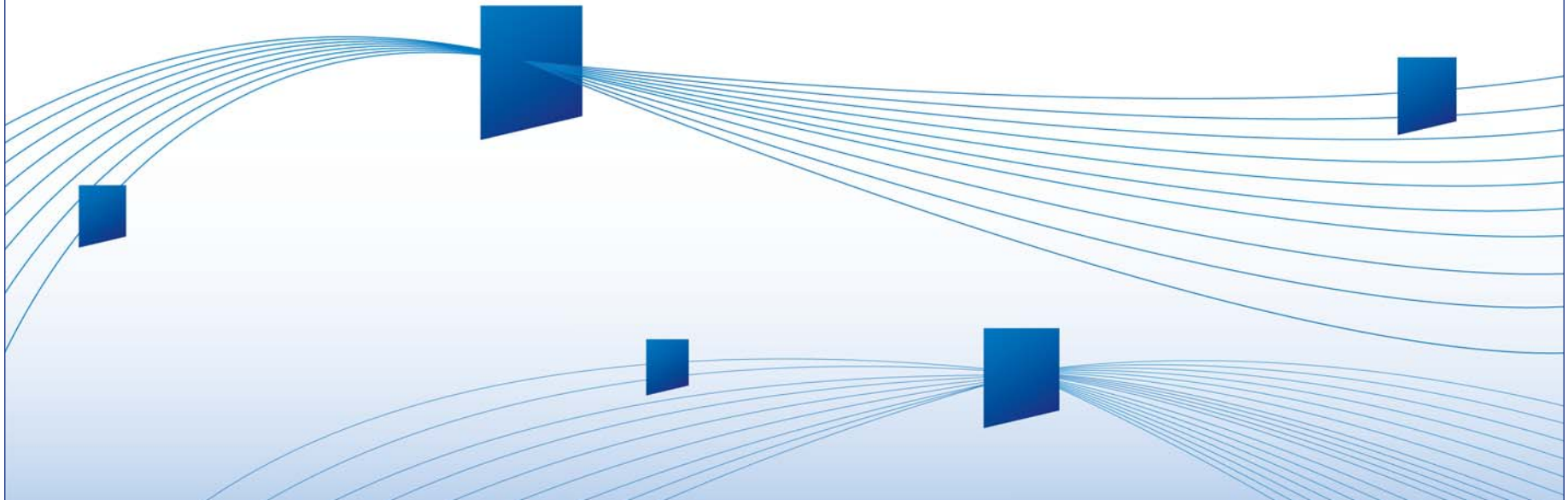


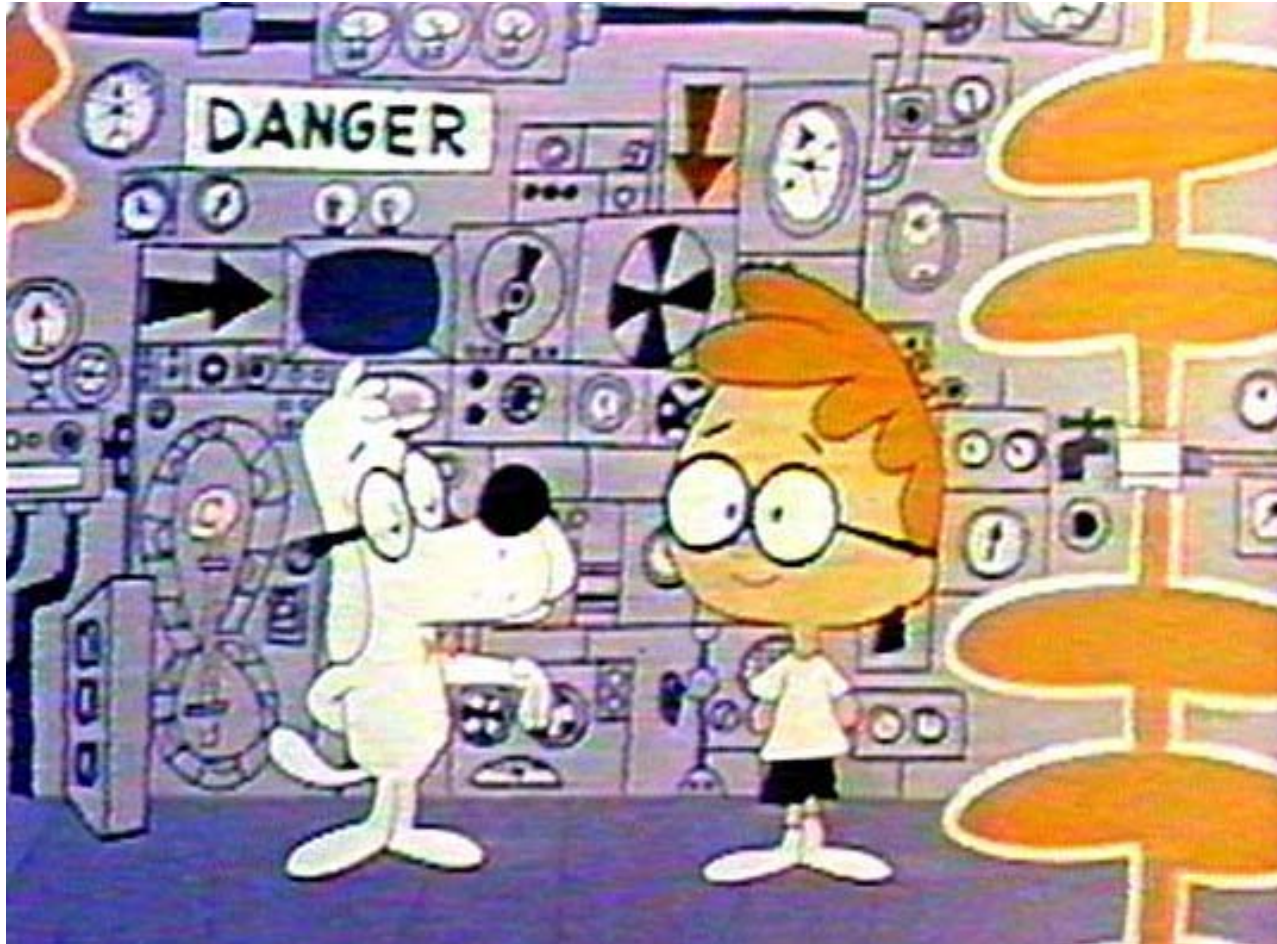
In Search Of: The Reputation Wayback Machine

Ray Pellecchia, NYSE Euronext 5 March 2010



Mr. Peabody, Sherman and the WABAC Machine

Retrieving Lessons, Preventing Mistakes



Crisis of a Different Kind – Or Not?

Boom. Bust. Boom. Bust. Kaboom.

"All the News That's Fit to Print"

The New York Times

Sale Edition
 This page, 1000, contains news, high school, college, sports, science, health, and other features. Please call 212-512-2000 for advertising information. Page 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

WEDNESDAY, OCTOBER 14, 1987
 NEW YORK, THURSDAY, OCTOBER 15, 1987
 \$1.00

STOCKS PLUNGE 508 POINTS, A DROP OF 22.6%; 604 MILLION VOLUME NEARLY DOUBLES RECORD

U.S. Ships Shift from Installation in Gulf Reprisal

U.S. Navy ships are being ordered to leave the Persian Gulf in response to Iraq's decision to allow Kuwaiti oil tankers to be refueled in the Gulf.

A Huge Blow to the Five-Year Bull Market

The Dow Jones industrial average, which had risen 100% since its start in 1982, fell 22.6% today. The market's decline was the steepest since the 1929 crash.

WORLDWIDE IMPACT

Treasury Raises Rates: Fears of Recession — Tape 2 Hours Late

U.S. Treasury Secretary James Baker today announced a surprise 100-basis-point hike in the federal funds rate to 9.5%.

Does 1987 Equal 1929?

BY BOB COLLIER

As stock prices around the world plummeted today, many are asking if 1987 is the new 1929. The Dow Jones industrial average fell 22.6% today, the steepest decline since the 1929 crash.

Who Gets Hurt?

The stock market crash has hit hard. Many investors are losing money, and companies are seeing their stock prices drop. The impact is being felt across the economy.

Restoring Investor Confidence, 1988

- Investigation:
 - Brady Report
- Action:
 - Circuit Breakers
 - Margin Changes
 - Stepped-Up Leadership
- Transparency:
 - Program Trading
 - Testimony, Op-Eds, Ads
 - “Day on the Floor”
- Missteps:
 - “C” Word
 - Defense Mechanism
 - Finger Pointing

Report of
THE PRESIDENTIAL TASK FORCE
on
MARKET MECHANISMS



January 1988

Restoring Reputation, 2010: Truth

“So it was clearly a mistake. I certainly testified in Congress subsequent to that, and was somewhat less accepting of what we had done. But I could have done much better. I could have made a difference.”

-- *Former SEC Chairman Arthur Levitt*
Frontline, PBS, “The Warning,” January 2010

Restoring Reputation, 2010 -- Action

Barclays chiefs seek lead role in reforms (*Financial Times*)

By Patrick Jenkins, Kate Burgess and Megan Murphy

Published: February 17 2010 02:00

“The top two executives of Barclays have given up their 2009 bonuses to strengthen their hand in influencing regulatory reform amid public anger over bankers' pay.

“John Varley, chief executive, and Bob Diamond, president, said they had not taken the decision to forgo their multi-million pound bonuses lightly, but felt it was an important symbolic concession if Barclays' views were to carry moral authority.

“We want to be part of the debate on the future of global regulation and the economy,” Mr Diamond told the *Financial Times*. ...”

Restoring Reputation, 2010: Customer Advocacy

From NYSE Euronext Quarterly Financial Presentation, 2.9.2010

Dynamic Regulatory Landscape

Market Structure and NYX Advocacy

- Level playing field
 - Surveillance
 - Rule-making process
- MiFID review (Europe)
- High frequency trading
- Order routing
- Dark pools
- OTC derivatives
- Co-location
- Sponsored access
- Market data linkages
- New York Portfolio Clearing

Issuer Advocacy

- Transaction tax
- Corporate governance
- Regulatory reform
- Competitiveness
- Financial education

Restoring Reputation 2010: Human Voice

*There's a bailout coming, but it's not for me.
It's for all those creeps watching tickers on
TV. – Neil Young, “Fork in the Road”*

...[H]e likes to hold up a mirror to the world,
and the image, to me, is one of a society
obsessed with the micromovements of the
market and the minutia of the world.

I know, I'm probably reading too much into it,
but hey, I'm blogging, work with me!

*There's a bailout coming but it's not for you.
It's for all those creeps hiding what they do.*

Is he talking about Bernard Madoff there?
Over-the-counter derivative
markets?...[C]onsider it a call for
transparency. Quit being creeps, quit doing
business in the dark, let in some sunlight --
pretty simple.

Are we listening? – *Exchanges*, 16 Jan. 2009

The screenshot shows a blog post on the 'Exchanges' website. The header features the word 'Exchanges' in large blue letters over a cityscape background, with the tagline 'BLOGGING ABOUT NYSE EURONEXT MARKETS' below it. The NYSE Euronext logo is in the top right corner. A navigation menu includes 'Home', 'Archives', 'About', 'Bloggers', 'Links', 'FAQ', and 'Subscribe'. A search bar is also present. The main content area shows the date 'JAN 16 2009 2:57 PM' and the title 'Neil Young Talks to Wall Street'. The author is 'Ray Pellecchia' and the file is under 'Miscellaneous'. There are links for 'Comments' and 'Email Entry'. The post text begins with 'You have to watch this video of Neil Young's new song, "Fork in the Road." It's funny and cutting all at the same time. There are barbs aimed at Wall Street and corporations and Apple and the music industry and the government and the war and the economy and the repo guys hauling away his flat-screen TV and Neil himself. The clip shows Neil via a Web cam, singing over a stomping track and offering his five-minute time capsule of what he sees. (Note, there's a little off-color language.) Impossible to do it justice here, but let me pull out a couple of lines. One chorus goes like this: There's a bailout coming, but it's not for me.'

Restoring Reputation 2010: What's at Stake

“The financial crisis and the current political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or elected officials,’ Goldman wrote in its filing with the Securities and Exchange Commission.

“Press coverage and other public statements that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, often results in some type of investigation by regulators, legislators and law enforcement officials, or in lawsuits,’ the firm added.”

-- *Michele Leder, DealBook, 1 March 2010*

Past, Present, Prologue, Principles

The Page Principles

- Tell the truth.
- Prove it with action.
- Listen to the customer.
- Manage for tomorrow.
- Conduct public relations as if the whole company depends on it.
- Realize a company's true character is expressed by its people.
- Remain calm, patient and good-humored.

It would appear, my dear Sherman,
that Mr. Page was quite right!

