



[www.pdqats.com](http://www.pdqats.com)



PROCEDURE DERIVED QUOTES

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### The MicroAuction Process

A Liquidity Seeker's order initiates a MicroAuction with a market, marketable limit or pegged order type. As the auction is initiated, a symbol-only Request-for-Trade ("RFT") is sent to PDQ's Liquidity Providers. The order execution process is then paused for up to 20 milliseconds, allowing Liquidity Providers to respond with their best markets for the order. The liquidity seeking order is then matched against the competitive responses and printed to the Trade Reporting Facility (TRF).

The Liquidity Seeker can choose from two auction matching protocols that govern execution:

- *Price-Time Priority: Liquidity Seeker executes against the most aggressively priced contra side orders*
- *Time-Price Priority: Liquidity Seeker executes immediately against first executable contra side order to respond*

Liquidity-seeking orders that don't match entirely in the MicroAuction can be routed out, posted to PDQ's Managed Order Server, or cancelled back based on subscriber preference type.

### Key Features and Benefits

- On-Demand Auction: Liquidity tailored to your needs, at your request
- Liquidity Creation: The "electronic crowd" responds with unique liquidity for each auction initiating order
- Seeker Controls: Liquidity Seekers dictate the terms of each auction
- Multi-Provider Competition: Automated Liquidity Providers compete amongst each other to trade with Liquidity Seekers
- Liquidity Aggregation: The competitive auction process naturally recentralizes liquidity, reducing both the need to hunt for liquidity and information leakage while promoting higher average trade size
- Effective Alpha Capture: Liquidity Seekers find liquidity quickly and quietly, with increased potential price improvement
- Post-Auction Options: Either rest residuals in PDQ's non-displayed Managed Order Server to provide liquidity to future auctions, or utilize customizable routing and execution options to access dark and lit market liquidity

### How to Access

Traders have a number of alternatives available to access the PDQ's MicroAuction market. On a broker-neutral basis, traders can participate through PDQ's network of more than 50 authorized broker-dealer firms. In addition, traders can access MicroAuction directly via their OMS/EMS front end as a PDQ subscriber.

PDQ ATS ("PDQ") is an independent equity trading venue that leverages cutting-edge technology and innovative market concepts to deliver unique and powerful market solutions for today's traders. Utilizing a patented on-demand auction market model, PDQ provides a new approach to liquidity creation and provision as well as a transparent, fair and competitive market for price and liquidity discovery.