



BEST EXECUTION

THEY KNOW IT WHEN THEY
GET IT, SO SHOW THEM



Best Execution

The Team of Bay Crest Partners, LLC embraces the concept “transformation through technology” that characterizes the competitive landscape of agency trading. However, Bay Crest’s value proposition, like the Firm itself, is built on the tenet of a team—the cooperative effort of a group to achieve a common goal—Best Execution for their clients. Pairing the insight, instinct, and execution expertise of a human trader *and* cutting edge technology is an illustration of the value of their team approach.



William P. Mulligan, Jr.



Richard Crisalli



Anthony Riccio, Jr.



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Blaze Tankersley

How do you define Best Execution?

Rich: U.S. securities law is very clear on this point—a broker dealer is required to use every reasonable measure, in any transaction, to **execute** customer orders in the most beneficial method available under market conditions surrounding the order. While this seems like a relatively simple concept, the **most beneficial method available** can have a different meaning for different clients.

Best in class execution depends on our client’s objective. Whether we execute a trade order silently throughout the day using all pools of liquidity, or we seek a low impact, time sensitive approach taking advantage of temporary liquidity and price levels, our objective is to meet the specific needs of each of our clients.

We believe Best Execution goes beyond speed, size, cost and any other measurable consideration of a trade. We never lose sight of the desired outcome of a particular trade for a particular client at a particular time. The bottom line is results. All our efforts and capabilities mean nothing if we don’t produce the desired outcome for our clients.

Blaze: Best execution starts with execution. In today’s highly fragmented, machine driven markets it is often hard to find the meaningful liquidity that we think is the foundation of best execution practices; be it on screens, in algos or in dark pools. Getting to the point of best execution when dealing in institutional size, especially in less liquid names, comes back

to the high touch human element that is essential in pairing off large scale buyers and sellers with minimal market impact. Being at the point of execution is one of our keys to ensuring our customers get the best execution every time.

Why should an institutional client consider Bay Crest?

Billy: A client should look carefully at the value proposition offered by a broker dealer. Some considerations are the portfolio of services, the quality of a broker dealer in trade executions, useable cutting edge technology, the value of research provided, as well as the commission rates and financial terms. An overriding characteristic of our client relationships is trust. We are committed to building solid relationships based on accountability, performance and trust. We recognize we cannot be all things to all clients, but we want to excel in everything we do and to anticipate our clients’ needs and build value for them. Trust, accountability, and performance are things we can deliver day after day.

Blaze: The human element can’t be overlooked. Instantaneous media coverage of events that drive stocks in the short term, or intraday, is a challenge to program into a trading system or algorithm. Market tools supported by technology are generally effective in finding liquidity. However, an expert sales trader with the knowledge of a significant intraday event can often exploit the market imbalance caused by such an event.



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Notwithstanding the onslaught of electronic trading tools, high-touch never quite became obsolete. In executing difficult-to-trade securities, the best approach can be a combination of electronic trading tools and access to personal, high-touch trading expertise.

Gene: Our business, while it is growing and evolving, is still “client-centric.” We believe that our commitment and responsiveness to our institutional clients is the cornerstone of our business. Our success is defined by our understanding of each client’s needs, our commitment to protecting their ability to trade anonymously, and providing timely and relevant market insight.

Anthony: Our business is built on relationships and expertise. We understand the importance of accessibility, protecting our clients in the markets and getting the job done. Our client base is diverse and we work hard to nurture our relationships with each one. We do not commit capital, thereby eliminating any conflicts present in proprietary trading. Our clients know our only interest is to do the best possible job for them.

Billy: We’ve launched a menu of specialized services that we’re confident can provide value; we’ve built a strong Research team and we’ve made great strides with our Corporate Access program. As an Agency Only Broker Dealer, we are able to host and facilitate events with investors and corporate management without bias.

We’ve expanded our technology partnerships providing a comprehensive suite of algorithms to meet our clients trading strategy requirements. And, we are convinced that the high-touch expertise of an experienced sales trader cannot be surpassed by technology in certain market conditions.

Anthony: We are able to provide our clients with coverage of additional asset classes. We’ve added capabilities in fixed income and structured products, global trading, equity derivatives and, of course, equities.

Full Commission Sharing Agreement (CSA) services are available to our clients, enabling them to use their commissions for third party services and consolidate the number of brokers they use.

Gene: Going back to our core, we have one of the largest independent operations on the NYSE Euronext and NYSE Alternext. Having our own experienced team on the floor of the exchange accessing liquidity, at the open and close of

the market and during a period of volatility, complements our “Best Execution” strategy seamlessly.

We constantly reinforce the benefit of providing clients with timely and actionable trading ideas driven by macro, technical and fundamental views that augment their own research. The sales trading team is required to attend and participate in a daily strategy meeting, enabling the exchange of ideas and information necessary to analyze global events, world news, and market action.

Rich: Direct connectivity to our trading teams on the NYSE Euronext and NYSE Alternext exchange floors enables us to provide our clients with real-time market intelligence and fast execution in a dynamic market.

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Our presence on the exchange provides Floor Brokers with a tool that presents a distinct advantage to our clients for price discovery at the point of sale on the NYSE Euronext. Each trading day, beginning at 3:55 p.m., The NYSE Euronext closing order imbalance information (market on close) includes d-quote (e-quotes using discretion) interest using the maximum discretionary price that could be available at the Close and pegs e-quotes at the ceiling or floor price. Exchange systems use the information associated with these order types to determine inclusion in the NYSE Closing Order Imbalance data feed. Bay Crest’s Floor Brokers have real-time access to this important market information and are well-positioned to bring this functionality to our clients.

Anthony: In today’s volatile markets, we have to be able to manage the entire process. It’s not just a high-touch order anymore—It’s market strategy, technical research, a robust Corporate Access program, and the best technology in our space.

Rich: Our experience and depth of coverage provides a critical edge in trading execution. Our backgrounds range from accomplished exchange floor professionals, to institutional sales traders, to portfolio managers. Our collective experience gives us a unique insight and ability to service our clients.

It’s all about our team—a group of skilled professionals with a single focus—providing value for our clients. •