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**FOR IMMEDIATE RELEASE**

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**INTERNATIONAL SECURITIES EXCHANGE**  
**APPROVED BY SECURITIES AND EXCHANGE COMMISSION**

**First New Securities Exchange in Twenty-Seven Years**

**NEW YORK, February 24, 2000** – The International Securities Exchange (ISE) announced today that it has received approval of its application for registration as a national securities exchange. This marks the first time since 1973 that any entity has received such designation from the Securities and Exchange Commission (SEC). Before 1973, all other exchanges predated the formation of the SEC in 1934.

Michael Simon, ISE's chief regulatory officer and general counsel, said, "I am pleased that all our effort in developing ISE's rules, by-laws and regulatory structure has been officially recognized by the SEC. We believe that our approach, as reflected in the application filed with the SEC, will set a new standard for the industry."

The market structure, trading system and advanced technology being deployed by the ISE will provide all market participants with significantly reduced costs and increased levels of efficiency. In anticipation of ISE's advent, the options industry has already experienced considerable and rapid evolution, including: the multiple listing of options, the reduction of transaction costs, the growth of automated execution systems, and renewed pressure on the exchanges to form linkages for the protection of customers.

David Krell, ISE's president and CEO, said, "This is a milestone in our development and, indeed, in the history of the U.S. financial markets. All of us at ISE are pleased to be launching the world's first fully electronic options marketplace based on auction market principles. We look forward to providing the investment community, both investors and professionals, with a better solution that will fuel further growth in this important sector."

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## **New Launch Date**

As a result of the short time now remaining until the originally anticipated launch of March 24, the ISE has postponed its first day of trading until May 26. This will enable the ISE to accomplish all necessary post-approval activities that could otherwise not have been completed between approval and March 24, including: member firm application processing, Designated Trading Representative (DTR) testing, becoming an owner-participant in The Options Clearing Corporation, and joining the Options Price Reporting Authority.

The ISE and its full contingent of market makers and order flow providers had anticipated earlier approval of its application. However, the ISE recognizes that the SEC has been deeply engaged in several issues critical to the industry, including market fragmentation, decimalization, options market linkage and quote capacity.

## **ISE Background**

ISE is the first nationally registered securities exchange in twenty-seven years, the first fully electronic options exchange in the United States, and the world's first options marketplace combining electronic trading and auction market principles.

ISE recently announced plans of nine leading financial institutions to operate its ten Primary Market Maker memberships and several other firms that will operate 87 of 100 Competitive Market Maker memberships. ISE plans to list options on 600 of the most widely owned and popular stocks.

ISE headquarters is located at 60 Broad Street, New York, NY 10004 and can be reached at (212) 943-2400 or, for additional information, visit its web site at [www.iseoptions.com](http://www.iseoptions.com).

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