

Chai Nelson
Form 4
January 04, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Chai Nelson

2. Issuer Name **and** Ticker or Trading
Symbol
ARCHIPELAGO HOLDINGS INC
[AX]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
100 SOUTH WACKER DRIVE,
SUITE 1800, C/O ARCHIPELAGO
HOLDINGS, INC.

3. Date of Earliest Transaction
(Month/Day/Year)
12/30/2005

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)
Chief Financial Officer

(Street)
CHICAGO, IL 60606

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/30/2005		M	52,906 A \$ 0	52,906	D	
Common Stock	12/30/2005		F	20,871 D \$ 50	32,035	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Puts or Calls (Instr. 3)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	(1)	12/30/2005		M	52,906	(1) (1)	Common Stock	52,906

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Chai Nelson
100 SOUTH WACKER DRIVE, SUITE 1800
C/O ARCHIPELAGO HOLDINGS, INC.
CHICAGO, IL 60606

Chief Financial Officer

Signatures

by Cynthia A. Lance under power of attorney for Nelson J. Chai

01/04/2006

Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These restricted stock units were granted under the Archipelago Holdings, Inc. 2004 Stock Incentive Plan, were subject to accelerated vesting on December 30, 2005 and were settled for an equal number of shares of the Issuer's Common Stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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