



INTERNATIONAL SECURITIES EXCHANGE

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**FOR IMMEDIATE RELEASE**

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**INTERNATIONAL SECURITIES EXCHANGE**  
**ELECTS WILLIAM A. PORTER AS CHAIRMAN AND**  
**IVERS W. RILEY AS VICE CHAIRMAN**

**ISE SELECTS ADDITIONAL NON-INDUSTRY DIRECTORS  
AND APPROVES BOARD ASSIGNMENTS**

**Peter S. Hajas, Richard R. Lindsey, Carleton (Tony) Day Pearl, Ralph Reynolds,  
Jonathan Sandelman and Patrick J. Whalen to Serve on ISE Board**

**NEW YORK, May 15** – The International Securities Exchange (“ISE”) held its first board meeting last week and in its first course of action, unanimously approved William A. Porter, a co-founder of the ISE, to become the Exchange’s first Chairman. In addition, Ivers W. Riley was elected Vice Chairman.

In ISE’s first Membership meeting, Carleton (Tony) Pearl was formally elected along with the previously nominated non-industry directors: Barbara B. Diamond, Frank J. Jones, Mark P. Kritzman, John F. Marshall, Ivers W. Riley and Richard Schmalensee. This leaves one non-industry director position still to be filled.

Ralph Reynolds (Managing Director of Deutsche Bank Alex Brown) and Jonathan Sandelman (Managing Director and Director of the Equity Financial Products group at Banc of America Securities) were elected as the two representatives for the Primary Market Maker (PMM) memberships.

Peter S. Hajas (Director and Chief Executive Officer of Knight Financial Products LLC) and Patrick J. Whalen (Managing Director of Morgan Stanley Dean Witter and Global Head of Equity Derivative Trading) were elected as the two representatives of the Competitive Market Maker (CMM) memberships.

## *ISE BOARD OF DIRECTORS – 2*

Richard R. Lindsey (Co-President of Bear, Stearns Securities Corporation) and William A. Porter (Chairman of ISE and Chairman Emeritus of E\*TRADE Group) were elected as the two representatives of the Electronic Access Member (EAM) memberships.

“These new directors bring a vast amount of knowledge to ISE which will prove to be invaluable to our organization as we grow and develop in the future,” said David Krell, president and CEO of ISE.

In designing its governance structure, ISE has established its board with a majority of non-industry directors (eight of fifteen). Six of the positions are held by representatives of the ISE membership: two Primary Market Makers (PMMs), two Competitive Market Makers (CMMs) and two Electronic Access Members (EAMs). The president and CEO holds the fifteenth board position.

ISE’s ten PMMs and one hundred CMMs will provide continuous liquidity, while an unlimited number of EAMs will channel customer and proprietary orders to ISE’s trading platform for execution.

### ***BIOS:***

#### ***Carleton (Tony) Day Pearl***

Mr. Pearl joined System Capital Corporation as President and Chief Executive Officer from McDonald’s Corporation, where he was Senior Vice President and Treasurer. He also was chairman of The Profit Sharing Administrative Committee which is responsible for overseeing investment choices for McDonald’s employee retirement funds. In addition, he served as an Advisory Director to McDonald’s Board of Directors for a one-year term from 1996 until 1997.

Prior to joining McDonald’s, Mr. Pearl worked for Bankers Trust Company in New York where he held positions in both the domestic and international lending areas. He also served as General Manager of Bankers Trust (International) Midwest Corp., the Chicago Edge Act Corporation for Bankers Trust.

Mr. Pearl is a board member of the National Association of Corporate Treasurers (NACT) and a member of the Committee on Corporate Finance of the Financial Executives Institute. In 1993, he served as a member of the working group for the Group 30 Report on Derivatives.

In addition, he is a Trustee of the Aon Funds and serves on the Advisory Board of the School of Liberal Arts and Sciences at DePaul University in Chicago and the Council of Advisors of the Society of International Treasurers.

## *ISE BOARD OF DIRECTORS – 3*

### ***Jonathan Sandelman***

In addition to being Managing Director and Director of the Equity Financial Products group at Banc of America Securities, Mr. Sandelman is a member of the Board of Directors and President of NMS Services Inc., NMS Services (Cayman) Inc. and BAC Services Inc. He is also a member of the Executive Committee of Banc of America Securities.

Prior to joining Banc of America in 1997, Mr. Sandelman was Deputy Head of Global Equities and Managing Director of Equity Derivatives at Salomon Brothers, as well as a member of both the Risk Management Committee and the Compensation Committee.

Mr. Sandelman is also a member of the Board of Advisors of Visitalk Inc., and a member of the Board of Directors of Axient Communications, elncubator, Enramp.com and Do Something, a nonprofit youth leadership organization.

Mr. Sandelman was awarded Hugh McColl's Crystal Hand Grenade for Excellence for first quarter 2000. He was also named U.S. Innovator of the Year by Derivatives Week, and in 1995, named Derivatives Superstar by Risk Magazine.

### ***Ralph Reynolds***

As Managing Director and a member of the equity division executive committee of Deutsche Bank Alex Brown, Mr. Reynolds is responsible for global equity derivatives trading and global program trading.

Mr. Reynolds has been involved in the equity derivatives industry for 16 years and has been affiliated with markets in Chicago, Tokyo, London, and New York.

Prior to Deutsche Bank Alex Brown, Mr. Reynolds had held notable positions at SBC/O'Connor, Morgan Stanley, and Natwest Securities.

### ***Peter S. Hajas***

Mr. Hajas joined Knight Financial Products after serving as Managing Director of Global Fixed Income and Derivatives for Swiss Bank Corporation from 1990 to 1998. Previously, Mr. Hajas was a partner at O'Connor & Associates in charge of fixed income trading from 1989 to 1990. From 1987 to 1989, Mr. Hajas was the Chairman and Head of Trading for Arbitech AB.

## *ISE BOARD OF DIRECTORS – 4*

### ***Patrick J. Whalen***

Mr. Whalen was elected as a Managing Director in 1995 of Morgan Stanley Dean Witter and serves as the Global Head of Equity Derivative and Portfolio Trading.

Mr. Whalen joined Morgan Stanley in 1991 as a Vice President in Derivatives Trading in London. In 1997 he relocated to New York from Europe where he was responsible for the Equity Derivatives and Portfolio Trading Businesses. Prior to Morgan Stanley, Mr. Whalen spent six years at O'Connor & Associates.

### ***Richard R. Lindsey***

In addition to being Co-President of Bear, Stearns Securities Corporation, Dr. Lindsey is a Senior Managing Director of Bear, Stearns & Co. Inc., where he serves on the firm's Operations Committee, Credit Policy Committee, President's Advisory Council and is Chairman of both the Client Review Committee and the Best Execution Committee.

Prior to joining Bear Stearns, Dr. Lindsey was the Director of Market Regulation for the Securities and Exchange Commission responsible for administering the SEC's programs for the oversight of securities markets and securities professionals.

Prior to joining the SEC, he was an Assistant Professor of Finance at Yale University in the School of Management. He has also held positions of Visiting Academic at the Nikko Research Institute in Tokyo and Visiting Economist at the New York Stock Exchange.

## **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 has announced its intention to list the top 600 equity options classes representing over 90% of the option industry's average daily trading volume. ISE is currently conducting full-scale trading simulation with all its members and is on schedule to launch trading on May 26, 2000. The roll-out schedule involves starting trading with a small number of options classes and growing over time to the full list of 600.

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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