



MAINTAINING COMMITMENT TO ETHICS AND INTEGRITY, REAPING TECHNOLOGY'S BENEFITS HELP OVERCOME CHALLENGES TO TODAY'S SECURITIES FIRMS

ATLANTA — NOVEMBER 25, 2003 — The uncertain direction of the financial markets, a downward trend in revenue and technology spending are primary issues affecting broker-dealer practices, according to Michael Roy Fugler, Chairman of US Euro Securities and past Chairman of the National Investment Banking Association (NIBA). Fugler moderated NIBA's panel discussion "Rebuilding Your Place Within The Industry 2004" at the national association's Atlanta conference. The panel included **George Reichhelm** of the American Stock Exchange, William L. Mello, president of Atlanta-based J.P. Turner & Company, and J. Will Davis III, and associate at Atlanta's Peachtree Equity Partners

"Market peaks and valleys are always there, of course, but 2002-2004 will be remembered as much for events that changed, and are still changing, the way we do business," Fugler told an audience of investment community professionals who attended the three-day conference. "There appears to be a need to invest in technology infrastructure, efficiency, and IT enablement."

Combating Tighter Trading Margins With Speed, Efficiency

Some broker-dealers seem to have responded to the reduction of trading margins across all business lines with investments in technology to streamline operations, restructure workflow management and re-engineer back-office functions. However, Fugler believes the pace will accelerate.

Trading, according to Fugler, has become increasingly competitive with razor-thin spreads. A trader's ability to efficiently route orders and achieve best execution is quickly becoming the determinant of profit or loss. He attributes this to the growth in the late 1990s of a multitude of alternative trading systems, which resulted in diminished profit margins and industry fragmentation. "Now more than ever," he explained, "trading systems must stress speed and optimization of routing to the best execution venue. Today's trader just cannot keep up with the breakneck pace of the marketplaces, and tomorrow's broker/dealer will lag the competition if they are not prepared."

While technology spending has been generally curtailed in most businesses, securities firms are recognizing the need to change the traditional way they've developed managed and sourced their technology needs. As the industry adapts to

the era of universal connectivity, firms will have "anytime, any place, access" to their clients, their staff and their partners. The panel concurred the Internet figures prominently as securities firms revisit their infrastructures, as this architecture is component-based and enables real time information sharing.

Ethics Should Be Reflected In Research, Our Everyday Conduct

Global access to research must be a consideration for broker-dealers moving forward. Research availability, regardless of place and time, plays an important role with respect to enforcement and ethical issues. "Think about what you are doing and saying today, and how it can instantly travel the world," Fugler urged fellow NIBA members. "Regardless of where it is actually prepared, research has a way of reaching investors globally, making our business increasingly more complex."

Last year, when New York Attorney General Eliot Spitzer revealed what he believed to be damaging internal emails in which Merrill Lynch & Co. analysts privately trashed the very stocks the company was publicly touting to investors, the integrity of our own industry came under fire. Personally, I felt it was a shame that it took Mr. Spitzer to focus the spotlight on what should always be obvious to all of us- personal and professional integrity and our ethics, especially now as we search for answers on how to rebuild. We built our businesses on a foundation of doing the right thing."

Above all else, the public's confidence is critical for the markets to pull out of their tailspin. The collective weight of scandals at Enron, Arthur Andersen, Tyco, Adelphia, WorldCom and Global Crossing involved an unprecedented complexity of issues, including accounting practices, derivatives trading, energy futures and off-balance sheet vehicles. These events punished markets already troubled by the September 11, 2001 terror attacks and shed light on analytical impropriety. The message from the regulators became one in which investors had been misled by "greedy and evil Wall Streeters" and they were going to clean it up. Retail investors saw no reason to return and institutional investors had to figure out how to make money in a downward-spiraling environment.

"We should leave work each day with our consciences clear," concluded Fugler. "We should have an ongoing commitment to ethics, integrity and respect throughout our industry. If we don't have it in place we should develop training programs that educate our customers and our employees on the importance of complying with the law as well as the core values of high ethical standards and respect for ourselves, our coworkers and our investors."

About Michael Roy Fugler Chairman, US Euro Securities, Inc.

Mr. Fugler is a native of Baton Rouge, Louisiana. He received a Juris Doctorate in 1972 and a Bachelor of Arts in 1970 from Louisiana State University. In 1972, Mr. Fugler was appointed Special Counsel to the East Baton Rouge Parish District

Attorney's office. During his tenure with the DA's office, he served as executive assistant to the Chairman for the 1973 Louisiana Constitutional Convention and as a criminal law instructor for the Louisiana State Police Training Academy.

Extending his knowledge to national and international levels, The American Bar Association elected Mr. Fugler Vice-Chair of Torts & Insurance, and the US Office of the Attorney General selected him to take part in an American-Japanese summit, "A New Era in Legal and Economic Relationships." He was also chosen to participate in an historic meeting of the best international legal minds when the new post-Communist era Moscow hosted the "International Conference on Law Enforcement and Community Policing." These designations are in addition to a myriad of citations, honors and awards. Mr. Fugler's legal practice focused on international law, specializing in corporate law and finance regarding securities, public companies, trade, and investment and merchant banking. He currently holds Series 7, 24 and 63 securities licenses.

In 1996, Mr. Fugler became a principal of I-Bankers Securities, Inc., directing the Corporate Finance division. In 2000, Mr. Fugler was elected to the NIBA Board of Directors, on which he continues to serve. In 2001, Mr. Fugler was elected Chairman of NIBA, and re-elected to that position in 2002. In 2003, he was elected Secretary-Treasurer of NIBA and has been re-elected to that position for 2004. Mr. Fugler has recently joined US EURO SECURITIES and has been elected Chairman, concentrating on growing the company into an integral part of the international investment community.

Mr. Fugler has been a leader and active participant in The Association of Trial Lawyers of America, American Bar Association, National Association of Criminal Defense Lawyers, International Bar Association, Lawyer Pilots Bar Association, and Aircraft Owner & Pilots Association for over thirty years. He was named to the Outstanding Young Men in America, Outstanding Volunteer by the American Red Cross, Who's Who in America, and Who's Who in American Law.

George Reichhelm

American Stock Exchange

George Reichhelm has been specializing on the American Stock Exchange for 40 years. He served on the Exchange Board of Governors between 1970 and 1972 and again between 1978 and 1981. He was elected Vice Chairman of the Board in 1980, was Senior Supervisory Officer on the Trading Floor from 1979 through 1981, and has served as an Exchange Official as well. Mr. Reichhelm was instrumental in establishing the Exchange's highly successful Options Program that began in 1975 and has grown to be one of the largest and most diverse options programs in existence.

Mr. Reichhelm has also served on virtually every major committee at the Exchange, including **Board Committees**: the Executive Committee, Strategic Planning, Compliance, Compensation, Programs & Policies, and Facilities. **Operating Committees**: Specialist & Trader Performance, Equities Allocations, Trading Floor Operations, ITS Executive Committee, and Allocations Procedures. **Special Committees**: AMEX-NYSE Consolidation, Commodities Development, Listing and Allocations Procedures, Committee to Review Exchange Compliance Activities, Off-

Board Trading, Emerging Company Marketplace. Mr. Reichhelm is a graduate of Dartmouth College.

William L. Mello

President, P. Turner & Company

Mr. Mello co-founded J.P. Turner & Company, a full-service broker-dealer headquartered in Atlanta, and continues to act as a principal of the firm. In 1993, Mr. Mello co-owned an independent branch of Corporate Securities Group, Inc. a full-service broker-dealer. In 1995, Mr. Mello merged his branch with another full-service broker-dealer whereupon he became president and part owner. Prior to 1993, Mr. Mello amassed more a history of more than twenty years in management-level experience in the securities and finance industry.

Mr. Mello currently serves on the board of directors of Sales Lead Management (SLM) and the National Investment Banking Association (NIBA).

J. Will Davis III

Associate, Peachtree Equity Partners

Mr. Davis is an Associate of Peachtree Equity Partners, a \$110 million Atlanta-based private equity fund that makes non-control equity investments in profitable, middle-market companies. Mr. Davis is responsible for originating, structuring, executing, and managing investments for the Partnership. Prior to joining Peachtree in 2002, Will worked in the general industrial investment banking group at SunTrust Robinson Humphrey in Atlanta. He received his B.S. in Commerce from the University of Virginia.

About National Investment Banking Association

National Investment Banking Association (NIBA), www.nibanet.org, is a national association of regional and independent broker-dealer and investment banking firms seeking to improve conditions in their industry. Founded in 1994, NIBA facilitates the exchange of information to improve business conditions generally, with particular relevance to matters related to corporate finance, syndication and product development, and other aspects of capital formation. The association also works to educate and inform business, government, media, academia, and the investing public regarding these matters. It also engages in government relations activities, creating an informed environment among the legislative, regulatory, and judicial functions of government.

NIBA members are substantial, reputable firms committed to creating a standard of quality that will enhance the reputation of each individual member. NIBA adds to the value of its member firms, their client companies and investors, and the securities industry at large, by hosting the premier forum for small companies seeking access and exposure to regional underwriters and broker-dealers in connection with their capital formation and other financial objectives. In addition, NIBA acts as a focal point for all those seeking to enhance the capital formation environment for small companies.

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