

DECLARATION OF PABLO MELGAREJO

I, Pablo Melgarejo, declare that:

1. I am personally familiar with the facts set forth herein, and, if called as a witness, I could and would testify thereto of my own personal knowledge.
2. I began my career professionally trading in June of 2000 when I joined Kingstree Trading, LLC, a proprietary trading firm. During my first 3-4 months, I traded stocks electronically using software called ProTrader. This software displayed the market data in a Level II type format with the best bid and best ask prices being displayed in designated locations on the screen. ProTrader required multiple steps by the trader to enter an order at a particular price.
3. In around October of 2000, I started trading stock index futures electronically using software from Trading Technologies ("TT") called X_Trader®. In particular, I entered and managed orders using a new trading tool of X_Trader® called MD Trader™. MD Trader was much different than the other trading screens that I was aware of at the time. For example, MD Trader provided a very simple order entry tool in which the trader could enter orders at particular prices with one click. Because MD Trader allowed the trader to enter orders by clicking in cells aligned with price levels that were kept still on the screen, the trader always knew what price he would be getting. This was different than preexisting screens in which the prices would move on the screen. Also, MD Trader displayed the market data in a better manner because it displayed the data against a column of prices where the prices remained fixed so that the market data could move up and down the column when the market changed. MD Trader also provided a useful and unique feature called manual recentering which allowed a trader to quickly (with one click of a mouse button) bring the market (the best bid and ask prices) to the center of the screen. This one-click recentering feature is useful for creating a point of reference from which to view market movements, especially when a trader is trading multiple products side-by-side. I had never seen a trading application with any of these features prior to seeing MD Trader.
4. These features create a world of difference for the trader. Due to the improved order entry and the improved display, MD Trader allows traders to trade faster and enter order in a simpler fashion than they could with preexisting systems. This is very important in electronic trading in which even a tenth of a second could make the difference between a successful and unsuccessful trade.



5. Since I started using MD Trader, I have seen a variety of demonstrations from competitors of TT of products having similar features to MD Trader. I recall seeing such demos from companies such as YesTrader, GL, Patsystems and Easyscreen, for example. I recall that TT's competitors would often pitch their products by showing that they had similar features to TT's MD Trader.

6. I reside in Chicago, Illinois.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 23, 2004.


Pablo Melgarejo