



ADIRONDACK TRADING PARTNERS

Adirondack Trading Partners, LLC (“ATP”), a New York Limited Liability Company, was formed to fund the design, development and implementation of the International Securities Exchange (“ISE” or the “Exchange”). The ISE will be the nation’s first fully electronic equity options exchange. ATP is providing the necessary capital and will provide a critical mass of order flow to assure liquidity on the ISE. ATP will also operate as a market maker on the ISE.

In early 1996, Bill Porter and Marty Averbuch began investigating ways to bring lower costs to the retail options investor. A plan was conceived to create a consortium of broker/dealers patterned after Roundtable Partners (now Knight/Trimark Group, Inc.), a highly successful venture in the equity market. The basis of Knight/Trimark’s success is the collective retail order flow of their investing broker/dealers. ATP’s concept is to attract similar retail order flow and combine it with the ability to deliver high quality trade execution for the investor. Technology, leveraged by the capital commitment of the members of the consortium, will drive down costs thereby providing a reduction in the commission level for all investors.

The nature of the options market differs from the equity market. Unlike equities, which are issued by companies to raise capital, options contracts that are traded on an exchange are issued and guaranteed by The Options Clearing Corporation (“OCC”). The OCC was established, and is owned by the four existing nationally registered options exchanges. The OCC will only issue and guarantee options contracts that are traded on a registered market, such as an exchange. This policy necessitates the creation of an options exchange registered with the SEC. The SEC has long favored greater competition in the options markets and has been receptive to this initiative.

The ISE will employ the latest technology in the creation of a highly efficient electronic options exchange. The development and implementation of the project is estimated to be \$80 million or more. The ISE funding has been provided by ATP, which has purchased the memberships from the exchange. ATP will operate two of the ten planned Primary Market Makers and eight of fifty Market Makers on the ISE, giving it wide coverage of the options classes expected to be listed on the Exchange. Over time, the remaining memberships will be sold or leased to well capitalized firms that have substantial expertise in making options markets.

ATP’s present investors (among whom several were original investors in Roundtable) include a consortium of broker/dealers that collectively account for a substantial number of customer orders in stock options. These broker/dealers do not individually possess sufficient order flow to

economically justify the creation of an independent electronic exchange facility, but as a collective entity they have the ability to create market efficiencies for the benefit of all their customers. By organizing ATP in this fashion, the collective order flow represented by this consortium provides a solid foundation upon which the ISE will build its business.

To date ATP has received enthusiastic response both from the broker/dealer community as well as potential market makers. The company will continue these discussions in coming months with other broker/dealers and market makers to ensure the success of this project, which is certain to create a paradigm shift in the country's financial structure.

ATP will also engage in market making on this highly efficient new exchange ultimately returning benefits both to its investors and to the investing public.

The members of ATP include Ameritrade Holding Corporation; E*TRADE Group, Inc; Herzog Heine Geduld; Knight/Trimark Group Inc.; Scottsdale Securities, Inc. and other broker/dealers whose participation will be announced at a later date.

Ameritrade Holding Corporation

Ameritrade Holding Corporation [Nasdaq: AMTD] is a pioneer in the discount and online brokerage industry. Subsidiaries include: Ameritrade (Inc.) and Accutrade, Inc., online discount brokerage firms; AmeriVest, Inc., a provider of third-party discount brokerage for financial institutions; Advanced Clearing, Inc., a provider of securities clearing services for each subsidiary and other financial institutions; and OnMoney, a financial services mall currently under development. Ameritrade Holding Corporation is located in Omaha, Nebraska, and trades publicly on the Nasdaq Stock Exchange under the symbol AMTD. For more information on the company, visit their web site at www.amtd.com.

E* TRADE Group, Inc

A leading branded provider of online investing services, E*TRADE [Nasdaq: EGRP] has established a popular destination Web site for self-directed investors. The Company offers independent investors the convenience and control of automated stock, options, and mutual funds order placement at low commission rates. In addition, E*TRADE has a suite of value-added products and services that can be personalized, including portfolio tracking, Java-based charting and quote applications, real-time stock quotes, Smart Alerts, market commentary and analysis, news, investor community areas and other information services. For more information about E*TRADE visit their web site at www.etrade.com.

Herzog Heine Geduld

Herzog Heine Geduld, a member of the New York Stock Exchange, established in 1926, is a leading Nasdaq trading firm [Nasdaq: HRZG], serving institutional investors, banks, brokerage firms, pension funds and other institutions. In London, Herzog Heine Geduld International, a wholly-owned subsidiary, makes markets in all stocks currently traded on EASDAQ and many stocks listed on the London Stock Exchange. HRZG also maintains fully-disclosed clearing and execution services for brokerage firms, banks and institutional investors, and custodial services for self-directed IRA, Keogh and other tax-deferred accounts. For more information about the company, visit their web site at www.herzog.com.

Knight/Trimark Group, Inc.

As the leading market maker in both NASDAQ securities and in the over-the-counter market for NYSE and AMEX listed securities, Knight/Trimark [Nasdaq: NITE] has gone from handling 40,000 trades per day in July 1996 to over 150,000 trades in less than two years. Knight/Trimark was founded as Roundtable Partners by a consortium of market makers and broker/dealers with the goal of becoming a major market-making firm “Dedicated to Execution Solutions” for the investment community, and has accomplished that goal through a committed and continuing investment in trading systems and proprietary trading methods. Knight/Trimark makes markets in over 18,500 listed and OTC equity securities. To fulfill its client’s execution needs, Knight/Trimark maintains an experienced, dedicated staff of over 450 professionals including 350 individuals in a market making and customer service capacity. For more information on the company, visit their web site at www.knight-sec.com.

Scottsdale Securities, Inc.

Scottsdale Securities, Inc., with 83 offices nationwide, is a deep discount brokerage firm doing business since 1980. The firm’s headquarters is in St. Louis, Missouri. Scottsdale was among the first to offer online trading. Through its online trading site (www.Scottrade.com), Scottrade offers customers the opportunity to trade listed and OTC stocks and options online. Scottrade has been in operation since 1996 and is unique among online trading firms: commissions on trades through Scottrade are among the lowest in the industry, and yet the firm is committed to offering superior customer service for Scottrade through its network of branch offices. The firm was an early partner/investor in the Knight/Trimark consortium.

BIOGRAPHIES

Marty Averbuch, President and CEO

Marty Averbuch is a founder of the ISE and President and CEO of ATP. Mr. Averbuch was with E*TRADE Group, Inc. between August 1993 and August 1998 and served in various capacities, including Vice President On-Line Ventures, Vice President Special Projects, and President of E*TRADE Capital, Inc., a subsidiary of E*TRADE Group, Inc. In addition, Mr. Averbuch has served on the Advisory Board of Roundtable Partners LLC and is currently on the Board of Directors for Knight/Trimark Group Inc. Mr. Averbuch is active in promoting industry wide best execution practices, has experience in international business development, has worked with third-market organizations and has organized and managed an over-the-counter market making organization. He also has entrepreneurial experience in several manufacturing companies. Mr. Averbuch served as a professor at Hofstra University in the Department of Finance. Mr. Averbuch has JD and MBA degrees from the University of Chicago, and a BS from Wharton.

Robert M. Mercorella, Senior Vice President, Marketing and Business Development

Robert M. Mercorella is Senior Vice President, Marketing and Business Development of ATP. Before joining ATP, Mr. Mercorella was a Senior Manager and Director of Marketing at Andersen Consulting's Financial Ideas Exchange in New York City. Prior to Andersen Consulting, Mr. Mercorella was Vice President/Marketing at RXR Capital Management, a futures and options asset management firm. Mr. Mercorella has also been Managing Director-Marketing of Cantor Fitzgerald Securities, an institutional Broker/Dealer. Mr. Mercorella began his career practicing corporate and securities law and has an AB from Colgate University, a DBS from the London School of Economics and a JD from Fordham University School of Law.