
Table of Contents

Introduction:	1
Part One: Decimals: The Case Against	5
Part Two: The Impact of Decimalization	9
Part Three: Actual Trading Costs - Then and Now	15
Part Four: Other Issues	19

List of Figures

1. Number of Occurrences of “Earnings Warning”, “Earnings Shortfall”, and “Profit Warning”	1
2. DJIA Issues, Quotes, and Trades: June 5 - 6, 2001	5
3. Nasdaq 100 Three-Month Moving Average: January 1997 - December 2000	6
4. NYSE 100 Three-Month Moving Average: January 1997 - December 2000	6
5. Wal-Mart: Sample Market 1997	7
6. Intuit and Dell Trade Recap: June 8, 2001	8
7. NYSE Volume as a Percent of Consolidated Volume	9
8. Specialist Activity as a Percent of NYSE Volume: 1990 - 2001	9
9. Specialist Short Sales as a Percent of NYSE Volume	10
10. NYSE Program Trading as a Percent of Total Volume	10
11. Apple Computer: Displayed Depth on the Quote Montage	11
12. Sun Microsystems: Displayed Depth on the Quote Montage	11
13. IBM Market / Trade Recap: June 5, 2001	12
14. HWP Market / Trade Recap: June 1, 2001	13
15. Inktomi 1,000 Share Sale: April 14, 2000	13
16. Inktomi - April 14, 2000 (10:27:52 to 10:30:24)	13
17. MERQ Market / Trade Recap: June 6, 2001	14
18. Pricing Distribution: S&P 500 vs Nasdaq 100 (%)	15
19. Trading Details: S&P 100 vs Nasdaq 100	16
20. JDSU: July 2000	17
21. Selected Nasdaq Trading Cost: July 2000 vs May 2001	18
22. Selected NYSE Trading Cost: July 2000 vs May 2001	18
23. Average Number of Market Makers Per Nasdaq Stock	19
24. LaBranche and Company: January 2000 - Present	19
25. Specialist Quarterly Operating Margin	19
26. RIMM Pre-Opening: June 12, 2001	20

Appendix

Appendix A: Decimalization Timeline	21
Appendix B: General Electric: Times, Sales, and Markets - June 4, 2001	22
Appendix C: NYSE Block Monitor (Summary) - June 8, 2001	23
Appendix D: S&P 100 Trading Costs: July 2000 & May 2001	25
Appendix E: Nasdaq 100 Trading Costs: July 2000 & May 2001	29
Bibliography:	33