

NYU ~ ISE SYMPOSIUM
IN CONJUNCTION WITH IAFE

the
TRANSFORMATION
of options trading

keynote address ~ STEPHEN A. ROSS

MAY 10, 2005



SALOMON CENTER CONFERENCE: THE TRANSFORMATION OF OPTIONS TRADING

SPONSORED BY IAFE

IN CELEBRATION OF ISE'S 5TH ANNIVERSARY

SCHEDULE OF EVENTS

8:15am Registration & Continental Breakfast

8:45am Welcome

Thomas F. Cooley, Dean, NYU Stern School of Business

8:50am Opening Remarks

Robert F. Engle, Director, Center for Financial Econometrics, NYU;
2003 Nobel Laureate in Economics

9:00am The Story of the Electronic Options Market

David Krell, President & CEO, International Securities Exchange

9:20am PRICE DISCOVERY moderated by Joel Hasbrouck (NYU)

- THE INFORMATION IN OPTION VOLUME FOR FUTURE STOCK PRICES
Allen Potesman (University of Illinois), discussed by Marc Lipson (University of Virginia)
- PRICE DISCOVERY IN THE U.S. OPTIONS MARKET
Liuren Wu (Baruch College), discussed by Robert Jennings (Indiana University)

10:40am Refreshment Break

11:00am Panel Topic - TRADING VOLATILITY

moderated by Peter Carr (Bloomberg Financial Markets)

Pav Sethi (Citadel Derivatives Group)

Emanuel Derman (Columbia University; Head of Risk, Prisma Capital Partners)

Q&A

12:00pm Lunch

Keynote Address by Stephen A. Ross, Professor, MIT; IAFE Senior Fellow

1:30pm OPTION DEMAND moderated by Marti Subrahmanyam (NYU)

- DEMAND-BASED OPTION PRICING
Lasse Pedersen (NYU), discussed by Andrea Buraschi (London Business School)
- DIFFERENCES OF OPINION OF PUBLIC INFORMATION AND SPECULATIVE TRADING IN STOCKS AND OPTIONS
Hui Ou-Yang (Duke University), discussed by Oleg Bondarenko (University of Illinois at Chicago)

2:50pm • MARKET FRAGMENTATION METRICS

Stewart Mayhew (University of Georgia; SEC), discussed by Eric Sirri (Babson College)

3:30pm Panel Topic - OPTION MARKET DESIGN: Alternative Structures

moderated by Menachem Brenner (NYU)

Charles Tall (Co-founder, Archelon Trading)

Chester Spatt (Carnegie-Mellon University; SEC, Chief Economist)

Q&A

4:30pm Reception

KEYNOTE SPEAKER

STEPHEN A. ROSS

Franco Modigliani Professor of Finance and Economics, MIT

Stephen A. Ross is Co-chairman of Roll and Ross Asset Management Corporation (Roll and Ross), a partner in IVC International Limited (IVC), and the Franco Modigliani Professor of Finance and Economics at MIT. He was previously the Sterling Professor of Economics and Finance at Yale University and, before that, a professor of economics and finance at the Wharton School of the University of Pennsylvania.

Professor Ross is the author of more than 100 articles in economics and finance and is the coauthor of a series of introductory textbooks in finance. He received his B.S. with honors from CalTech in 1965 where he majored in physics, and his Ph.D. in economics from Harvard in 1970. While he has worked on a wide variety of topics in economics and finance,

he is probably best known for having invented the Arbitrage Pricing Theory and the Theory of Agency, and as the co-discoverer of risk neutral pricing and of the binomial model for pricing derivatives. Models developed by him and coworkers, including term structure models and option pricing models, are now standards for pricing in major securities trading firms. He has been the recipient of numerous prizes and awards, including the Graham and Dodd Award for financial writing, the Pomerance Prize for excellence in the area of options research, the University of Chicago's Leo Melamed Prize for the best research by a business school professor and the 1996 IAFE Financial Engineer of the Year Award. A Fellow of the Econometric Society and a member of the American Academy of Arts and Sciences, he currently serves as an Associate Editor of several economics and finance journals and in 1988 was President of the American Finance Association.

FEATURED SPEAKER

DAVID KRELL

President & CEO, International Securities Exchange (ISE)

David Krell is a founder and President & CEO of ISE. From 1997 to 1998, he was Chairman and co-founder of K-Squared Research, LLC, a financial services consulting firm. From 1984 to 1997, Mr. Krell was Vice President, Options and Index Products, of the New York Stock Exchange where he managed marketing, systems and new product introductions for the division. From 1981 to 1984, Mr. Krell was First Vice President at the Chicago Board Options Exchange, responsible for the management and operation of the Marketing and Sales Division. Mr. Krell was also a Vice President of Merrill Lynch from 1978 to 1981 and founded its Managed Options Service.

Mr. Krell is active in numerous industry groups. He was a Director on the Board of the International Federation of Technical Analysts, a president of the Market Technicians Association and a Director on the Board of The Options Clearing Corporation.

Mr. Krell formerly was an Adjunct Professor at Rutgers University Graduate School of Management and at the Graduate School of Baruch College. He has taught, coordinated and directed numerous seminars and workshops at the New York Institute of Finance.

www.iseoptions.com

SALOMON CENTER

The objective of the Salomon Center is to focus high quality research attention in the area of financial economics. Among its activities, the Center conducts new research across a wide array of financial topics; conducts high profile conferences for academics, practitioners and regulators; and distributes newsletters to the community highlighting important research developments in specific areas covered by the Center. The Center benefits from an outstanding external academic board, including Myron Scholes (1997 Nobel Laureate in Economics and past AFA President), Sanford Grossman (1987 John Bates Clark Medal in Economics and past AFA President), and Robert Litzenberger (past AFA President).

Founded in 1972 by a grant from the partners of Salomon Brothers, the Center funds its activities through endowment income, annual contributions by corporate and institutional Associates, and income from conferences and executive programs. The current director of the Center is Matthew Richardson, having been preceded by Ingo Walter (1990-2003), Arnold Sametz (1975-1990) and Kalman Cohen (1972-1975).

Currently, the Center is involved in seven research initiatives, each directed by a Stern School of Business professor: Asset Management directed by Martin J. Gruber (Chairman of CREF Board and past AFA President); Corporate Governance directed by David Yermack; Credit and Debt Markets directed by Edward I. Altman (past FMA President); Derivatives Research Project directed by Stephen Figlewski (Founding Editor, Journal of Derivatives); Financial Econometrics directed by Robert F. Engle (2003 Nobel Laureate in Economics); Financial Institutions directed by Alexander Ljungqvist; and Macro Finance directed by Thomas Sargent (Senior Fellow at Hoover Institution). Each initiative holds periodic research meetings of faculty, PhD students and practitioners; produces a working paper series; publishes an annual newsletter and hosts a “high profile” academic conference every two-three years with the goal of bringing together the top academics worldwide in this initiative.

www.stern.nyu.edu/salomon

REGISTRATION INFORMATION

Conference Venue:

NYU Stern School of Business
Salomon Center
44 West 4th Street (corner of Greene Street)
New York, NY 10012

RSVP:

By Phone: (212) 998-0700
By Fax: (212) 995-4220
By Email: salomon@stern.nyu.edu
Web Site: www.stern.nyu.edu/salomon

Hosted by:



Sponsored by:

