

For Immediate Release

TradeStation Launches Prime Brokerage Services Division to Capitalize on Growing Need of Small and Mid-sized Hedge Funds and Investment Advisers

Plantation FL, September 24, 2009 – TradeStation Securities, Inc., a leading electronic brokerage firm for active, professional and certain buy-side institutional traders, today announced the launch of its new *TradeStation Prime Services* division. *TradeStation Prime Services* will seek to fill the growing need of start-up to mid-sized hedge funds, registered investment advisers, professional traders and asset managers for quality prime brokerage services which are no longer being provided by the larger firms that traditionally served this market segment. The new division intends to provide a valuable combination of industry-leading execution platforms, including the award-winning *TradeStation*, reliable clearance and settlement of trades, and first-class service and support, including start-up assistance, outsourced/direct access trading, real-time risk management, portfolio reporting, securities lending, CSA, and capital introductions for its clients. The new division expects to have its first accounts up and running next month.

Also, as the new division grows, TradeStation plans to make valuable enhancements to the *TradeStation* trading platform that it believes will attract clients to use TradeStation's trading platform. *TradeStation Prime Services* plans to serve traders of equities, equity and index options, futures, non-US equities, and forex, making it a powerful solution for institutional traders who seek to trade in any of, or across, those asset classes. TradeStation Securities currently offers the clearing and custody services of J.P. Morgan Clearing Corp. (for equities and options) and R.J. O'Brien & Associates LLC (for futures).

TradeStation Prime Services will be co-headed by Lance Baraker and William Katts, as senior managing directors, both of whom have significant experience running prime services operations in New York. Mr. Baraker and Mr. Katts will run the division from a new TradeStation office in mid-town Manhattan, and will seek to take advantage of TradeStation's office presences in South Florida, Chicago, Richardson/Dallas, and London to attract new clients. TradeStation will also now have a full membership and direct access operation on the floor of the New York Stock Exchange to accommodate clients who make some of their trades on the NYSE floor.

“We believe that our award-winning trading platform technology, ability to provide custody and clearing, and the strength of our balance sheet will give us a strong offering to the small- to mid-sized hedge funds and investment advisers who need services no longer being provided by the larger firms,” said Salomon

Sredni, CEO of TradeStation Group. “This is a market opportunity for TradeStation that did not really exist until recently, and we look forward to maximizing the value we believe we can create by entering this segment of the institutional trader space.”

“We are extremely excited about joining TradeStation,” added Baraker. “The downfall of many financial firms in 2008 has created a rare opportunity for another custodian to enter and succeed in the prime brokerage market. William and I look forward to combining our experience and relationships built over the years with TradeStation’s industry-leading technology to create a leading, powerful prime brokerage platform for the buy-side institutional trader.”

For further information, please contact Lance Baraker at lbaraker@tradestation.com.

About TradeStation Group, Inc.

TradeStation Group, Inc. (NASDAQ GS: TRAD), through its principal operating subsidiary, TradeStation Securities, Inc., offers the *TradeStation* platform to the active trader and certain institutional trader markets. *TradeStation* is an electronic trading platform that offers state-of-the-art electronic order execution and enables clients to design, test, optimize, monitor and automate their own custom Equities, Options, Futures and Forex trading strategies.

TradeStation Securities, Inc. (Member NYSE, FINRA, SIPC, NSCC, DTC, OCC & NFA) is a licensed securities broker-dealer and a registered futures commission merchant, and also a member of the Boston Options Exchange, Chicago Board Options Exchange, Chicago Stock Exchange, International Securities Exchange and NASDAQ OMX. The company’s technology subsidiary, TradeStation Technologies, Inc., develops and offers strategy trading software tools and subscription services. Its London-based subsidiary, TradeStation Europe Limited, an FSA-authorized brokerage firm, introduces UK and other European accounts to TradeStation Securities.

Forward-Looking Statements – Issues, Uncertainties and Risk Factors

This press release contains statements that are forward-looking and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. When used in this press release, the words “believe,” “create,” “expects,” “intends,” “look forward,” “opportunity,” “plans,” “seeks” and “will,” and similar expressions, are intended to identify forward-looking statements. All forward-looking statements are based largely on current expectations and beliefs concerning future events that are subject to substantial risks and uncertainties. Actual results may differ materially from the results herein suggested. Factors that may cause or contribute to the various potential differences include, but are not limited to, the following:

unanticipated infrastructure, capital or other large expenses, or unforeseen or unexpected liabilities and claims, the company may face as it seeks to build and grow the TradeStation Prime Services division of TradeStation Securities, such as unanticipated start-up costs and expenses that are not offset or exceeded by expected revenues as and when planned (or at all);

several of the proposed services and features described are not yet available and it may take longer than expected to provide such features or services, or to provide them in a manner suitably attractive to clients and prospective clients, which could materially, adversely affect the new division's business and prospect;

the potential negative effects on the TradeStation Prime Services division's brokerage commissions and fees or planned stock loan revenues as the result of any future rules that may be imposed which ban short selling or restrict or limit short selling (such as new short sale regulations that are being considered by regulators), as a significant percentage of the division's revenues may be related to short sale transactions;

in general, new or modified regulatory rules or requirements, or increased or more stringent enforcement and higher fines or greater sanctions, concerning the manner in which TradeStation Securities operates this new business and monitors and ensures compliance of its business operations with applicable laws, rules and regulations that may be enacted or imposed in response to the current economic crisis and recent scandals in the industry, and which could materially increase the firm's cash requirements to conduct its business, require substantial increases in compliance, legal and/or brokerage operations costs, result in fines, penalties or sanctions, limit or reduce the firm's access to, or use of, a significant percentage of its now-available cash, or otherwise limit the firm's ability to engage fully, and with as much success, in the services it plans to provide;

the frequency and size of, and ability to collect, unsecured client account debits as a result of volatile market movements and unstable economic conditions, particularly in concentrated positions held in client accounts or as a result of other high-risk positions or circumstances;

the TradeStation trading platform, and the prime services offering generally, not growing in appeal to prime services clients to the extent the company believes they will, and/or the failure of the company to make timely and quality enhancements to its trading platform which are believed necessary to attract prime services clients to use TradeStation to execute and clear trades;

TradeStation's size and balance sheet being unacceptably small to mid-size and larger prime services clients; and

the general unpredictability of operating results for a start-up business division, particularly given TradeStation's lack of experience in offering prime brokerage services.

Contact

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