillar Financial Building (8:15 AM – 5:00 PM)

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| 8:15 AM – 8:55 AM | Continental Breakfast |
| 8:55 AM – 9:00 AM | Welcome. Hans Stoll, Owen School. Kevin Colgan, Vice President, CAT Financial. Bill Christie, Dean, Owen School. |
| 9:00 AM – 9:30 AM | Market Quality Measures. Hans Stoll, Owen School. |
| 9:30 AM – 10:15 AM | Comparison of Order Executions across Equity Market Structures. Mark Ready, University of Wisconsin. http://www.sec.gov/pdf/ordrxmkt.pdf |
| 10:15 AM – 10:45 AM | Break |
| 10:45 AM – 11:30 AM | Perspectives on Market Structure, Market Quality and Trading Costs. Chair: Richard Lindsey, Managing Director, Bear Stearns and Company. Mike Edleson, Chief Economist, Nasdaq Stock Market. Matthew Gelber, Vice President, Fidelity Capital Markets. George Sofianos, Vice President, Goldman Sachs. |
| 11:45 AM – 1:00 PM | Luncheon |
| 1:15 PM – 2:00 PM | Market Quality and Best Execution Obligations. Annette Nazareth, Director of Market Regulation, Securities and Exchange Commission. |
| 2:00 PM – 3:00 PM | Electronic Communication Networks. Chair: Rick Kilcollin, Kilcollin Financial, LLC. ECNs and Market Quality. Terry Hendershott, University of Rochester, and Tim McCormick, NASD, (with Michael Barclay). The Changing ECN Landscape. Joseph Lombard, Executive Vice President, Archipelago. |
| 3:00 PM – 3:30 PM | Break |
| 3:30 PM – 4:45 PM | Decimalization and Depth. Chair: Jim Cochrane, Senior Vice President, New York Stock Exchange. The Effect of Decimal Trading on Market Liquidity. Bob Wood, University of Memphis, and Sugato Chakravarty, Purdue University. |

