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Investment Technology Group Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And your first question comes from the line of Mr. Ken Worthington of JPMorgan. Please proceed, sir.

Ken Worthington - JPMorgan

Hi, good morning. I have a series of questions on BLOCKalert. I am just going to fire them off.

Bob Gasser

Okay.

Ken Worthington - JPMorgan

How did the purchase come about? Did Merrill approach you or did you approach Merrill?

Bob Gasser

I think there was a consensus amongst the two of us, that it was probably a good idea to resolve the partnership. We've been at this for the last 2.5 years. And as you are aware, Ken, market structure has changed dramatically. I think the way the firms think about their liquidity in a proprietary way internally has changed quite a bit, and I think we found after 2.5 years that maybe our vision for this business was not aligned. We have a tremendous amount of respect for Merrill Lynch and for the management team there. But I think we found that, going forward, it would be best if we went in separate directions.

Ken Worthington - JPMorgan

Okay. So, are there changes to the product or service that you are going to make, when Merrill is out of the picture?

Bob Gasser

No, not anything material. We've assimilated the folks that were a part of BLOCKalert into our operation. The distribution that we have in terms of the integration remains as it is. We were going to be obviously rebranding and changing some signage, but there is no real material change there. It will proceed as the same going concern for all intents and purposes.

Ken Worthington - JPMorgan

Was BLOCKalert making money?

Howard

No.

Ken Worthington - JPMorgan

Okay. And will you bring in another partner? Or have you contemplated bringing in another partner?

Bob Gasser

I think at this stage of the game Ken, in the US and in Europe and in Australia, where we're currently in production, I think it's safe to assume that we've decided that, it's best to go it alone.

Ken Worthington - JPMorgan

Okay. And then, you guys report monthly trading volumes. Does the purchase of BLOCKalert impact those trading volumes that you report monthly? In other words to say?

Bob Gasser

It is not in anyway.

Ken Worthington - JPMorgan

Not anyway, okay. Prefect, thank you. I will re-queue up for my other questions if they are not asked.
Thanks

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