

**ALBERT FRIED & COMPANY LEVERAGES INTEGRATED SUNGARD SOLUTION TO GAIN OPERATIONAL EFFICIENCIES AND SUPPORT BUSINESS GROWTH**

Stream Phase3's integration with Brass, Stream Credit Monitor and WealthStation helps business expand and meet new client needs

At a time when floor brokers are making their way upstairs as market makers and the Specialist business fades from the landscape, Albert Fried & Company is keeping pace with industry and technology complexities to handle increasing volumes, expand business opportunities and meet new requirements of clients and regulators.

Established in 1919 as a Specialist firm on the New York Stock Exchange (NYSE), Albert Fried has evolved into a boutique investment bank conducting proprietary investing, market making, institutional agency execution and offering financial services such as correspondent clearing and prime brokerage services. Based in New York, Albert Fried's focus has been on high quality standards and exceptional execution and service for institutional, broker-dealer and high-net-worth private clients.

"Our expertise lies in our understanding of our clients' specialized needs, and we continually strive to outperform their expectations," said Anthony Katsingris, chief operating officer at Albert Fried.

A keen focus on quality became evident when, in 2002, the firm received an A+ rating in the Weiss Safety Ratings of financial institutions. The firm remains very well capitalized, and its management focused on continuing to build and preserve its reputation as a formidable establishment.

Since 1955, when the firm's role as a NYSE Specialist grew during a period of growth in listed stocks and average daily volumes, trade volumes have continued to increase dramatically and the business has expanded into new areas. In addition, the industry itself changed as the NYSE embraced electronic trading, moving brokers off the floor and into upstairs operations.

Managing growth and complexity

Albert Fried needed an integrated approach to address the challenges of growth and complexity in financial services operations. And as a former holder of 21 member seats on the NYSE, Albert Fried's institutional client base more than doubled in size over the last 3 years.

The firm had outgrown its former processing system, which was geared toward the Specialist firm rather than the self-clearing broker-dealer Albert Fried had become.

"There was a lot of manual cleanup, and it wasn't fully integrated with our trading front end," said Mr. Katsingris. "Real-time, online processing is critical to staying competitive in the self-clearing world."

Albert Fried also had aggressive plans to leverage its competitiveness in self-clearing to expand globally and extend more services to prime brokerage clients and correspondents—both of which would rely heavily on technology for integrated services. The firm understood that technology remains a key component to enabling new business operations and service delivery. "We needed a fully integrated platform that afforded us the ability to grow," said Mr. Katsingris.

Integrated solution helps streamline operations

In December 2006, Albert Fried completed its implementation of SunGard's Stream Phase3 multi-asset, multi-currency securities processing solution integrated with SunGard's Brass OMS and Allocations, Stream Credit Monitor real-time margin tracking system, and WealthStation wealth management and broker platform for tax-lot accounting and correspondent trading.

Albert Fried processes equities and fixed income securities on the real-time Stream Phase3 consolidated processing platform in conjunction with Stream Credit Monitor for real-time margin calculation and tracking, integrated with SunGard's Brass OMS and Allocations applications to help achieve operational efficiencies.

"SUNGARD ATTRACTED US BECAUSE OF ITS ABILITY TO PLUG-AND-PLAY ITS BROAD PORTFOLIO OF FINANCIAL SERVICES SOLUTIONS DIRECTLY INTO STREAM PHASE3."

ANTHONY KATSINGRIS

"SunGard helps us gain the sophistication and efficiencies required to evolve our business," said Mr. Katsingris. "Stream Phase3, integrated with Brass and WealthStation, helps to streamline our existing business, while its flexibility to handle high volumes and innovative capabilities will help position us well for the expansion of our correspondent clearing and prime broker initiatives."

Albert Fried receives trade information directly from exchanges as well as from trade matching engines, such as Omgeo Oasys. Brass collects and consolidates trade information from these multiple sources into one feed, which is then sent to Stream Phase3 for books and records processing and to Stream Credit Monitor for margin calculation and continuous monitoring.

Stream Phase3 integrates with WealthStation to provide Albert Fried's brokers and traders with access to aggregate information on positions, trade activity and tax lots for profit and loss reporting and inventory, as well as to process done-away trades.

"We're able to use WealthStation as more of a client portal, with institutional clients or prime brokers able to log in to see their positions, reports and balances," said Mr. Katsingris.

The SunGard solution has provided Albert Fried with new capabilities for its operations, including money market sweeps, online and real-time historical data, integration with a new external general ledger system, and disaster recovery facilities provided by SunGard Availability Services.

Greater efficiencies with end-to-end processing

Stream Phase3's proprietary integration with Brass, WealthStation and many other systems is valuable in helping to provide greater operational efficiencies through automated, straight-through processes. Settlements are processed in a straight-through manner with a complete, end-to-end automated workflow.

"Even for a trade that may generate 300 entries in our books and records, our clearance and settlement process is more efficient than ever. Trades rarely seem to require human intervention," said Andrew Buovolo, Albert Fried's director of operations.

The integrated SunGard solution also helps Albert Fried provide better real-time information to its brokers, traders and clients in order to help the firm capitalize on market opportunities and respond to immediate trading needs.

"The solution gives us the efficiency and scale to grow in a cost-effective manner," added Mr. Katsingris. "SunGard's menu of products allows us to 'plug and play' into the software as new capabilities are needed."

In addition, Albert Fried expects that future expansion of its business will take advantage of inherent efficiencies that the SunGard platform provides. "It allows the firm to handle more volumes and take advantage of the economies of scale," said Mr. Katsingris.

Ready for new margin requirements

Having already adopted Stream Credit Monitor as its real-time margin tool, Albert Fried is positioned to expand its margin offering to include portfolio margining.

Among other functions, Stream Credit Monitor monitors accounts, position and valuation changes to generate real-time warnings of trades that fall short on margin requirements. Prime brokerage firms have expressed interest in risk-based margin leveraging the new portfolio margining requirements, which Albert Fried is able to provide through Stream Credit Monitor.

"Stream Credit Monitor has proven to be an invaluable tool for us as it was designed with the broker-dealer and prime broker in mind, and its portfolio margining capabilities are there when we need it," said Mr. Katsingris. "With Stream Credit Monitor already in place, we have the ability to respond quickly to new business demands."

Conclusion

In the face of business growth and an increasingly complex industry, Albert Fried knew it needed to take a closer look at the systems it relied on every day for its operations. With a keen understanding of its diverse and changing client needs, Albert Fried sought an outsourced technology provider that would help the firm evolve through the next stages of growth.

Albert Fried implemented an integrated SunGard solution that combined multi-asset, multi-currency securities processing, real-time margin, order management, and a client portal for tax lot accounting and correspondent trading, to provide one end-to-end automated process. As a result, Albert Fried has achieved efficiencies and savings by outsourcing through SunGard rather than building its own software, improved straight-through processing and operational workflow, enhanced and expanded its product and service offerings, and is better prepared to support greater trade volumes, complexity and sophisticated client needs.

ABOUT SUNGARD

SunGard is one of the world's leading software and IT services companies. SunGard serves more than 25,000 customers in more than 70 countries, including the world's 25 largest financial services companies.

SunGard provides software and processing solutions for financial services, higher education and the public sector. SunGard also provides disaster recovery services, managed IT services, information availability consulting services and business continuity management software.

With annual revenue exceeding \$5 billion, SunGard is ranked 435 on the Fortune 500 and is the largest privately held business software and services company on the Forbes list of private businesses. Based on information compiled by Datamonitor*, SunGard is the third largest provider of business applications software after Oracle and SAP. Continuity, Insurance & Risk has recognized SunGard as service provider of the year an unprecedented five times. For more information, please visit SunGard at www.sungard.com.

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