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**Vales**

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(54) **COMPUTER SYSTEM FOR EVALUATING  
FIXED INCOME TRADE OPPORTUNITIES**

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- (57) **ABSTRACT**

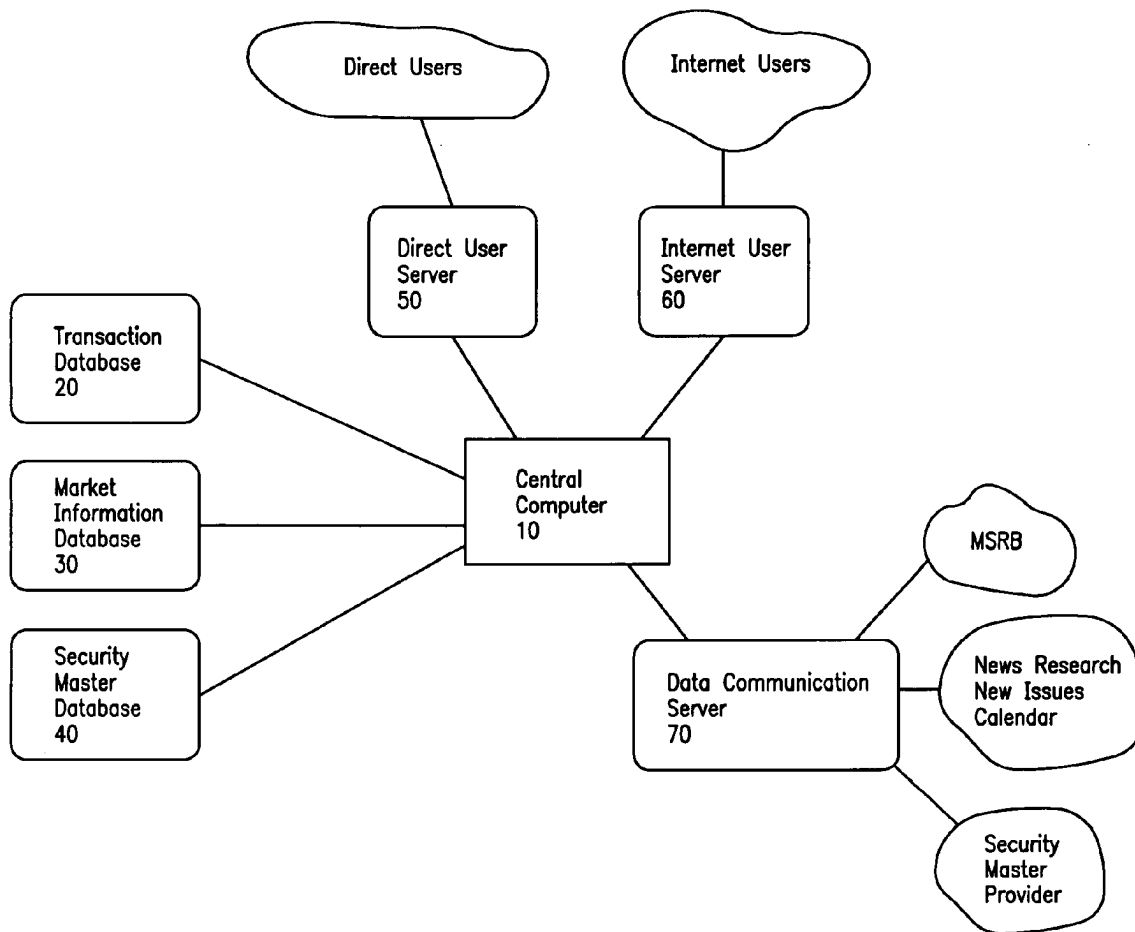
(76) Inventor: **Thomas S. Vales**, Dobbs Ferry, NY  
(US)

Correspondence Address:  
**WHITE & CASE LLP**  
**PATENT DEPARTMENT**  
**1155 AVENUE OF THE AMERICAS**  
**NEW YORK, NY 10036 (US)**

Systems and methods embodying the present invention permit a trader of securities such as municipal bonds to observe real-time data relating to actual or prospective trades of relevance to a contemplated trade, while excluding those actual or prospective trades that are insufficiently relevant. The trader, or other user, can specify filtering criteria according to which actual or prospective trade data will be collected and presented. The retrieval and presentation of matching data permits an informed yet rapid determination of a price, or other information, for a particular municipal bond or analogous security.

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(22) Filed: **Jan. 28, 2005**



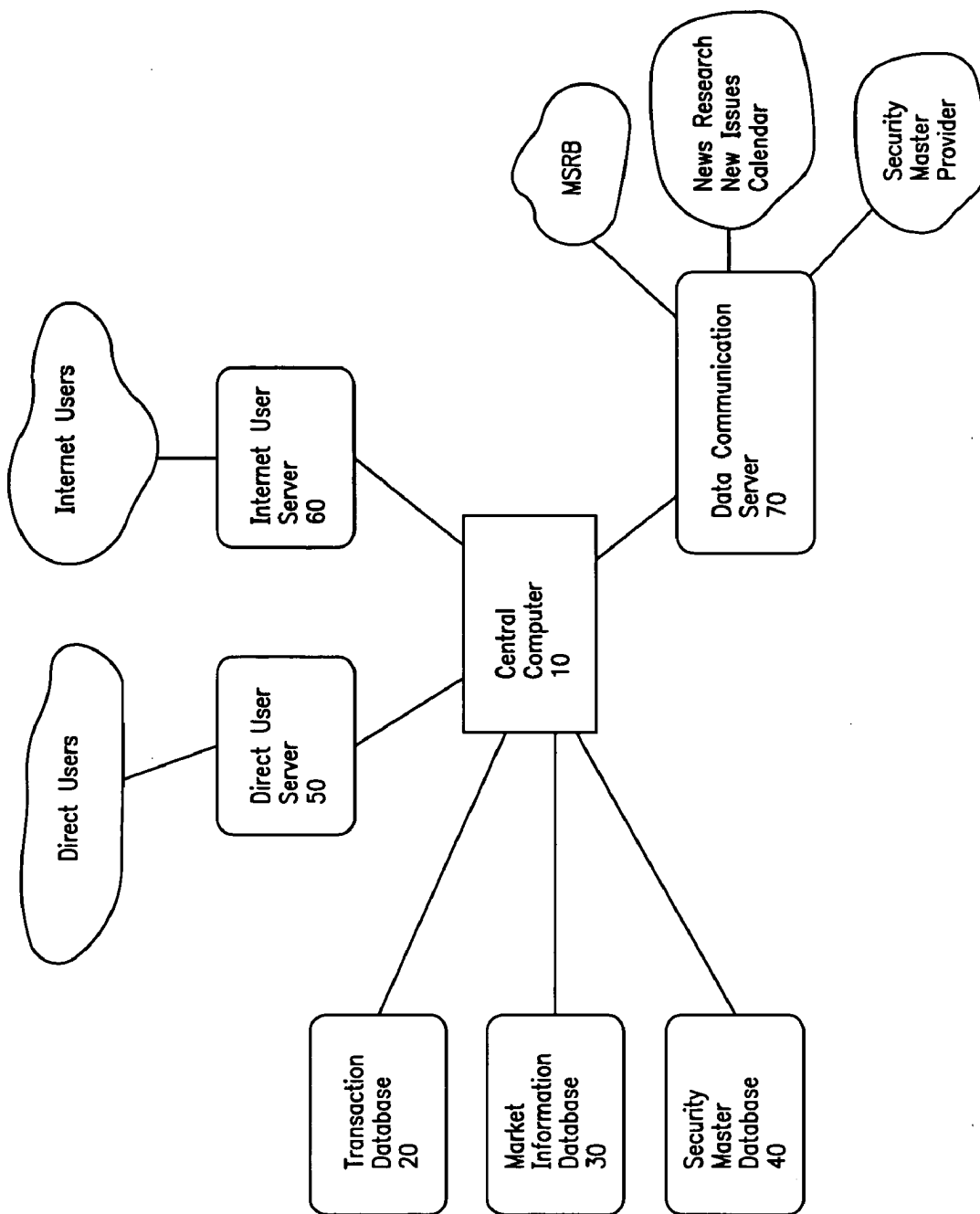


FIG. 1A

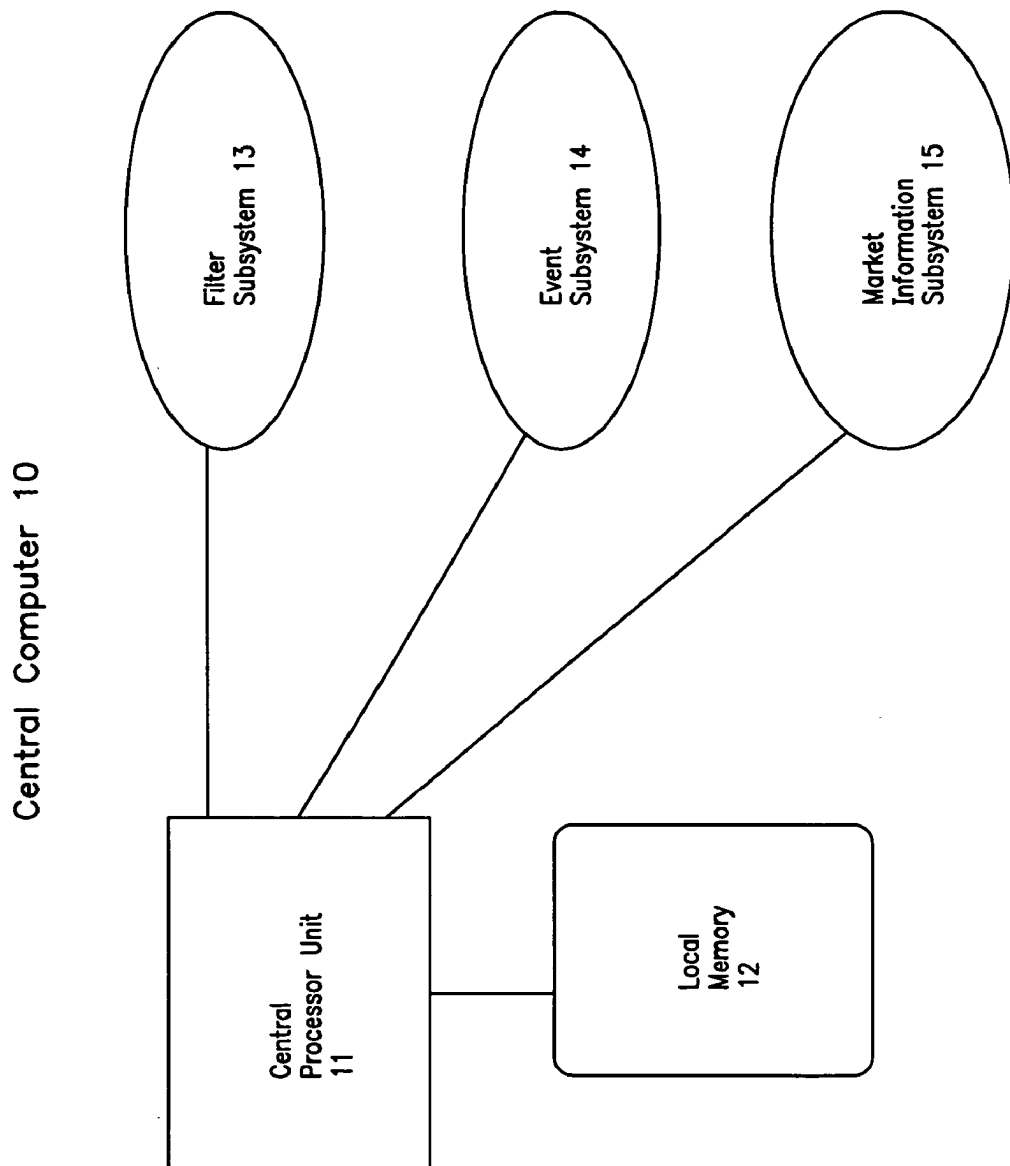


FIG. 1B

The screenshot shows a web browser window displaying the 'TheMuniCenter' website. The browser's address bar shows the URL: <https://www.themunicenter.com/cmc/servelet/com.muni.singlelogin.SingleSignonServlet?thead>. The website header includes 'TheMuniCenter' and 'MUNICIPALS'. The main navigation menu contains: ACCOUNTS, UPDATE, TRADE ADMIN, MARKETS, SEARCH, SAVED SEARCHES, BID WANTEDS, ACTIVE MARKETS, QUICK FIND, POST, SUSPEND ALL, BLOTTER, MARKET INFO, ORDER.

The 'Advanced Search' section is active, showing a search for 'Options 131'. The search criteria include:

- Quantity: [ ]
- Min. Trade Size: [ ]
- Years: [ ]
- Maturity Date: [mm/dd/yyyy]
- Coupon: [ ]
- Price: [ ]
- Yield: [ ]
- OD Yield: [ ]
- Moody's Ratings: [ ]
- S&P Ratings: [ ]
- Spread: [ ]
- Vs. Previous Day Close: [ ]

The search results are displayed in a table with columns for 'Attribute' and 'Other Attributes'. The 'Attribute' column includes 'GO', 'Revenue', and 'Double Barrel'. The 'Other Attributes' column includes 'Insured', 'Taxable', 'Subject to AMT', 'Bank Qualified', 'Pre-Refunded', and 'Collapsible'. The table also has columns for 'yes', 'no', and 'any'.

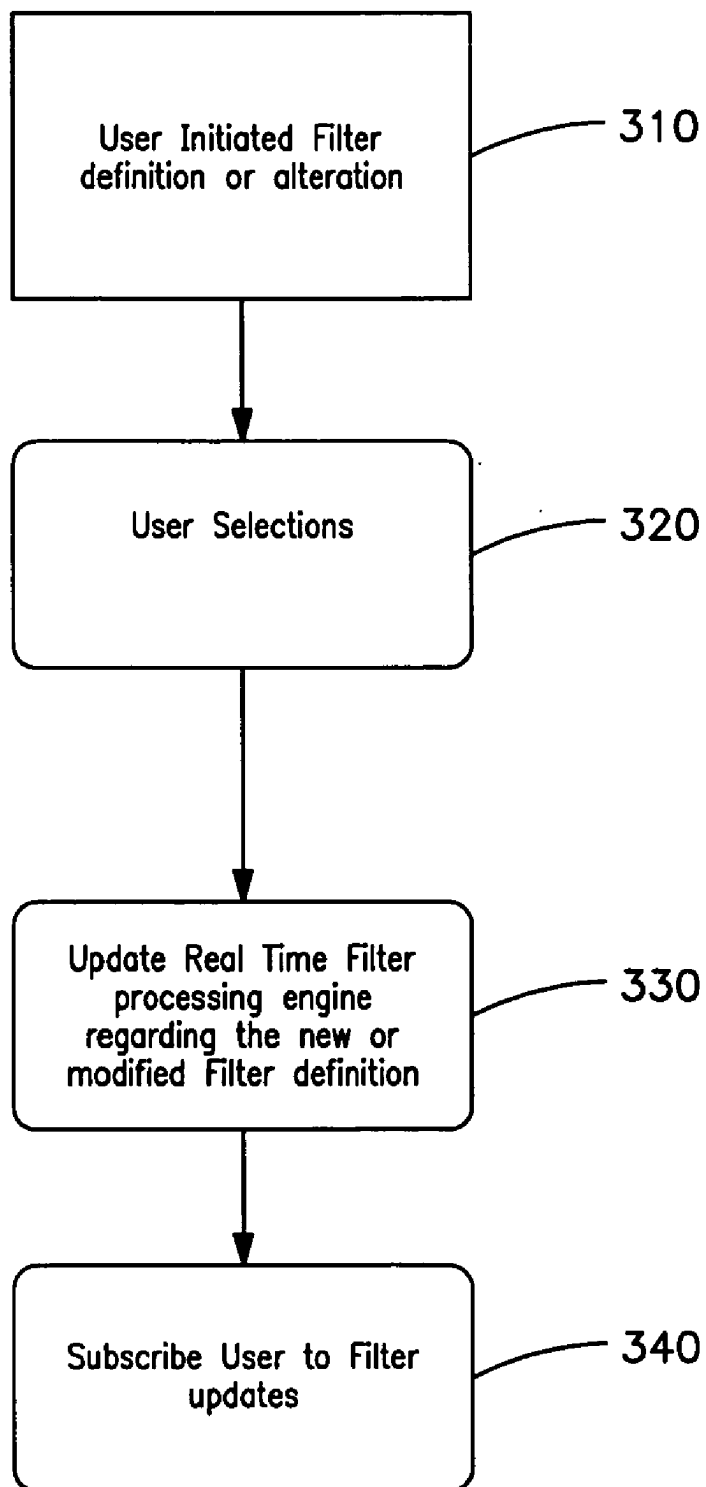
At the bottom of the search results, there are buttons for 'RESET' and 'SUBMIT'. Below these buttons, there is a section for 'Save this search as...' with radio buttons for 'A Saved Search', 'My Default Market View', and 'My Order Notification Preferences'. There is also a 'Done' button at the bottom right.

Options 131

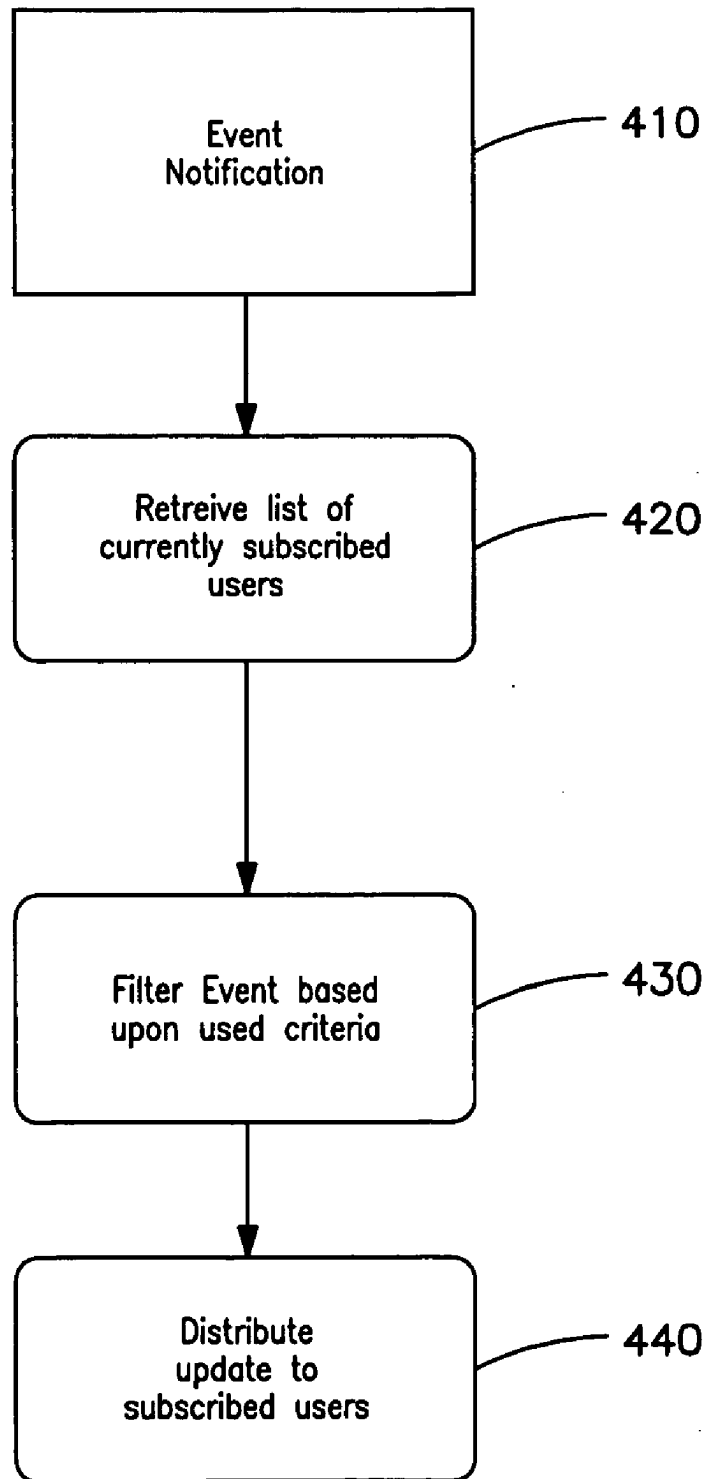
Options 131

Filter Template 130

FIG. 2



**FIG. 3**



**FIG. 4**

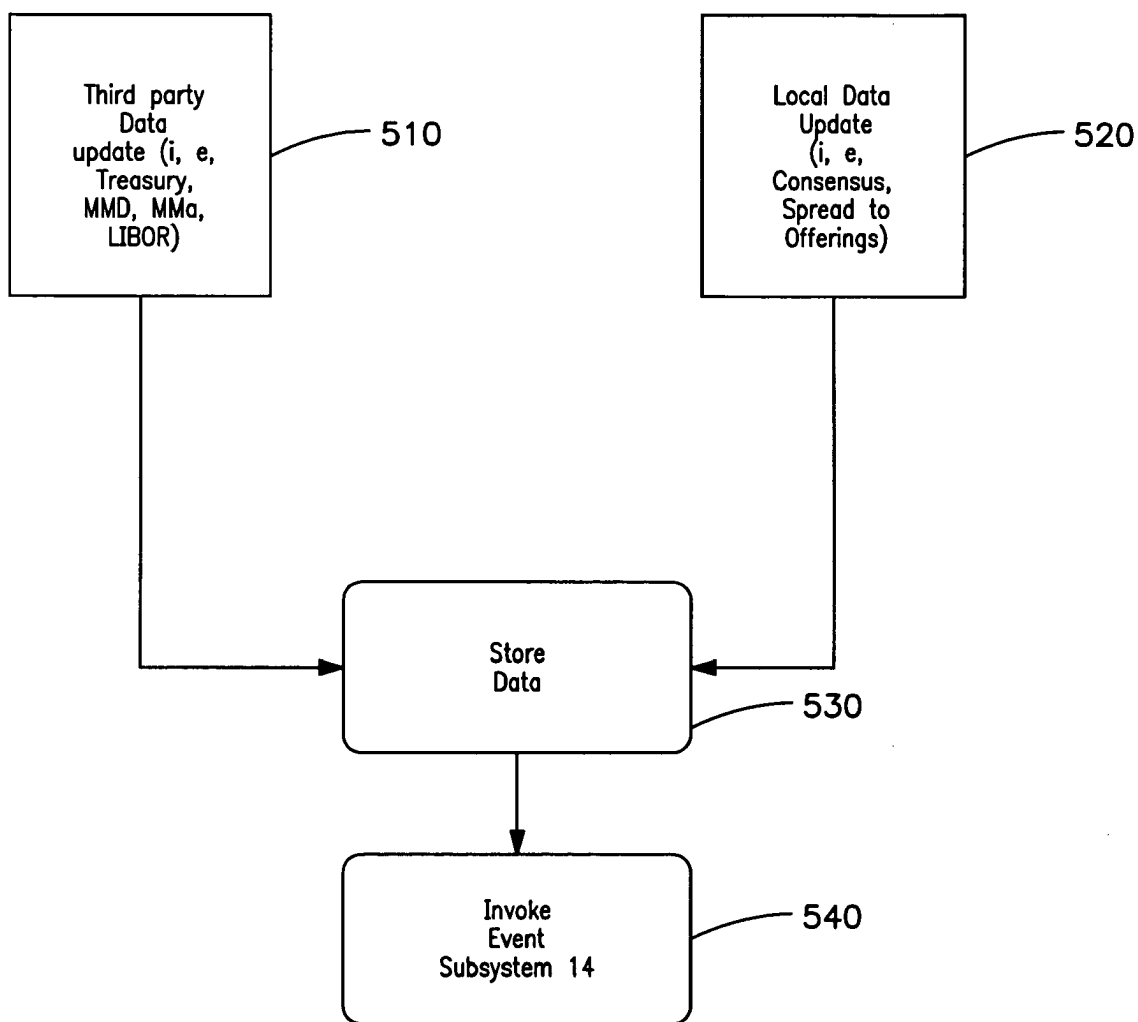
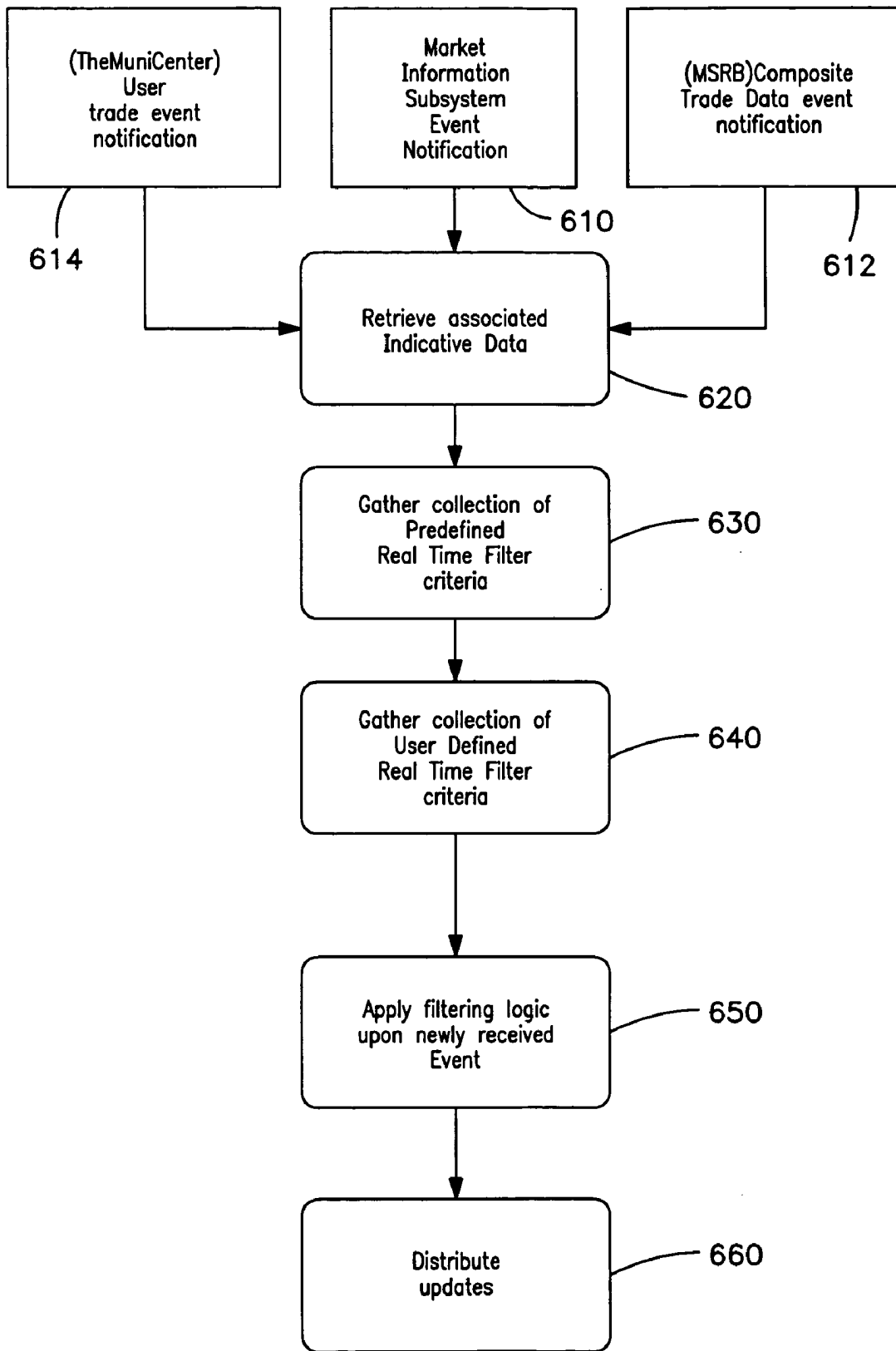


FIG. 5



**FIG. 6**

FIG. 7

TheMuniCenter - Microsoft Internet Explorer provided by AT&T WorldNet Service
Go

File Edit View Favorites Tools Help
Address

Back Forward Stop Refresh Home
Links >>

ACCOUNTS UPDATE TRADE ADMIN MARKETS SEARCH SAVED SEARCHES BID WANTEDS ACTIVE MARKETS QUICK FIND POST SUSPEND ALL BLOTTER MARKET INFO ORDER
TRANS ADMIN

Montage
Ph: (646) 375-1111

Offerings
Trade Match

Item	Symbol	Quantity	Price	Order Type	Time	Order Type	Price	Order Type	Time
12530	ATLANTA GA WTR & WASTE	5,000	5.08	C	11/01/2039	5.08	14.33		
2075	HOUSTON TEX WTR & SWR S	0,000	NC	12/01/2009	3.65	14.31			
1630	WASHINGTON ST CITS PART	3,375	NC	07/01/2009	3.31	14.26			
2905	MIAMI-DADE CNTY FLA EDL	5,000	C	04/01/2029	5.09	14.28			
2800	DETROIT MICH CITY SCH D	5,000	C	05/01/2033	5.14	14.28			
1600	TOWN CTR IMPD DIST TEX	5,250	C	03/01/2027	5.10	14.28			
1575	RAVEN HILLS TEX HIGHER	5,250	C	03/01/2031	5.15	14.28			
7120	CALIFORNIA ST DEPT TRAN	4,000	NC	02/01/2010	3.28	14.26			
1795	SOUTH BRUNSWICK TWP N J	4,625	C	07/01/2021	4.71	14.21			
1400	TEXAS MUN PWR AGY REV	4,625	C	09/01/2013	3.85	14.20			
1580	METROPOLITAN TRANSN AUT	5,125	C	01/01/2029	5.21	14.19			
1940	PORTLAND ORE RIV DIST B	5,000	C	06/15/2019	4.42	14.19			
4025	KING CNTY WASH HARBORV	4,250	C	12/01/2018	4.54	14.18			
1140	CHARLES STEWART MOTT CM	4,250	C	05/01/2016	4.35	14.17			
1195	CALIFORNIA ST MBIA-BC	6,000	NC	02/01/2013	4.17	14.13			
3825	SALEM KEIZER ORE SCH DI	5,000	NC	06/15/2013	3.77	14.12			
1200	POLK CNTY IOWA ESSENTI	4,500	NC	06/01/2007	2.82	14.11			
Bids Wanted									
90	FLORIDA ST MUN LN COUNC	5,000	C	06/01/2032	11:00 am				
1400	TEXAS MUN PWR AGY REV	4,625	C	09/01/2013	12:15 am				
1140	FLORIDA ST MUN LN COUNC	5,000	C	08/01/2032	12:15 am				

1. An asterisk will denote when a trade is TMCs on the Trade Match quadrant.

2. The Quantity for all offers/ bids will be undefined and when "Clicked" bring up a ticket to Post Bid for item.

3. The Start and Stop buttons will control the scrolling of the screen Trade Match screen.

4. The page will be customizable based on the Advanced Search screen.

4. TMC will provide users, for every trade, any corresponding Active Bids or Offers on the site.

Start
Stop

Customize
Internet

## COMPUTER SYSTEM FOR EVALUATING FIXED INCOME TRADE OPPORTUNITIES

### FIELD OF THE INVENTION

[0001] The present invention pertains generally to computer systems and methods for supporting securities transactions and, more specifically, to systems and methods for use trading municipal bonds or other fixed income securities.

### BACKGROUND

[0002] The nature of the municipal bond market is unlike the markets for other types of securities. Central exchanges for trading fixed income securities do not typically list municipal bonds. Market participants seeking to determine a price for buying or selling a particular bond must resort to indirect approaches that can be time consuming and imprecise. As a result, municipal bond trading, in its present form, involves substantial transaction costs as well as the risk of either overpaying for a bond or of selling a bond for less than its actual worth.

[0003] The difficulty of determining a price for a municipal bond in a decentralized market and its associated transaction costs are compounded by several other factors unique to the municipal bond market. At present, approximately 1.6 million municipal bonds representing over two trillion dollars of debt are owed by large and small municipalities spread throughout all fifty of the United States. The bonds may be issued for general purposes, such as education or economic development, or for more specific purposes such as the building of a new school, the maintenance of a water shed, or the purchase of snow removal equipment. The bonds may have long (e.g., 30 year), short (e.g., 1 year), or intermediate maturity periods. The municipalities issuing the bonds may have credit ratings ranging from the highest quality rating (triple A) down to securities of the lowest, unrated quality. Further, municipal bonds are often purchased by "buy and hold" investors interested not only in the potential for beneficial state tax treatment of income they generate, since many municipal bonds are exempt from state taxes in their state of issue, but also in the predictability of that income. The buy and hold approach is sufficiently prevalent that roughly 80% of the trades involving a specific municipal bond are made within only three months of the bond's issuance.

[0004] Due to the vast numbers of municipal bonds and the difficulty in determining their price, firms involved in trading municipal bonds generally rely upon groups of specific individuals to conduct their trades, each having expertise and conducting trades in only a narrow category of municipal bonds. As a consequence, firms generally define trading responsibilities by region and maturity.

[0005] When an investor wishes to sell a municipal bond, other market participants will value that security. A trader in whose sector the security for sale happens to fall is responsible for determining a value for the bond. If the trader is familiar with the bond, he may be able to estimate subjectively what it is worth. If the trader is not familiar with the bond, he or she will try to discover its price. Yet, the challenges confronting price discovery are significant and time may be of the essence. Interest rates constantly change and opportunities to buy and sell may be lost due to market

moves. In short, the determination of a municipal bond's price using conventional approaches is generally a time consuming process requiring investigation of numerous sources to determine a price.

[0006] In particular, to discover a price of a municipal bond, a trader will often confer or check with broker's brokers, internal trade blotters, street offerings, and price history data made available by the Municipal Securities Rule Making Board (MSRB). Ideally, the trader would like to know where identical bonds have traded in the past to make a decision about the future, necessitating a search of MSRB data, which includes information relating to approximately 30,000 trades per day, or approximately 55 per minute during nine hours of trading. That data is not available if the bond has not been traded previously, relegating the trader to the task of identifying, somehow, how similar types of securities may have been traded. At present, MSRB trade data includes the following:

- [0007] MSRB Trade Data:
- [0008] Message Type (message\_type)
- [0009] Sequential Number (seq\_nbr)
- [0010] RTRS Control Number (rtrs\_cntl\_nbr)
- [0011] Trade Type Indicator (trade\_type)
- [0012] Transaction Type Indicator (trans\_type\_ind)
- [0013] CUSITP (cusip)
- [0014] Security Description (description)
- [0015] Dated Date (dated\_date)
- [0016] Coupon (if available) (coupon)
- [0017] Maturity Date (maturity\_date)
- [0018] When-Issued Indicator (when\_issued\_ind)
- [0019] Assumed Settlement Date (if applicable) (assumed\_settlement\_date)
- [0020] Trade Date (trade\_date)
- [0021] Time of Trade (trade\_time)
- [0022] Settlement Date (if known) (settlement\_date)
- [0023] Par Traded (par\_traded)
- [0024] Dollar Price (price)
- [0025] Yield (yield)
- [0026] Broker's Broker Indicator (brokers\_broker\_ind)
- [0027] Weighted Price Indicator (if available) (weighted\_price\_ind)
- [0028] Syndicate Price Indicator (if applicable) (syndicate\_price\_ind)
- [0029] RTRS Broadcast Date (rtrs\_publish\_date)
- [0030] RTRS Broadcast Time (rtrs\_publish\_time)
- [0031] Version Number (version\_nbr)

[0032] Alternative trading systems (ATS's) have diminished the burden on market professionals of conducting price discovery by providing a marketplace where a plurality of individual market participants can sell and purchase bonds. Search engines have assisted traders with sifting

through the vast amounts of offering data. Hampering the trader in this effort is the fact that a search must begin with a "CUSIP" for a particular security. A unique nine-digit number assigned to each security, a CUSIP is generated under the procedures of The Committee on Uniform Security Identification Procedures, an organization established under the auspices of the American Bankers Association for the purpose of developing a uniform method of identifying securities. Entry of a CUSIP would permit the retrieval of information on the circumstances of the respective security's most recent trade. ATS's typically run static pages of the offerings they have collected throughout the day, which can quickly become stale and may fail to reflect changes in the market or the movement of interest rates.

[0033] The MSRB has announced that it will publish real-time information relating to Municipal Bond trades to subscribers over the Internet or other network. (See, e.g., MSRB RTRS Price Dissemination Services, Aug. 25, 2004, Version 2.0, MSRB RTRS Price Dissemination Services Errata Sheet, Nov. 5, 2004, and RTRS Subscriber Connectivity Version 1.0, by Random Walk Computing, Inc., Sep. 2, 2004, the contents of which documents are incorporated by reference herein in their entirety). While the MSRB real-time trade feed will make trade information available with little or no delay, traders may nevertheless be overwhelmed by the data, seeing 30,000 or more trades scroll by each day, and will still need to enter searches with a CUSIP.

[0034] Accordingly, the present invention has recognized a need to provide traders of municipal bonds and other fixed income securities with a more efficient, accurate, and timely method to price bonds and to better identify prospective trades that match the trader's needs.

#### SUMMARY OF THE INVENTION

[0035] Embodiments of the systems and methods according to the present invention address the previously unmet need for a more efficient, accurate, and timely method to observe the nature of actual or prospective transactions involving securities similar to a security a trader wishes to transact, to formulate a price for the security, to add to positions, execute at market levels or sell bonds at similar levels, or otherwise to identify prospective trades that match a the needs of a municipal bond or other fixed income security trader, quickly and efficiently. In practicing one embodiment of the present invention, the user may establish a filter corresponding to one or more search criteria, load a user interface to view output associated with the filter. The user interface presents the output data, which may be displayed in scrolling fashion, since the number of MSRB trades is likely to be significant. When a CUSIP that has traded matches a corresponding CUSIP in an offer, bids or bids wanted table, the user interface will display the trade followed by the matched positions. The matched positions, in one embodiment, will contain a hyper-link enabling the user to "click" on the position to execute a trade or receive further available information. Firms may also utilize their own proprietary trade information in conjunction with the MSRB data, but incorporate the trades in a timely manner, as opposed to waiting for the trade data to be disseminated

[0036] The invention, as implemented in the described embodiments, provides, among other things, a computer-implemented system and method for receiving both external

and internal trade information such as price, yield, CUSIP, trade date, trade time, and settlement date. Computer-implemented systems and methods according to the present invention also include a filter system and method to screen and exclude information that is not relevant to a trader's needs and to associate existing trade opportunities with real-time trading events. Additionally, embodiments of computer-implemented systems and methods according to the present invention provide the notification of individual traders via a customized rolling list of relevant trading events along with related information including offers, bids, and bids wanted. Further, computer-implemented systems and methods according to the present invention allow individual traders to customize the information they receive. Although developed with municipal bonds in mind, the systems and methods according to the present invention also can be used to assist traders with respect to other markets involving securities or properties, such as those that are heterogeneous and not otherwise traded on a central exchange.

[0037] An embodiment of a computer system implemented method for identifying and distributing municipal bond trading-related information, according to the present invention, includes the computer system in communication with at least one user, and comprises the following steps. The computer system receives a notification of a municipal bond trading event, generates, using the computer system, a characterization of the event, the generation being performed at least in part on the basis of the notification, the characterization having at least one characteristic associated with the trading event. In addition, the computer system identifies the user from among a set of users, information regarding which users resides on a computer storage medium accessible to the computing device. The computer system accesses a filtering criterion associated with the identified user and checks whether the bond characterization satisfies the accessed filtering criterion. If so, the computer system transmits to the user a message containing at least a subset of the notification. The transmitted information can be used in formulating a price for a municipal bond, characteristics of which formed the basis for selection of the criterion.

[0038] In another embodiment according to the present invention, an information storage medium for use in association with a computer system for distributing municipal bond trading information, has structure including a real-time characterization of the sale of a municipal bond and a plurality of additional characterizations of events relating to bonds that differ from the municipal bond and that are selected according to a preselected criterion of similarity with respect to the municipal bond.

[0039] In another embodiment, a computer-implemented real-time event filtering method for observation and identification of municipal bond trade event data for a user in communication with the computer includes the following steps. At least one user-configured criterion on the nature of a municipal bond involved in a trading event is invoked in the computer. Each of a plurality of real-time event data relating to municipal bond trading events are tested as to whether they satisfy the criterion. If at least one of the plurality of real-time event data satisfies the criterion, information relating to the at least one real-time event is transmitted to the user.

[0040] Another embodiment of the present invention involves a computer-implemented method for identifying and retrieving trade-related data for use in trading fixed income securities. The method includes the steps of receiving at the computer a user specification of a filter for identifying securities having a preselected degree of similarity to a target fixed income security, receiving data relating to trade events, including offers and bids for a plurality of fixed income securities, applying the filter to data relating to trade events, and transmitting, to the user, data identified by the filter, thereby equipping the user to select a price for a target fixed income security.

[0041] In yet another embodiment, a computer-implemented system for assisting in the trading of municipal bonds includes a central processor unit for receiving event data relating to at least one of the group consisting of municipal bond offers, bids, bids wanted and trades, a filter subsystem in communication with the central processor unit for defining a filter including characteristics of events to be identified, and an event subsystem in communication with the central processor unit for applying the filter to identify events having the characteristics. The identified events having the characteristics can be made available for use in the trading of municipal bonds.

[0042] In a further embodiment, a computer-implemented method for collecting data for use in determining a price for a municipal bond includes the following method steps, where a user computer is in communication over a network with a server. The user computer receives from a user at least one user-configured criterion for identification of a municipal bond involved in a trading event, transmits the user-configured criterion over the network to the server, and receives over the network information relating to a trading event and satisfying the criterion, whereby the user may determine a price for the municipal bond at least in part on the basis of the received information.

[0043] In yet another embodiment, a computer-implemented method for identifying and retrieving trade-related data for use in trading fixed income securities includes the steps of eliciting from the user a user specification of a filter for identifying securities having a preselected degree of similarity to a target fixed income security, transmitting the user specification to a server that receives data relating to trade events, including offers and bids, for a plurality of fixed income securities, that applies the filter to data relating to trade events, and that captures data relating to trade events using the user-specified filter; receiving data identified by the filter; displaying to the user, data identified by the filter, thereby equipping the user to select a price for a target fixed income security.

#### BRIEF DESCRIPTION OF THE DRAWINGS

[0044] FIG. 1 is a diagram of a system embodying aspects of the present invention showing connections between system components and sources of data.

[0045] FIG. 1A shows a block diagram depicting aspects of a central computer system in an embodiment of the present invention.

[0046] FIG. 2 shows a filter template in an embodiment of an aspect of the present invention.

[0047] FIG. 3 shows a user interface provided to a user in an embodiment of an aspect of the present invention.

[0048] FIG. 4 shows a flow diagram depicting an embodiment of a process associated with event subsystem 14 according to an aspect of the present invention.

[0049] FIG. 5 shows a flow diagram depicting an embodiment of a process associated with market information subsystem 15 according to an aspect of the present invention.

[0050] FIG. 6 shows a flow diagram depicting a further embodiment of a process associated with event subsystem 14, with additional detail relative to the flow diagram of FIG. 4, according to an aspect of the present invention.

[0051] FIG. 7 is a flow diagram depicting a process performed by the described embodiment.

#### DETAILED DESCRIPTION

[0052] According to one aspect of the present invention, traders of municipal bonds are provided with live and reliable market content in the form of computer-generated and network-delivered detail on trades as they occur and as they are reported by the MSRB, as well as relevant content about bonds that are available in the market, automatically filtered for the individual user to ensure their relevance to that user's needs. As described below, traders or other users access a combination of live content: i.e., trades, bids wanted, and offerings. The user can customize the user interface such that it shows only market data that conform to the user's predetermined criteria. Only offerings and bids wanted that fit the search criteria are presented to the user. Also, every relevant trade in the market appears, as it is reported by the MSRB, followed by any offerings and bids wanted for the matching CUSIP. In an embodiment of one aspect of the present invention, the user can take a specific CUSIP and to check to see if it fits specific search criteria, as the process involves checking every security indicative and evaluating whether or not it fits pre-determined search parameters. The user is thereby accorded the ability to search for live market content (i.e., offerings, bids wanted, and all trades) with that content filtered to ensure relevance to that user's needs.

[0053] An embodiment of a system according to the present invention is shown in FIG. 1A. A municipal bond trading system involves central computer system 10, transaction database 20, market information database 30, security master database 40, direct user server 50, internet user server 60, and data communication server 70.

[0054] In one embodiment of the system shown in FIG. 1A, hardware and software are as follows: central computer 10 comprises one or more Fujitsu PrimePower 250 and/2or 650 computers running WebLogic 8.1 and Perl 5.x; transaction database 20 comprises one or more Fujitsu PrimePower 650 computers, with RAID 5 disk storage, and running Sybase 12.5 and Perl 5.x; market information database 30 comprises one or more Fujitsu PrimePower 650 and/or 250 computers, with RAID 5 disk storage, running Sybase 12.5 and Perl 5.x; security master database 40 comprises one or more Fujitsu PrimePower 650 computers, with RAID 5 disk storage, running Sybase 12.5 and Perl 5.x; direct user server 50 comprises one or more Sun Enterprise 420R computers, running Java 1.4205, Tibco, IBM MQ and Perl 5.x; internet use server 60 comprises one or more Sun Enterprise 420R computers running WebLogic 8.1 and Perl 5.x; and data communication server 70 comprises one or

more Sun Enterprise 220R computers running Java 1.42\_05, Tibco, IBM MQ and Perl 5.x; all systems are networked using Cisco Systems Catalyst 6500.

[0055] Direct user server **50** is accessed by direct users and establishes communication between them and central computer **10**, while internet user server **60** provides internet user communication with central computer **10**. Data communication server **70** receives feeds from MSRB (according, for example, to RTRS Subscriber Connectivity Version 1.0, referred to above), as well as news research, information regarding new issues and calendar information, from other data and news providers, according to methods understood by those skilled in the art. Still further, data communication server **70** receives data from a security master provider. Embodiments incorporating other architectures, hardware and software arrangements for carrying out the described functions are also within the scope of the present invention.

[0056] As shown in **FIG. 1B**, in one embodiment of an aspect of the present invention, central computer system **10** comprises central processor unit **11**, local memory **12**, filter subsystem **13**, event subsystem **14**, and market information subsystem **15**. In the illustrated embodiment, although without limitation, filter subsystem **13**, event subsystem **14**, and market information subsystem **15** are implemented by software running on server **10**. The functionality associated with these subsystems could be distributed over more than one computer or processor. For example, filter subsystem **13** could be implemented in a user's computer system (not shown).

[0057] Filter subsystem **13** enables individual traders or other users to configure the various filters that are used for the event processing described below. Again, in accordance with an aspect of the present invention, the user configures a filter in order to identify trade or offering data for securities (also referred to herein as "trading event" data, whether or not an actual trade has been completed) indicative of the price of a security he or she wishes to buy or sell. "Indicative," as used here in an adjectival sense denotes a tendency to provide a basis on which the user can draw inferences of relevance to the price of a security. In another sense, when used as a noun, the term refers to data associated with and characterizing a security.

[0058] **FIG. 2** depicts an embodiment of a filter template **130**, according to an aspect of the present invention, that is provided to a user equipped with suitable computing equipment in direct or indirect communication with direct user server **50** or internet user server **60** and that is depicted on an internet browser. The user can designate or preselect one or more filtering criteria by selecting among options **131** provided on a filter template **130**. The options **131** represent municipal bond "indicatives" or characteristics such as the state of issue, the bond purpose, the quantity, the price, and the yield, which can be selected and configured by a user.

[0059] In one embodiment, the indicative data can include without limitation any one or combination of the following:

[0060] Indicative Data:

[0061] cusip

[0062] coupon\_ratefirst\_coupon

[0063] payment\_ref\_date

[0064] coupon\_class

[0065] day\_count

[0066] description

[0067] issue\_date

[0068] maturity\_date

[0069] when\_issued

[0070] industry\_code

[0071] callable

[0072] next\_par\_call\_date

[0073] next\_par\_call\_price

[0074] next\_premium\_call\_date

[0075] next\_premium\_call\_price

[0076] next\_put\_call\_date

[0077] next\_put\_call\_price

[0078] next\_sinking\_fund\_date

[0079] next\_sinking\_fund\_price

[0080] bank\_qualifiedamt

[0081] prerefund\_date

[0082] prerefund\_price

[0083] taxablemunicipal\_type

[0084] insurance\_flag

[0085] interest\_pay\_frequency

[0086] etm

[0087] original\_settle

[0088] dated\_date

[0089] insurance

[0090] original\_issue\_yield

[0091] original\_issue\_price

[0092] original\_principal

[0093] state

[0094] sp\_ratingmoody\_rating

[0095] fitch\_rating

[0096] consensus\_index

[0097] fc\_accrual\_date

[0098] security\_type

[0099] sinking\_fund

[0100] special\_call\_indicator

[0101] institution\_type

[0102] lastupd

which are known to those skilled in the art.

[0103] The indicative information can be accessed as part of security master file commercially available from Standard & Poors J.J. Kenny, FT Interactive Data, Thomson and perhaps others. The selection and configuration may be

accomplished in a plurality of ways including selecting options from a list, filling in values for a range, or making a binary selection. Filter subsystem 13 uses the selected and configured filtering criteria to generate a filter, which is associated with a specific user and stored in memory 11. A flow chart depicting the creation or modification of a filter, in an embodiment of this aspect of the present invention, is shown in FIG. 3. At step 310, a user-initiated filter is invoked for filter definition or alteration which, at 320, is set according to user selections. A data structure representing the filter, including its definition, possibly including alterations, is stored by central processor unit 11 in local memory 12, or in an otherwise suitable storage medium.

[0104] Event subsystem 14 monitors the information being received from direct user server 50, internet user server 60, and data communication server 70 for the occurrence of an event. Event subsystem 14 processes each event for each user by applying the filters generated by the users and by filter subsystem 13. Additionally, event subsystem 14 provides information related to the events to users via direct user server 50 and internet user server 60.

[0105] Functioning of a system according to the illustrated embodiment is described below, with reference to flow charts that are shown in the appended figures. FIG. 4 is a flow chart depicting an embodiment of basic processing of a user event. User events include offers for sale, bids, and bids wanted that are posted on the system by its users, which may include aggregators such as alternative trading systems, exchanges, and broker's brokers as well as individual bond holders such as broker dealers, mutual funds, and insurance companies. Event subsystem 14 receives notice of an event at step 410, where the notice includes an identification of an event type (e.g. a sale) as well as certain bond characteristics including at least the bond's CUSIP as well as other pertinent information such as quantity and price. Additional bond characteristics such as yield, S&P rating, bond purpose, tax exempt status, etc. may be looked up from market information database 30. A list of currently subscribed users is retrieved at step 420. For each user, at step 430 event subsystem 14 applies the user's event filter to the bond characteristics. If the bond's characteristics meet the requirements of the user's event filter, then at step 440 notice of the event is provided to subscribed users whose criteria are matched by the event.

[0106] FIG. 5 illustrates the operation of an embodiment of market information subsystem 15. Market information subsystem 15 receives market related data from a variety of source including, at step 510, third party data (i.e., Treasury MMD, MMA, LIBOR) and, at step 520, local data (i.e., consensus, spread to offerings). At step 530, market information subsystem 15 stores the information in market information database 30. Market information subsystem 15 monitors the information and identifies any relevant events such as events that may affect the characteristics of a municipal bonds. Additionally, market information subsystem 15 processes internal and external data and generates events based upon the analysis. Notice of the events is provided by market information subsystem 15 to event subsystem 14 at step 540. Event subsystem 14 determines which users should be notified of the events and whether information pertaining to prior events (e.g., previously listed offers or bids) should be included with the notice. Market information subsystem 15 also provides a means for users to

acquire detailed market information or news by clicking on links provided on web pages that are accessible to the users through direct user server 50 and internet user server 60.

[0107] FIG. 6 depicts the operation of event subsystem 14 in an embodiment of an aspect of the present invention. Event subsystem 14, at 610, is invoked by market information subsystem 15. In addition, it may receive, per 612, a real-time feed from the MSRB, via communication server 70, that a bond has, for example, been traded. Still further, the organization's own proprietary trade information (here depicted as The MuniCenter, assignee of the present invention) may enter event subsystem 14 as a trade event notification, at 614. At step 620, event subsystem 14 retrieves indicative data from the received information, which may include without limitation such bond characteristics, such as the CUSIP, quantity, trade price, trade date and time, and settlement date. Characteristics of a bond may derive from security master database 40 (from Standard & Poor's J.J. Kenny, FT Interactive Data or other provider) by reference to the CUSIP and be combined with the characteristics contained in the notice and with the transaction type to create a transaction characterization. Event subsystem 14 may gather, at 620, one or more predefined filter criteria for use against the real time data. In addition, or alternatively, event subsystem 14 may gather (e.g., via direct user server 50 or internet user server 60) one or more user defined real time filter criteria. Either criteria may be provided in the form of a filter generated by filter subsystem 13. Transaction database 30 is then searched, at 650, applying filtering logic using a predefined, user defined or combined filters upon an event received as described above, in order to identify prior events (e.g., offers for sale, bids, and bids wanted) that are still active and that involve bonds having a desired degree of similarity. The transaction characterization is then compared to the user's filter for MSRB sales data. If the transaction characterization meets the requirements of the filter, then the transaction characterization as well as the transaction characterizations for each of the identified prior events is provided to the user. The process shown in FIG. 6 can be performed on user events or system-generated events.

[0108] The transaction characterizations of the MSRB sale event and of the identified prior events are displayed on a user interface (e.g., without limitation an internet web page) of the type shown in FIG. 7. The user can obtain additional information about a bond, execute the purchase of a bond, execute the sale of a bond, or provide a bid by making selections on the web page. The information provided on the web page will scroll as transaction characterizations associated with more recent events are provided to the user.

[0109] The MSRB provides pricing data on approximately 30,000 trades per day. As of January 2005, this data will be provided to MSRB subscribers in real-time. Accordingly, approximately one trade will be provided from the MSRB to the municipal bond trading system every second. This will allow the municipal bond industry the opportunity to know the volume and the velocity of the market. The municipal bond trading system of the present invention will be able to instantly provide users with all of the bids, offers, and bids wanted that correspond to each sale reported by the MSRB. For an individual trader, this would be too much information to process. However, the user-customizable filtering system and method according to the present invention not only permits users to receive all of the information that is relevant

to them, but also enables users to receive only the information that is relevant to the transaction they are contemplating. This information empowers users to add to positions, execute at market levels, or sell municipal bonds (or other securities requiring the processing provided for by the present invention) at similar levels quickly and efficiently. A trader will be relieved of the former need to devote time to calling and searching for matches; the system and method according to the present invention provide the desired result automatically and in real-time. Additionally, users will be able to transact at speeds much greater than traditional market participants and thereby gain a competitive advantage.

[0110] Most municipal bond traders are specialists by region or maturity range. The municipal bond trading system of the present invention enables traders to generate a customized real-time view of only the areas of the municipal bond market they are specialists in or to easily expand there areas of specialty. By generating customized filters through the use of filter subsystem 13 and filter templates 130, a user can define exactly the type of securities he or she would like to be shown in their personalized view. The customized filters according to an aspect of the present invention eliminate the majority of the overwhelmingly vast number of transaction events that occur and only provide individual users with the events involving securities that are of interest to the specific user. Individual users are able to tailor the security characteristics that are important for that specific user's needs and preferences. For example, municipal bond traders may select a specific state and a specific maturity range.

[0111] Once a user has configured filters using the user's customized search criteria, the user loads a trade event viewing screen (e.g. a web page) on her browser to view the output of the user defined filter. The screen presents the filtered events in a scrolling fashion. When the characteristics of a municipal bond whose trade has been reported match the characteristics of existing offers, bids, or bids wanted, the screen will display the trade followed by the matched positions provided that the trade satisfies the personalized filter requirements established by the user.

[0112] The municipal bond trading system of the present invention provides a new way for professional market participants to view and interpret real-time trade data. By integrating systems to associate real-time trade information with real-time offerings, bids, and bids wanted, users will have greater transparency and decision making capabilities than under the time intensive methods currently used.

[0113] Embodiments of the system according to the present invention may integrate a number of disparate components to deliver relevant information in a timely manner to traders. Real-time matching implemented by the present invention works advantageously with a commingled inventory of securities from a number of different entities, including alternative trading systems, exchanges, and broker's brokers. These types of entities aggregate content from broker dealers, mutual funds, insurance companies, bulletin board listing companies, and registered investment advisors.

[0114] For example, an ATS or broker's broker may facilitate anonymous trading between registered dealers by acting as a neutral intermediary; or, alternatively, they may facilitate trades between dealers and buy side firms by introduc-

ing the parties on a fully disclosed basis. In the latter case, issues of credit risk, suitability, conflicts of interest (e.g., where a party to a trade would be a buy-side firm that cannot trade directly with other buy-side firms) and the like are more easily addressed. The system and method according to the present invention provide for integrating the offers, bids, and bids wanted from a variety of such firms. Sophisticated firms and firms with a large number of offerings are likely to connect to the municipal bond trading system of the present invention through the use of direct connection, while less sophisticated firms and firms with smaller numbers of offerings may prefer to connect to the system via the internet.

[0115] While the invention has been particularly shown and described with reference to particular embodiments, those skilled in the art will understand that various changes in form and details may be made without departing from the spirit and scope of the invention as set forth in the appended claims. For example, references to the term "computer system" can be construed to include any arrangement of computing equipment components and links and respective allocation of functionality (including hardware, software and firmware) to the components, links for carrying out the present invention. Storage media includes, without limitation, electronically readable storage media, which in turn encompass electromagnetic and optical storage media, as well as other data storage media compatible for use with computing equipment. Similarly, method steps may be construed to include substeps of greater or lesser number, or in an alternative arrangement, consistent with the present invention. The term real-time is used consistent with the scope of understanding in the field as to can encompass delays typically associated with the processing and transmission of data.

We claim:

1. A computer system implemented method for identifying and distributing municipal bond trading-related information, the computer system in communication with at least one user, the method comprising the steps of:

receiving at the computer system a notification of a municipal bond trading event;

generating, using the computer system, a characterization of the event, the generation performed at least in part on the basis of the notification, the characterization comprising at least one characteristic associated with the trading event;

using the computer system, identifying the user from among a set of users, information regarding which users resides on a computer storage medium accessible to the computing device;

using the computer system, accessing a filtering criterion associated with the identified user;

using the computer, checking whether the bond characterization satisfies the accessed filtering criterion; and

if the bond characterization satisfies the filtering criterion, transmitting to the user a message containing at least a subset of the notification.

2. The method according to claim 1 wherein:

the trading event comprises a sale of a municipal bond; and

the notification was received from the Municipal Securities Rules Board.

3. The method according to claim 1 wherein the characterization comprises characteristics of the municipal bond.

4. The method according to claim 1 further comprising the steps of:

identifying a second event that involves a second municipal bond, wherein the second event has associated with it a second characterization; and

providing the second characterization to the user if the user is being provided with the notification.

5. The method according to claim 4 wherein the step of identifying a second event comprises determining whether the second municipal bond is similar to the first municipal bond.

6. The method according to claim 5 wherein the step of determining whether the second municipal bond is similar to the first municipal bond is based on a user-defined criterion.

7. The method according to claim 4 wherein the second event comprises an offer to sell the additional municipal bond.

8. The method according to claim 4 wherein the second event comprises a bid on the additional municipal bond.

9. The method according to claim 4 further comprising the step of facilitating the sale of the additional municipal bond based upon a user input.

10. The method according to claim 1 wherein the event comprises an offer to sell a municipal bond.

11. The method according to claim 1 wherein the event comprises a bid to purchase a municipal bond.

12. The method according to claim 1, wherein the filtering criterion is selected with reference to a municipal bond having a first CUSIP and the notification relates to a municipal bond having a second CUSIP different from the first CUSIP.

13. The method according to claim 1 wherein the event comprises a request for bids wanted on a municipal bond.

14. An information storage medium for use in association with a computer system for distributing municipal bond trading information, the information storage medium having structure comprising:

a real-time characterization of the sale of a municipal bond; and

a plurality of additional characterizations of events relating to bonds that differ from the municipal bond and that are selected according to a preselected criterion of similarity with respect to the municipal bond.

15. The information storage medium of claim 14 wherein the structure comprises an electronically readable form that can be processed and transmitted for display on a user interface.

16. The information storage medium of claim 14 wherein the real-time characterization comprises

a price;

a yield;

a CUSIP;

a state of issue; and

a trade time.

17. The information storage medium of claim 16 wherein each of the plurality of additional characterizations comprises

a trade type identifier;

a price;

a yield;

a CUSIP;

a state of issue;

a trade date; and

a trade time.

18. The information storage medium of claim 17 wherein the characterizations of events are displayed only if satisfying a criterion associated with a user-configure dfilter.

19. A computer-implemented real-time event filtering method for observation and identification of municipal bond trade event data for a user in communication with the computer, comprising the steps of:

invoking on the computer at least one user-configured criterion on the nature of a municipal bond involved in a trading event;

testing whether each of a plurality of real-time event data relating to municipal bond trading events satisfies the criterion; and

if at least one of the plurality of real-time event data satisfies the criterion, transmitting to the user information relating to the at least one real-time event.

20. The real-time event filter of claim 19 wherein the at least one user-configured criterion comprises a plurality of user configured criteria encompassing a requirement on the state of issue for the municipal bond, and a requirement on the maturity date of the municipal bond.

21. A computer-implemented method for identifying and retrieving trade-related data for use in trading fixed income securities, the method comprising the steps of:

receiving at the computer a user specification of a filter for identifying securities having a preselected degree of similarity to a target fixed income security;

receiving data relating to trade events, including offers and bids, for a plurality of fixed income securities;

applying the filter to the data relating to trade events; and

transmitting, to the user, data identified by the filter, thereby equipping the user to select a price for a target fixed income security.

22. The system of claim 21 further comprising a means for correlating user events with non-user events.

23. The system of claim 21 wherein each of the plurality of user events pertains to municipal bonds.

24. The system of claim 23 wherein the filter is configurable by the user.

25. The system of claim 21 wherein the filters comprise:

an event filter for determining whether a specific non-user event should be provided to the user; and

a correlation filter for determining whether specific user events should be correlated with the specific non-user event.

26. The system of claim 25 wherein the event filter comprises the correlation filter.

27. The system of claim 21 further comprising a means for a user to effectuate a trade via the user interface.

28. The system of claim 27 wherein the trade is automatically reported to the Municipal Securities Rules Board.

29. A computer-implemented system for assisting in the trading of municipal bonds comprising:

a central processor unit for receiving event data relating to at least one of the group consisting of municipal bond offers, bids, bids wanted and trades;

a filter subsystem in communication with the central processor unit for defining a filter including characteristics of events to be identified; and

an event subsystem in communication with the central processor unit for applying the filter to identify events having the characteristics, wherein the identified events having the characteristics can be made available for use in the trading of municipal bonds.

30. The computer-implemented system for assisting in the trading of municipal bonds in which the filter subsystem and the event subsystem are implemented at least in part by the central processor unit.

31. A computer-implemented method for collecting data for use in determining a price for a municipal bond, wherein a user computer is in communication over a network with a server, the method comprising the steps of:

receiving from a user at least one user-configured criterion for identification of a municipal bond involved in a trading event;

transmitting the user-configured criterion over the network to the server;

receiving at the user computer over the network information relating to a trading event and satisfying the criterion,

whereby the user may determine a price for the municipal bond at least in part on the basis of the received information.

32. The real-time event filter of claim 31 wherein the at least one user-configured criterion comprises a plurality of user configured criteria encompassing a requirement on the state of issue for the municipal bond, and a requirement on the maturity date of the municipal bond.

33. A computer-implemented method for identifying and retrieving trade-related data for use in trading fixed income securities, the method comprising the steps of:

eliciting from the user a user specification of a filter for identifying securities having a preselected degree of similarity to a target fixed income security;

transmitting the user specification to a server that receives data relating to trade events, including offers and bids, for a plurality of fixed income securities, that applies the filter to data relating to trade events, and that captures data relating to trade events using the user-specified filter;

receiving data identified by the filter; and

displaying, to the user, data identified by the filter, thereby equipping the user to select a price for a target fixed income security.

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