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TO: All Members

SUBJECT: ITS Update -- Pilot Stocks, Demonstrations

Earlier this week, the five participants in the Inter-Market Trading System -- the American, Boston, New York, Pacific and Philadelphia Stock Exchanges -- jointly filed a plan with the SEC for establishing ITS. Subject to SEC approval, Phase I, a pilot operation in a small group of selected stocks, is scheduled to begin early next month.

The initial list of stocks to be traded in the pilot operation are:

<u>Stock</u>	<u>Symbol</u>
Atlantic Richfield Co.	ARC
Chrysler Corp.	C
Cluett, Peabody & Co., Inc.	CLU
General Instrument Corp.	GRL
Johnson & Johnson	JNJ
Kraft, Inc.	KRA
Marathon Oil Corp.	MRO
J. Ray McDermott & Co., Inc.	MDE
Merck & Co., Inc.	MRK
NCR Corp.	NCR
Standard Oil Co. of Indiana	SN

As you know, the plan calls for rapid expansion of the ITS pilot following the initial test period. We anticipate that more than 200 stocks will be traded in ITS by mid-summer, with all dually or multiply listed stocks to be included in the system by year-end.

Additional on-line demonstrations of the system will be conducted in the Options Trading Area at 8:45 a.m. and 4:15 p.m., next Monday, Tuesday and Wednesday, March 13, 14 and 15.

You are invited to attend any of these demonstrations.

