



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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**INTERNATIONAL SECURITIES EXCHANGE ANNOUNCES TENTH
PRIMARY & ADDITIONAL COMPETITIVE MARKET MAKER ASSIGNMENTS**

Banc of America Securities LLC to be PMM

NEW YORK, February 10, 2000 – The International Securities Exchange (ISE) announced today its tenth Primary Market Maker (PMM) and 28 additional Competitive Market Makers (CMM). This brings the number of announced CMM memberships to 87 out of 100.

Banc of America Securities LLC (BAS), a subsidiary of Bank of America Corporation, joins the roster of other leading institutions that will be operating PMM memberships, providing the core liquidity in the world's first exchange to combine electronic trading with auction market principles.

On December 9, 1999, the ISE announced that nine of its ten PMM memberships would be operated by: Adirondack Trading Partners (two PMM memberships); Arbitrade Holdings; The Arbitrage Group; Bear Specialist Inc./Hunter Specialists, LLC; Deutsche Bank Securities, Inc.; Goldman Sachs & Co. and The Hull Group; Knight/Trimark Group, Inc.; and Morgan Stanley Dean Witter & Co. These same firms will also trade as Competitive Market Makers in 59 of the 100 CMM memberships.

Henry Schwartz, head of proprietary options market making at BAS, said, "Tomorrow's markets will provide better prices, faster execution and greater liquidity for all participants. Our commitment to the ISE is an integral part of our strategy to be a leader as U.S. derivative markets move forward."

"The creation of the first fully electronic options exchange in the U.S. should result in a more competitive marketplace, reducing transaction costs and inefficiencies while improving liquidity. This will benefit our clients and the market as a whole. Our goal is to be one of the dominant dealers in equity derivatives. Our participation in the ISE reflects this commitment to our clients to invest in and deliver the latest technology and innovation," said Van Nguyen, head of equity derivatives trading for Banc of America Securities.

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The firms that will operate twenty-eight CMM memberships are: Banc of America Securities; Binary Traders Inc.; Botta Trading, LLC; G-Bar Limited Partnership; GPZ Trading, LLC; Helios Holding LLC; JAS Securities, LLC; KBC Financial Products; MDNH Traders, LLC; Nordic Options, Ltd.; Omega Options, LLC; SG Cowen Securities Corporation; Timber Hill LLC; and Wolverine Trading, LP.

“SG Cowen today becomes a pioneer in electronic options trading with membership in the ISE,” said New York-based SG Cowen Managing Director Francois Barthelemy. “As a Competitive Market Maker and an Electronic Access Member of the ISE, SG Cowen will enjoy fast, accurate options trades at competitive costs, a strategic advantage for the firm and its clients. We are pleased to be part of this excellent new use of options trading technology.”

David Krell, president and CEO of ISE, said, “These leading institutions share our vision of the vast potential for the options market in this country. Since our initial announcement in November of 1998, the industry has reacted very strongly to the efficiencies that we are bringing to bear: fees have fallen drastically on each of the other options exchanges; competition has reached new heights through the explosion in multiple listings; and average daily volume in equity options has doubled, going from 1.4 to 2.8 million contracts.”

Primary Market Makers will provide liquidity in their assigned options by making continuous two-sided markets and ensuring that orderly market conditions are maintained. Competitive Market Makers will provide additional depth and liquidity by quoting independently, thereby ensuring a competitive process that will provide narrow spreads with quotes in size.

Thomas Peterffy, chairman of Timber Hill, said, “Timber Hill is excited to participate as a market maker and Interactive Brokers is looking forward to adding ISE as the fifth potential point of destination, in search of the best market for its customers’ orders.”

“As one of the leading market makers in the global markets for equity-linked and equity-related securities, we have systematically pursued opportunities to develop new, more technologically transparent sources of liquidity for investors, corporations, and other end-users of listed options.” commented Thomas Korossy, head of derivatives at KBC Financial Products. “By committing to make markets on the ISE in a significant portion of the universe of U.S. equity options, KBC Financial Products continues to play an important and necessary role in moving options markets towards fully electronic trading.”

“Adirondack Trading Partners has now successfully arranged for the sale or lease of virtually all of the ISE market maker memberships and will now focus on developing its own market making capabilities,” said Marty Averbuch, president of

ATP. ATP is the consortium of broker/dealers that is funding the ISE, providing the capital necessary to develop the trading and regulatory systems, acquire hardware, and accomplish all other endeavors associated with establishing the Exchange.

Members' Background

Banc of America Securities LLC: Banc of America Securities LLC, a subsidiary of Bank of America Corporation, is a full-service investment bank and brokerage firm. With principal offices in San Francisco, New York City and Charlotte, BAS employs more than 4,000 associates in offices around the country and, with affiliates, offers capabilities worldwide. BAS is a registered broker-dealer with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers and the New York Stock Exchange. Bank of America Corporation, with \$633 billion in total assets, is the holding company for the largest bank in the United States, with operations in 21 states and the District of Columbia.

Binary Traders Inc.: Binary Traders, Inc., founded in 1987, is one of the largest specialist and market-making firms on the Philadelphia Stock Exchange (PHLX). The firm acts as specialists in more than 40 securities, and in a recent survey of floor brokers, Binary's specialist unit was ranked third out of seventeen on the PHLX. Binary is also a member of the American Stock Exchange and the Chicago Board Options Exchange.

Botta Trading, LLC: Botta Trading is a major market maker of equity and stock index options with floor trading operations at the Chicago Board Options Exchange (CBOE), the American Stock Exchange (AMEX), the Pacific Exchange (PCX) and the Amsterdam Stock Exchange (AEX). Botta Trading also conducts electronic screen-based trading and market making activities on the EUREX. Botta's off-floor trading operations include risk arbitrage, hedged convertibles, and hybrid security and option investments.

G-Bar Limited Partnership: One of the nation's largest independent trading firms specializing in arbitrage strategies on organized options exchanges, G-Bar continues to excel by remaining at the cutting edge of technology while drawing on its rich history of trading experience. With offices in Chicago, New York, Philadelphia and San Francisco, G-Bar employs over 115 professionals and trades options on over 500 U.S. equities as well as derivatives on a variety of commodities. The value of G-Bar's theoretical models combined with a proprietary real-time, automated option pricing system enables G-Bar to instantaneously quote competitive markets in electronic trading exchanges.

GPZ Trading, LLC: GPZ Trading is a leading proprietary options trading firm with an established presence on the floors of all U.S. equity options markets. The firm's principals are John Stafford III and James Stafford.

Helios Holding LLC: The Helios Group is one of the world's leading independent options trading firms, specializing in market making strategies primarily for electronic exchange-traded derivative products. Helios actively trades futures and options on individual equity, equity indices, and interest rate securities on eleven different exchanges worldwide. Helios develops its own high performance interfaces to electronic markets, which has greatly contributed to its rapid growth.

JAS Securities, LLC: JAS Securities was formed in 1996 based upon relationships formed during the previous decade. With offices in New York City, Philadelphia and Cherry Hill, NJ, JAS Securities is a registered broker-dealer with memberships in both the American Stock Exchange and Philadelphia Stock Exchange. The firm is a market maker on both exchanges and also maintains a foreign exchange desk, a convertible arbitrage desk and an off-floor trading desk.

KBC Financial Products: KBC Financial Products is a global specialist in the sales, trading, and structuring of equity-linked and equity-related financial instruments. Backed by the considerable resources of one of Europe's leading bancassurance companies, the firm's team of 200 professionals operates from offices in New York, London, Tokyo, and Hong Kong, and includes a number of the pioneers in the development of the global markets for convertible securities, listed options, and structured equity products. As of February 2000, KBC Financial Products makes markets in over 2,500 instruments worldwide.

MDNH Traders, LLC: MDNH Traders LLC is wholly-owned by MDNH Partners LP a nationwide market-maker organization. MDNH Traders LLC has LMM's and market makers on the Pacific Exchange as well as the AMEX floor. These operations will be expanded and will also incorporate trading on the CBOE, Chicago Stock Exchange and the ISE. MDNH began operations in 1988 and was one of the first groups in the U.S. in which accredited investors participated as limited partners.

Nordic Options, Ltd.: Nordic Options was one of the first market makers in London to trade electronically on OM London Exchange. The firm also makes markets on Eurex and Liffe. Nordic Option's experience with OM Technology's systems will facilitate its market making operations on ISE.

Omega Options, LLC: Omega Options is a lead market maker in 55 issues, emphasizing the internet and health care sectors. Omega is committed to giving options customers, both retail and institutional, the highest level of service possible.

SG Cowen Securities Corporation: SG is the commercial and investment banking business of the Societe Generale Group. Present in over 60 countries and with expertise in capital markets, advisory and origination services, structured finance and commercial banking, SG builds innovative, integrated financial solutions for its corporate, institutional and public sector clients.

Timber Hill LLC: Timber Hill LLC is an affiliate of The Timber Hill Group, a proprietary trading firm operating as specialists and market-makers on the trading

floors of the world's major exchanges. Timber Hill Group employs 340 traders, programmers and support staff located in offices and trading floors throughout the world, and accounts for approximately 5% of the world's listed derivative equity volume. An affiliate, Interactive Brokers LLC, was formed in 1993 as the professional trader's gateway to the world's electronic markets and provides uninterrupted, immediate access and interactive screen trading on 30 exchanges in 15 different countries, and provides a "best execution" linkage for multiple listed equity options. The network is for traders whose strategies and profits depend on instantaneous order execution and absolute real-time pricing information.

Wolverine Trading, LP: Wolverine Trading was established in 1994 as a limited partnership and has evolved into one of the largest global market maker firms with offices located in New York, Chicago, San Francisco and London. Wolverine operates as a proprietary trading firm, trading only for the partnership with no outside capital or customer base. The firm's unique trading philosophy has made it possible to sustain above average growth in a highly competitive and volatile industry. Wolverine intends to combine the expertise developed as a market maker and specialist (52 products) with our practical experience gained from European screen based trading operations. Wolverines advanced technology, proprietary modeling, statistical arbitrage and risk management techniques will allow Wolverine to provide deep and liquid markets on the ISE.

ISE Market Structure/Membership Information

The ISE plans to list and trade 600 stock options, which will be divided into ten groups of approximately 60 stock options each. Market makers will be assigned to provide liquidity in each group.

There are three types of ISE members:

Primary Market Maker (“PMM”) - PMMs, similar to specialists (DPMs or LMMs on other exchanges), are market makers with significant responsibilities, including overseeing the opening, providing continuous quotations in all of their assigned options classes, and ensuring that customer orders are not automatically executed at prices inferior to those available at other options exchanges. One PMM will be assigned to each of the ten groups of options traded on the Exchange.

Competitive Market Maker (“CMM”) - CMMs are market makers that add depth and liquidity to the market and are required to provide continuous quotations in at least 60% of the options classes in their assigned group. Each CMM quotes independently. Up to ten CMMs will be appointed to each of the ten groups of stock options traded on the Exchange.

Electronic Access Member (“EAM”) – EAMs are broker/dealers that represent agency and proprietary orders on the Exchange. An EAM does not

purchase a membership. Rather, once approved as an ISE member, an EAM pays an access fee that permits the firm to place orders in all of the options traded on the Exchange.

ISE Background

ISE will become the first fully electronic options exchange in the United States and the world's first options marketplace combining electronic trading and auction market principles.

On February 2, 1999, ISE filed its application for registration as a national securities exchange with the Securities and Exchange Commission (SEC). Upon approval by the SEC, ISE will become the first new registered U.S. securities exchange in 27 years. 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.

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