

Level ATS is owned by Bank of America Merrill Lynch, Barclays, Citigroup, Credit Suisse, and Fidelity. Level ATS, after being [fined by the SEC in late 2012](#) for exposing confidential trading data, deployed a new trading system in January 2014, using technology provided by Manoj Narang, HFT founder of Tradeworx, and owner of Thesys Technologies. The system was touted for its speed and the response times of its matching engine, noting that its “roundtrip gateway to gateway latency average had fallen to below 60 microseconds.”

---



### **Level ATS Completes Next Generation Upgrade working with Leading Edge Technology Provider**

BOSTON, January 28, 2014 Level ATS, a consortium owned US Equity Dark Pool launched in September 2006, is excited to announce the completion of its next generation matching engine. Level ATS enlisted the expertise of Thesys Technology, a leading provider of high performance technology systems. Level CEO Whit Conary said “We are very excited about this next step in Level’s history. This new technology provides Level’s customers with some of the fastest response times in the market place, allowing customers to access our diverse liquidity quickly and efficiently. Level routinely executes more than 4,000 unique symbols daily with over 50% of its executed volume in mid and small cap securities.”

The new Level ATS matching engine was built from the ground up as a standalone platform using the latest in state of the art technology. The highly customizable platform is located in the NY4 datacenter in order to give customers seamless connectivity in a centralized facility.

Thesys has emerged as a pioneer of high-performance technology systems with a belief in the need for democratizing the playing field of financial technology. "The adoption of modern technology is critical to leveling the playing field between the buy side and professional traders" said Manoj Narang, Chairman and CEO of Tradeworx Inc, the parent company of Thesys and the provider of the MIDAS platform to the Securities and Exchange Commission. “Fast order response times help to reduce the opportunity cost for routing orders to multiple pools of liquidity.”

Since launching its new platform on October 21, 2013, Level ATS has seen its roundtrip gateway to gateway latency average fall to below 60 microseconds. The increase of both speed and throughput capacity has made Level a desirable first stop for many users. Level ATS remains committed to its mission of providing value added solutions and best execution, while minimizing information leakage and market impact in a Dark Pool environment.

---

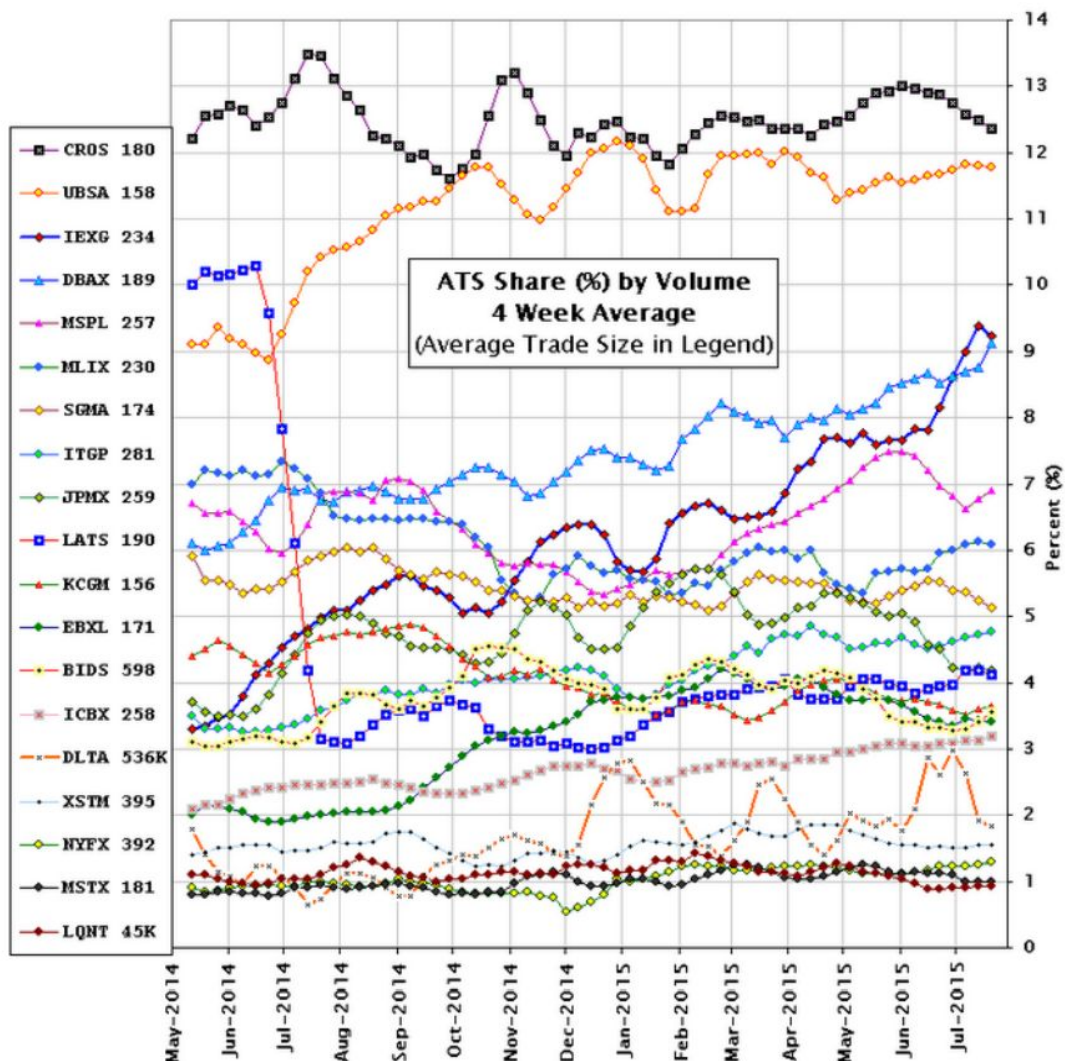
Level ATS’s FAQ’s, posted to their website, state that brokers can’t co-locate with Levels matching engine in NY4. However, Level ATS does allow broker/dealers to cross connect from within NY4 – which is effectively, colocation, given that all systems are within the same data center.

Q2: HOW DO I CONNECT TO LEVEL ATS?	
A2: Subscribers can connect via cross connects within Equinix NY4 or through various extranet providers. Please contact us at <a href="mailto:Salesdesk@LevelATS.com">Salesdesk@LevelATS.com</a> or at 617-203-3156 for additional information.	
Q5: WHERE IS THE LEVEL ATS MATCHING ENGINE LOCATED?	
A5: The Level ATS matching engine is a standalone platform hosted by Thesys Technologies using the latest in state of the art technology. The matching engine is located in Equinix NY4 Secaucus, NJ.	
Q6: CAN I CO-LOCATE WITH LEVELATS?	
A6: No. LevelATS does not offer the ability to co-locate with the matching engine.	

Interestingly, when Level ATS re-platformed in January 2014, it decided to use the SIP feeds for market data, even though the trading technology was being provided by Tradeworx, a high frequency trading firm, that surely had the ability to consume direct feeds. Notably, at that time, the realization of dark pool arbitrage opportunities based on the use of SIP rather than direct feeds was already a common industry understanding.

Q12: WHERE DOES LEVEL ATS GET ITS MARKET DATA?	
A12: Level ATS sources market data from exchange SIP feeds, delivered from the Thesys Technologies, LLC ticker plant solution.	

Since relaunching with its new HFT-provided trading platform, and according to publicly available FINRA Rule 4552 data, Level ATS (EBXL) has doubled its market share since May 2014. Interestingly, Level ATS has a relatively low trade size (171 shares), particularly for a broker-neutral dark pool.



One of Level ATS's selling points, is their ability to provide an internalization mechanism (aka "levels"), whereby brokers can customize Level ATS to cross against their own order flow, and even achieve a lower fee, possibly free.

With intensity around broker dark pools and proprietary trading within dark pools, some of Level ATS's broker Subscribers and broker owners may be increasingly preferencing Level ATS over other dark pools. However, brokers routing client orders to Level ATS, prior to sweeping the lit market, may be creating a routing signal to prop trading divisions of the broker or other HFTs registered as broker subscribers of Level ATS, who are lying in wait on Level ATS, much like exchange inverted venues (paying for liquidity-taking executions).

Such venues often have a lower average trade size, as the passive HFT order waiting for the execution signal desires to expose as little notional risk as possible in order to pick up that valuable trading signal.

**FEATURES**

**Broker Dealer Outsourced Internalization Solution**  
Users can leverage the Level ATS platform to match their own internal sources of order flow; maximizing execution quality while increasing operational efficiency.

**Contra-Party Customization**  
Level ATS offers users the ability to customize their eligible contra-parties through contra-party list building at either the Session level, MPID level, or Desk level.

**Minimum Quantity**  
Level ATS offers both aggregation and non-aggregation options for MinQty. MinQty instructions are defined by the user on an order-by-order basis.

Level ATS's use of the SIP, particularly after being provided the technology by known HFT advocate Manoj Narang, is suspect, because HFTs consuming direct feeds would be able to recognize a quote change in ANY symbol at ANY time, and blindly send an IOC to such a trading system, knowing that its SIP-based system will be slower to update its order book.

In the event the HFT receives an IOC fill from the dark pool operating on the SIP, the HFT receiving the execution can then immediately unwind for a profit at another market with the new quote represented on the direct feed.

Risk-less profits...provided at a whole new Level.