

## **The Archipelago Exchange To Introduce Closing Auction**

*-- ArcaEx<sup>®</sup> Brings Greater Transparency to Investors and Corporate Issuers with a Single Price Closing Auction for U.S. Equities --*

CHICAGO – January 8, 2003 – The Archipelago Exchange<sup>sm</sup> (ArcaEx), the nation’s first open, all-electronic stock exchange, today announced the introduction of the ArcaEx Closing Auction. The ArcaEx Closing Auction will provide investors with an open and transparent way to determine the closing auction price in both listed and over-the-counter (OTC) stocks.

Similar to Archipelago’s current Opening Auctions, the Closing Auction is a single-price Dutch auction that matches buy and sell orders at the price that maximizes the amount of tradable stock. ArcaEx will calculate and continually disseminate the indicative closing price, indicative closing volume, and the auction imbalance prior to the Closing Auction that will occur every trading day at 4 p.m. E.T. This information will be available on Archipelago’s Web site and in the ArcaBook data feed.

“As public companies and investors seek greater market transparency, we believe the combination of our Opening Auctions and our Closing Auction further ArcaEx’s reputation as an open and fair marketplace,” said ArcaEx CEO Jerry Putnam. “The Closing Auction will bring increased clarity to the market close and will allow our clients to fully participate in the closing price discovery process.”

Recently approved by the SEC, ArcaEx’s Closing Auction will be introduced in early 2004. At that time, ArcaEx will be the only market center that runs a fully transparent, all-electronic closing auction in U.S. equities.

### **About the Archipelago Exchange**

The Archipelago Exchange (ArcaEx) is dedicated to openness, transparency and equal access to equity markets. ArcaEx's advanced technology, open architecture and unbiased trading platform provide investors with fast, cost-efficient and anonymous market access. On October 25, 2001, the SEC approved the rules creating ArcaEx. The exchange features a trading system that searches for the best execution for each order. ArcaEx is the first totally open, fully electronic stock exchange to trade in all New York Stock Exchange<sup>®</sup>, Nasdaq<sup>®</sup>, American Stock Exchange<sup>®</sup> and Pacific Exchange<sup>®</sup> securities. ArcaEx is regulated by the Pacific Exchange. The Archipelago ECN, a precursor to ArcaEx, was one of the four original ECNs, formed in December 1996 with Townsend Analytics. For more information about the Archipelago Exchange, please visit [www.archipelago.com](http://www.archipelago.com).

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