THE HISTORY OF THE NEW YORK STOCK EXCHANGE

"Under the Buttonwood Tree"

The old stone building at 11 Wall Street, NY, is the home of the New York Stock Exchange, the largest stock exchange in the world (by dollar volume) However, how did it get here in the first place?

It all started in New York City in the south of Manhattan in an area called "Wall Street," named after the wall the Dutch Settlers built to keep the English settlers and Native Americans out.

As the city grew and new businesses began to crop up many businessmen seeking capital began to look for individuals willing to take a chance on their ventures. Since there was no formal stock markets or even a central place to meet, these entrepreneurs and potential investors began to show up at commonly known coffeehouses throughout the area to barter ownership shares of companies. About the same time some individuals who knew both sides began to act as middlemen, or "brokers," for a fee.

Outside one of the more popular coffee houses, there was a huge Buttonwood tree (or American Sycamore, as it is more commonly known). Because of the limited space in the coffeehouse the activities soon spilled over outside where the tree provided shade and protection against the elements. Eventually as word spread the area around this famous Buttonwood tree became one of the favorite places for businessmen, traders, and speculators to meet and trade informally.

In 1792 a group of 24 wealthy stock brokers, who were tired of outsiders coming and selling shares without paying them commissions signed a formal agreement that began the New York Stock Exchange. The agreement was actually signed under that Buttonwood tree.

The original "Buttonwood Agreement" was only two sentences long, and was basically a promise to only trade with each other and abide by a .25% commission.

Within the next few years the arraignment of conducting business outdoors soon grew old and eventually the NYSE moved indoors at the current location.

On June 1865; the famous Buttonwood tree was felled during a storm.