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NEWS RELEASE

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TT's Open Letter to the Futures Industry

“Already, the savings that TT brings to the *futures industry* dwarf a 2.5 cent inclusion.”

“The added value of the TT *volume-catalyst* effect would further dwarf a 2.5 cent inclusion.”

CHICAGO, Tuesday, December 14, 2004 (Updated January 9, 2006) -- Lately, there has been discussion and speculation about TT throughout the *futures industry* (customers, traders, FCMs, exchanges, ISVs, etc.). We wrote this letter to make our thoughts as clear and open as possible.

We believe that we are an important part of the *futures industry* we serve, that our position in this industry is unique, and that our value is growing. We are aiming to unlock that value and accelerate our positive contribution.

The solution that TT has offered to each of the ‘big four’ exchanges is as follows:

- TT and the participating exchange (PE) would guarantee each other level access, permanently.
- Inside the world of PE futures and future options (this includes traders, customers, FCMs, ISVs, exchanges, etc.), TT would forfeit the right to be the aggressor in any patent infringement lawsuit, permanently; in that way allowing absolutely anyone to use TT’s current and future patent protected concepts any way they desire.
- TT would receive from PE 2.5 cents per side for every PE future and future option transaction, permanently.

We believe this 2.5 cent solution is in the best interest of the *futures industry*. The remainder of this letter will explain our reasoning.

1) TT Has Built Itself into an Integral Piece of the *Futures Industry*

Over the past several years, the *futures industry* has had no better friend than TT. By making a premier order-entry system commercially available, TT has truly leveled the playing field among market participants through our *innovative* technologies. The confidence derived from access to such a level playing field increases direct access, participation, and liquidity. Over 50% of the ‘big four’ futures exchanges’ electronic volume now flows through X_TRADER® precisely because it provides commercial, desktop access to the same playing field long enjoyed only by the world’s largest traders and banks.

Fast, reliable, functionality-rich, multi-exchange order-entry software is complicated and time consuming to engineer and support. TT's desktop software allows for multi-exchange, multi-product interrelation on a single screen, setting off a domino effect toward tighter, more liquid markets. This interrelation is at least as important as any other function in the *futures industry*.

TT's *innovations* (MD Trader®, Autospreader®, Autotrader™, Navigator™, FIX Gateway, etc.) have allowed for much more volume to be processed by the *futures industry*. These *innovations* have also helped the industry in launching new products. Simply put, the 'big four' are now based mostly on a direct-access, end-to-end solution (from the end-user's order entry system to the exchange matching engine), and TT manages over 50% of one end of 'big four' electronic volume. In fact, the trading volume that goes through X_TRADER dwarfs the volume of even the largest exchange.

TT's recently engineered and released FIX Gateway allows exchanges, banks, etc. to interface their existing trading infrastructures with the X_TRADER screen. As a result, many exchanges beyond the 'big four' are now in the process of interfacing to TT. In time, cash bonds, cash foreign exchange, more futures exchanges, etc. will be pulled onto the X_TRADER platform. For exchanges without a TT connection, this is a wise move, considering the customer liquidity on the other side of X_TRADER. This paradigm shift is further proof of TT's place in the *futures industry*.

TT has captured more than a 50% volume share while competing against SunGard, Bloomberg, Reuters, Interactive Brokers, Tradestation, Schwab, Ameritrade, E-Trade, eSpeed, bank-developed systems, FCM-developed systems, hedge-fund/prop-shop-developed systems, exchange native screens, all other ISVs, and more. We believe that most of this success is a direct result of TT's *innovative* technologies.

Protecting the results of TT's consistent *innovation* is a priority. Beyond the MD Trader patents that were recently received, another eighty patent applications have been filed, and TT continues to file more. While some of these pending patents concern products mentioned earlier, others pertain to the interaction of the matching engine and front end. TT's intellectual property will be used aggressively to protect the integral piece of the modern-day electronic *futures industry* that we built.

Over the past six years, TT was steered into its current position in a deliberate manner. \$40 million was invested over four years (1999-2002). Currently, \$8 million is in TT's bank account. While our company has a \$32 million cumulative net income loss over the past six years, TT is the only futures-focused ISV that is profitable, and has been so for two years. In just those two years, TT has grown from 110 to 280 employees. TT is on pace to have \$50 million in revenue and \$6 million in profit for 2004. While the past six years have required much discipline, sacrifice, and patience, it has all been worthwhile, as TT has built a very valuable asset.

2) Your Opportunity is Only as Good as Your Industry is Healthy

Approximately five years ago, before Harris Brumfield (TT's CEO, who at the time was a full-time trader and TT investor) signed the MD Trader concept over to TT, he was faced with a tough decision. Either he could hoard the MD Trader concept for his trading (as virtually all traders do with anything that gives them an edge), or he could transfer ownership to TT and make it commercially available. The train of thought that gave him peace with his decision was a theoretical one. In order to feel good about signing over the MD Trader concept and all future technological *innovations*, he convinced himself that his opportunity as a trader was only as good as his industry was healthy. In the MD Trader concept, he believed he owned a key to a premier commercial order-entry system and, therefore, a key to a level playing field and his industry's health.

A premier commercial order-entry system is a great asset for the *futures industry*. There's a big difference between a few proprietary trading groups controlling the industry with premier order-entry and the whole world having access to premier order-entry, as they do now. In the former case, order-entry slippage leads to payment for order flow, block trading, and internalization. This liquidity fragmentation limits the growth of the market. In the latter and current case, growth is unimpeded. After all, any industry is only as good as the product it offers the world.

2a) Competition, Competition, Competition

We believe in *competition* within every sector of the *futures industry*: ISVs, traders, FCMs, and exchanges.

The futures-focused ISV space in its current form is built on quicksand. These ISVs are either unprofitable or, in TT's case, barely profitable. With the advent of eSpeed entering the multi-exchange order-entry space with its differentiating cash market and subsidized order-entry systems (in addition to eSpeed's home grown software, it has recently acquired an ISV, Ecco), the futures-focused ISV space as known is doomed. Unless a company has strong intellectual property, it will be unable to compete.

The 2.5 cent solution would create a new era of *competition* for order-entry by extending TT's intellectual property to the world, forever. Many old-model ISVs would find a place for their services amid larger, broader companies. This combination of events would lead to an industry-wide slashing of order-entry system prices. This would lay the foundation for an unprecedented distribution flood, which would lead to still higher volumes for participating exchanges. This process would further accelerate the day TT's retail version of MD Trader (in development) entered the marketplace to compete with MD Trader concept imitators already in the retail space.

Among traders, TT has improved *competition* by spreading access to a premier order-entry system all over the world. This has been a key to a level playing field, enabling the brightest minds and hardest workers to enter the market freely and *competitively*. The end results are tighter and more liquid markets. This is essential for the *futures industry* to thrive.

Among FCMs, TT has improved *competition* by allowing market participants to switch FCMs without switching their order-entry system. This has created a more *competitive* market for FCM services which has lowered costs and improved services. At the same time, TT's *innovations* have helped the FCM business to expand exponentially. The net effect of these forces has been a win for the *futures industry*.

Among exchanges, TT has improved *competition* by giving market participants freedom of choice between comparable products on different exchanges. When TT made the controversial decision to offer connectivity to Eurex US products, CBOT immediately chose (in a close vote, eight to seven) to slash transaction prices. Conversely, when BrokerTec Futures chose not to do business with TT, CBOT products dropped not one penny in price. Also, the CME and LIFFE exchanges are currently doing battle over the Eurodollar contract, causing prices in both exchanges to drop.

TT furthered exchange-comparable product *competition* with Navigator. Also, TT is helping to aggressively spread a common protocol, FIX, throughout the *futures industry* with our FIX Gateway and FIX Adaptor. This allows for more open access, lower connectivity costs, and

even more *competition*. The *competition* resulting from TT's *innovations* puts pressure on exchanges to differentiate and create new products. Also, this *competition* is slowly pushing the exchanges to do away with memberships, allowing for one common transaction rate and an even more level playing field for traders and hedgers.

Already, the savings that TT brings to the futures industry dwarf a 2.5 cent inclusion. In this ultra-*competitive* environment, the industry is enjoying the benefits of record volume and thriving more than ever. If you are concerned with *competition* in your sector, you should take comfort in the fact that there is *competition* throughout the industry, making for a greater whole. With a greater whole, many, many people across all sectors of the industry find ways to succeed.

2b) Volume-Catalyst: Totally Aligned with an Industry's Health

Theoretically, had each of the 'big four' futures exchanges been participating in the 2.5 cent solution, TT would have received \$130 million (5.2 billion sides x 2.5 cents) over the past twelve months. Revenue in this form would give us an opportunity to be a *volume-catalyst* for the *futures industry*. We would be incentivized to seize this opportunity, since our profits would be driven by volume.

An entity in the center of a financial ecosystem that is motivated by a low, fixed, volume-based rate is unheard-of. Such an entity would be strictly aligned with an industry's health, and the benefits for the industry would be great. Similarly, all that TT has contributed to the *futures industry* to this point would pale in comparison to what TT would contribute as a *volume-catalyst*. The added value of the TT *volume-catalyst* effect would further dwarf a 2.5 cent inclusion.

3) TT – Patience, Patience, Patience

We believe in capitalism and what it does for the world. Over the past several years, TT's *innovations* have been a driving force in helping create tremendous profitability for the *futures industry*. Yet, some in the industry still connect TT's value to our \$50 million revenue and \$6 million profit. This is letting the trees get in the way of the forest.

Three independent organizations (the US, UK, and EU patent offices) have validated TT's first intellectual property, MD Trader. Further, thirty-two of the who's who in trading (from around the world and across all asset classes) have independently verified the original and revolutionary nature of the invention with signed declarations, under penalty of perjury. What's more, global companies have stamped TT's patents with Consent Judgments. Every day, exposure and damages have been accumulating. Ultimately, TT should be in a position to collect triple damages for willful infringement. Let's say, in a conservative hypothetical, that the fair value of the patents is determined to be 20 to 30 cents per side; this would mean 60 to 90 cents per side in possible damages for anybody (traders, FCMs, ISVs, etc.) deemed to be willfully infringing. This doesn't even take into account the potential of obtaining a royalty based on a trader's profits for using an infringing system, which, at least for some, could turn out to have a fair value far greater than 20 to 30 cents per side, with corresponding willful infringement damages well north of \$1.00 per side. TT believes there is a lot of exposure floating around out there. While we are tied up during the eSpeed litigation, we may not be able to pursue other infringers. However, regardless of when we are freed up, we will enforce our rights, including the right to recover back damages.

We believe the invention of the MD Trader concept represents an end to a process, meaning that there is no way to equal or better the function that it performs. We are confident that the court system will protect our patented *innovation*. On top of that, we believe that a vast majority of our eighty pending patents will be issued over time. We also believe that the paradigm shift represented by our FIX Gateway will lead to a wide expansion of our exchange access. Moreover, we will continue to relentlessly push *innovation*. As days pass, weeks pass, and months pass, TT's position will only become stronger and stronger. Proof of this is the fact that TT has been experiencing record-shattering sales in the past three months, and the pipeline indicates continuing exponential growth.

We know how valuable our place in the *futures industry* is. All things considered, TT's preference is the 2.5 cent solution. The *volume-catalyst* effect of the 2.5 cent solution would ensure a healthy industry. A healthy *futures industry* contributes to world productivity, which is a passion worth pursuing.

4) Your Voice Matters

With a guarantee of level access to TT, with early licensees agreeing to pay 10 cents per side to license MD Trader patents for sixteen years (already a significant discount), with 70% of volume using the MD Trader concept, and with eighty quality TT patents still pending, the 2.5 cent solution is attractive for the *futures industry*. TT is able to rationalize dropping as low as the 2.5 cent solution for the following reasons: this would apply to 100% of volume instead of 70%, the 2.5 cents would be permanent instead of 10+ cents for sixteen years, TT would not have to chase infringers, and, most of all, the TT *volume-catalyst* effect would drive volumes to still unrealized heights, ushering in the most prosperous era this industry has ever seen.

Over time, we predict that the *futures industry* will conclude that the 2.5 cent solution has significant value for themselves and embrace the solution. While we are confident in our predictions, obviously, our predictions are not a given. After all, it takes two to tango—TT cannot force the *futures industry* to accept the 2.5 cent solution. If you, the *futures industry*, choose to not accept the 2.5 cent solution, TT respects that decision. After all, sometimes, different strokes, different folks.

On the other hand, various traders, FCMs, etc. have told us that they agree that the 2.5 cent solution would be in the industry's best interest, yet they can't publicly support the solution. It would seem to us that they would be kicking, screaming, and speaking out as loud as possible. Every voice matters—assume that yours will be the one that tips scales.

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