

Securities Industry Mobilizes for Millennium Weekend, December 1999

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Industry Preparations Will Pay Off In A Smooth Transition, According To Industry Leaders

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New York, NY, December 27, 1999 - Leaders of the securities industry's major regulatory organizations and trade associations joined together to assure investors that Wall Street will be ready for the Year 2000. Heads of the President's Council on Year 2000 Conversion, the Securities and Exchange Commission (SEC), the National Association of Securities Dealers (NASD), the New York Stock Exchange (NYSE), the Investment Company Institute (ICI), and the Securities Industry Association (SIA) today outlined the extensive steps Wall Street has taken to prepare the industry's computer systems.

"The financial services industry was one of the first to develop a thorough Y2K testing program. These efforts have served as a model for other industries both here and abroad," said John Koskinen, chair of the President's Council on Year 2000.

"The financial services industry has a strong commitment to protecting investors' interests and maintaining the integrity of the markets," said SEC Chairman Arthur Levitt. "I am confident that the goal of 'business as usual' on January 3 will be realized."

"Hundreds of employees of the New York Stock Exchange and its technological partner, the Securities Industry Automation Corporation, have worked diligently to ensure, from both an operational and regulatory perspective, that investors and issuers have reliable and continuous access to the marketplace during the transition," said NYSE Chairman and CEO Richard A. Grasso. "They will be working throughout the weekend to make sure that the NYSE is fully operational on January 3."

"Preparation for Year 2000 has been a top priority for the Nasdaq Stock Market and the American Stock Exchange throughout 1999 and before," said Frank G. Zarb, NASD chairman and CEO. "Our efforts have focused not only on fixing our systems, but making sure that the NASD member-firms will be ready also. I am confident that the integrity of our markets will be preserved."

"Eighty-five percent of equity-owning households in America own stock mutual funds," said Matthew P. Fink, president of the ICI. "The mutual fund industry has worked diligently to protect the interests of these investors and to educate them about the extensive testing and preparations that have occurred."

"Preparation for the Year 2000 has been the largest technology project undertaken by the securities industry," said Marc E. Lackritz, president of the SIA. "Thanks to the efforts of thousands of industry professionals who volunteered their time, we successfully tested Wall Street's systems earlier this year. We are now planning for any unforeseen incidents that may occur, and will have the resources in place over the weekend to ensure that we can respond immediately to them."

Industry preparations began more than three years ago, costing approximately \$5 billion. The industrywide testing project alone involved the work of hundreds of industry professionals who volunteered their time. After a successful beta test, the full test, conducted in March and April and involving more than 400 securities firms, stock markets and utilities, resulted in virtually all of the simulated trades being processed free of "Y2K bugs."

The Financial Services Coordination and Communication Center will act as a central repository for information on the financial services industry's status during the transition. The exchanges, market data vendors, financial utilities, the Securities and Exchange Commission, the Futures Industry Association, the Investment Company Institute, and service providers will be reporting in at prescheduled intervals. Firms that have preregistered will be able to access the information, but will not report in. This information will be reported to the SEC, which in turn will be in contact with the President's Council. There will also be an electronic bulletin board where messages that need to be communicated industrywide will be posted. The FSCCC will be staffed around the clock over the weekend to receive information and respond to inquiries.

As part of their efforts to educate investors, the President's Council, SEC, NASD, ICI and SIA developed a ["Year 2000 Investor Kit."](#) The kit will help investors prepare for the Year 2000 and includes tips such as:

- Keep good records (an idea that makes sense at any time);
- Stay informed about what financial service providers are doing to become Y2K-ready;
- Obtain any Year 2000 literature provided by broker/dealers, mutual funds, investment advisers or public companies;
- Invest for the long term and avoid changing trading habits;
- Don't worry about obtaining stock certificates; and,
- Check the Y2K readiness of personal computers.

The kit also features a concise review of the industry's efforts to prevent Y2K computer problems; a list of frequently asked questions for investors; a Year 2000 checklist; and information on how to check personal computers and fax machines for potential Y2K problems.