

Access Matters

Gregory F. Hold • Hold Brothers On-Line Investment Services LLC

Gregory F. Hold is Chairman and Chief Executive Officer of Hold Brothers On-Line Investment Services LLC. In 1992, he started day trading. His exceptional talent and business skills put him on the fast track, and by 1994, he was managing branch offices and generating 85% of the company's volume. In the same year, he along with his brother, Steven, formed their own direct access trading firm. Hold Brothers developed one of the industry's first one-on-one mentoring programs and has a generous incentive structure in place to reward professional excellence.

Mr. Hold has established a dedication to technological advancements that has put his traders in the driver's seat. A high ratio of the company revenue is committed to technology and it shows in the excellence of Hold Brothers' exclusive Graybox™ software.

Mr. Hold received Bachelor of Arts degrees from Rutgers College in both Physics and Economics, and attended graduate classes in Computer Science at Fordham University. He is licensed by the FINRA for Series 7, 24, 55, 63 and 28.

"If you don't love what you do, you can't succeed," said Greg of Hold Brothers' continued growth and success since establishment in 1994. "And you can't love what you do unless you are doing it in the right place, with the right tools."

Hold Brothers main sources of revenue are proprietary trading profits and commissions from day trading customers. With over 1,300 full time traders, Hold Brothers has become one of the largest direct access trading firms in the United States.

Their operations include: software and software licensing, offsite trading, branch opportunities, black box hosting, custom black box/software development for third parties, licens-

ing their news broadcast, hedge funds, institutions and other trader groups.

"What's different with us lately is our increased focus overseas," explains Hold. "Our revenue is coming more and more from overseas operations and we have also outsourced a lot of programming and other positions, including expanding the size of our tech operations overseas."

"Our company has gotten a temporary boost from the volatility of the market but it has been a good year anyway. We will see a decrease in opportunity with a decrease in volatility, but we hope that all of our good business bets continue to pay off and we are able to continue our revenue growth."

Hold Brothers offers Graybox, their exclusive trading software written by their programmers and traders. Developed in the late 1990s, Graybox is an order execution and analytics software suite that is one of the most widely used platforms in day trading.

Graybox ensures extremely low latency and is highly adept at assisting traders in grabbing market liquidity. Graybox is only offered to proprietary and retail traders of Hold Brothers.

"We currently have over twenty developers making our software more feature-rich and able to handle international markets," says Hold. "As it stands, our software is a big draw for our firm because it has a very low latency and is specially designed for use with news traders—traders who read headlines all day and buy and sell based on headlines."

"Besides the lower latency we also cut out hops to the middleman. As members of NYSE, that allows for direct access to NYSE without going to a third party and then back again—an extra two hops."

Hold Brothers will also customize their software to any client's various peculiar day-trading styles. Additionally, they have begun contracting out to get third party quote software so they can offer their traders a choice of Hold-developed native quotes and of third party quotes. So, if a trader believes that one is superior to the other, they are able to switch freely.

All this software works well in a very low bandwidth environment, an excellent advantage given that a lot of Hold's business is with international trading groups.

"I find myself on a plane a lot," admits Hold, "traveling to China, India, Russia and South America. With international business there is no substitute for face to face meetings. Otherwise, I am here meeting with my department heads—the IT staff, compliance staff, accounting and operations staff."

"My brother, Steven, deals more

with the day to day trading issues, trader relationships, crisis management. He is more the guy who gets his hands dirty."

As one of the last day trading companies that have not been bought out or driven out of business, Hold feels that his company is a lot more nimble in navigating the nuances of what their clients need for success in direct access trading.

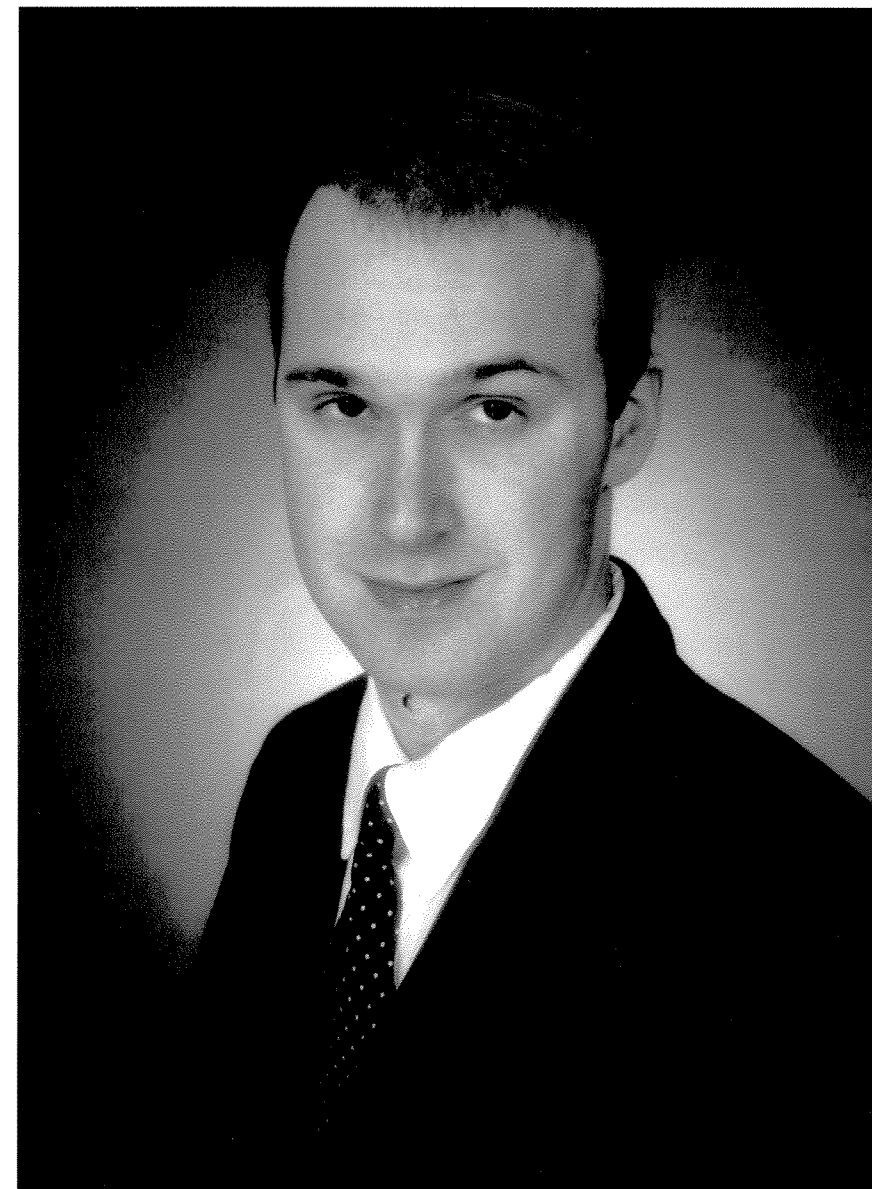
It is very rare that day-trading firms have all the pieces necessary to compete at the Hold Brothers' level because most firms do not have the combination of NYSE membership, self-clearing and owning state of the art, company designed software.

But the numbers speak for themselves. This has been Hold's second highest revenue year in fifteen years and third best profit year. Hold Brothers has more than doubled their revenue since last year—coming in at over \$80 million in revenue this year for all Hold companies and their affiliates.

"Our company is definitely buoyed by recent and rapid international growth so I am excited about continuing to bring in big trader groups around the world."

"Big trader groups like doing business with us because we have a very low cost structure, because we are self clearing and especially because we write our own software. They know that we are dedicated to the art of trading and to maintaining the highest standards of excellence and integrity in all of our work."

"We also have plans to do more trad-



ing in international markets like Euronex, Toronto Stock Exchange and the London Stock Exchange, which, with refinements to Graybox, should prove to be a new frontier of business for our company."

Greg Hold started a Masters Degree program in technology at Columbia University this January. Given

Hold Brothers' accomplishments so far, the business of direct access trading should prepare for another, unparalleled paradigm shift from Greg Hold. **M**

By dani helle

Gregory F. Hold
Chairman & CEO
Hold Brothers On-Line
Investment Services LLC
Newport Tower
525 Washington Blvd.,
Suite 1400A
Jersey City, NJ 07310
Tel: 201-499-8741
Fax: 201-499-8750
www.holdbrothers.com

“Big trader groups like doing business with us because we have a very low cost structure, are self clearing and write our own software”