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EDGETRADE INTRODUCES COVERT, ALGORITHM FOR DARK POOL ORDER EXECUTIONS

NEW YORK, NY, June 18, 2007…EdgeTrade – the independent, agency-only broker and developer of algorithmic and direct market access (DMA) software – today announced the unveiling of Covert, a tool for institutional traders who seek to capitalize on the benefits of sending electronic orders to dark pools only. Covert is an extension of FAN, EdgeTrade's smart order execution strategy that simultaneously sprays aggregated dark pools and public markets, and then continuously moves an order in line with shifting liquidity until best execution is fulfilled. Smart order execution, a term EdgeTrade coined in 2005, is a next-generation algorithm designed to optimally fill orders electronically using high-speed market connections, coupled with quantitative, analytical and adaptive methodologies.

Since its launch in September 2006, FAN has rapidly acquired an extensive and aggressive user base of clients on the buy-side and sell-side, ranging from large pension plans and hedge funds, to global investment banks, broker/dealers and market leading ATSs. Overall clients of EdgeTrade include hedge funds, mutual funds, asset management firms and broker-dealers in North America, Europe and the Far East.

"What we have witnessed this year with respect to volume of executions taking place in the dark is nothing short of spectacular," said EdgeTrade CEO Joseph Wald. "Traders leveraging FAN's connections to public markets and dark pools, as well as its adaptive techniques to scouting out real time liquidity, have come to realize a new day's dawning in the world of dark pools." EdgeTrade reported, in April, that FAN saw a 28.9 average daily (year-to-date) percentage of its executions in the dark, with peak days hitting as much as 66%. Covert, based on FAN technology, is for traders who desire to only interact with liquidity in the dark, particularly when the potential for negative exposure is of paramount importance.

"In the past, `upstairs' liquidity was difficult to directly access and interaction with it was often cumbersome, not transparent and invited unwanted exposure. Covert brings dark pool connectivity to the fingertips of traders and, perhaps more importantly, keeps a lid on information leakage," said Wald.

FAN (dark pools + public markets) and Covert (dark pools only) are based on EdgeTrade's smart order execution logic. Both are highly adaptive tools that combine historical data enhanced with proprietary analytics, to drive the initial pathway of an order. Without pause, FAN and Covert dynamically gather real time feedback as to where executions are taking place in the market, and then opportunistically moves any part of the remaining, unfilled order in line with found liquidity. This process repeats relentlessly, all in a matter of microseconds, until best execution is secured. "It is precisely this smart order execution logic, coupled with FAN and Covert's aggregation of fragmented liquidity, that has opened the eyes of many in the trading business," said Wald. "These traders also place significant emphasis on EdgeTrade's independent, agency-only business model that is conflict-free and wholly defines our agnostic approach to and interaction with price, speed and liquidity."

Best execution, while compulsory through Reg NMS, is not always strictly pursued. EdgeTrade takes the position that absolute, quantifiable best execution can be realized with a proactive, unconflicted approach to working an order simultaneously through multiple liquidity destinations, over and above what is mandated. Passive approaches, such as sending an order to an exchange or a broker with vested liquidity interests, delay optimal order placement and incur other opportunity costs that lead to less than best execution.

EdgeTrade is pioneering smart order execution strategies, its category breakthrough of next-generation algorithms, with FAN, Covert and Sumo. Launched in 2005, Sumo is the antidote to a market order. Sumo is an aggressive, time-sensitive strategy designed to get trades done quickly with little to no market impact and information leakage. Other key features of EdgeTrade's agency-only algorithmic trading service include a growing roster of benchmark and participation strategies: Arrival Price, VWAP, TWAP, Volume Tracker, Liquidity Paced and 10b-18 (corporate buyback).

EdgeTrade's algorithms are available through Execution Management System™, the firm's independent, agency-only platform for single stock and basket equity orders, as well as a number of buy-side and sell-side trading and order management systems, including: Bloomberg, Charles River, ESP, Eze Castle, Fidessa, Longview (Linedata), Macgregor, Mixit, Moxy (Advent), Neovest, NYFIX, thinkorswim and Tradeware.

About EdgeTrade Inc.

Established in 1996, EdgeTrade has carved a sterling reputation for its integrity, uncompromised trading and execution services, and superior technological development of algorithmic strategies and direct market access software. An independent, agency-only broker and software developer, EdgeTrade never conducts principal or proprietary trading. EdgeTrade's overarching mission is to empower traders with an unconflicted, agency-only model that offers high-speed and quality of anonymous execution, coupled with innovative trading technology. EdgeTrade is a member of the NASD and SIPC. For more information on EdgeTrade, visit www.EdgeTrade.com.

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