

**Monday, September 29, 2003**

## 4<sup>th</sup> Story Nabs Tullett Liberty

Fledgling San-Francisco based software house 4<sup>th</sup> Story will announce later this week that it has installed its 4S.Yellowstone package at the London headquarters of Tullett Liberty.

4S.Yellowstone supports a range of trading strategies ranging from simple, single-position to complex, multiple-position. It can integrate with third-party products such as Microsoft Excel, allowing Excel users to call strategies directly from their spreadsheets and monitor indicators and signals in real time.

Tullett Liberty is using the 4S software to provide its institutional clients with complex regression analysis research—used in pairs trading strategies—for equities. The deal does not technically constitute soft-dollar commissions, in that Tullett Liberty is not charging users but it is hoping to attract order flow.

Founded last year by Steve Smith, a former executive at the defunct trading platform software house e-Pit, 4<sup>th</sup> Story is relying on a combination of self-funding and angel investors to stay afloat. Smith declined to disclose the amount of funding other than to say only one round had been completed so far. E-Pit, which shut its doors about two years ago, was solicited to work on a separate, unrelated project for Tullett Liberty. E-Pit sold the intellectual property rights to its EES trading software to Cetip—Brazil's fixed income securities depository—for its own use, but others also have licensing rights.

Alasdair Moore, a managing director in Tullett Liberty's equities agency broker division, said 4<sup>th</sup> Story is replacing another vendor system but he would not disclose the name. "The other provider could not offer us the complex mathematical functionality we needed," said Moore, declining to elaborate. Tullett Liberty is best known as one of the world's largest inter-dealer brokers.