

ROSENTHAL COLLINS GROUP

November 18, 2013

To Futures Market Participants:

On November 12, the CME Group publicly announced clearing fee increases for a broad range of products, including agriculturals, interest rates, FX, energies, metals and equity indices effective January 2014. The increases are substantial and affect both members and non-members. The changes were met with disbelief from much-beleaguered futures markets participants.

On the very same day, the CME Group distributed a second notice to "Market Data Distributors" *only* regarding an insidious new fee – a market data fee. This monthly charge will apply to all market participants with access to a trading platform or a quote screen. This new "**tax**" on futures traders is mind-numbing in its breadth and complexity. A five-page fee matrix accompanied by three pages of footnotes describes a regime where market participants will pay monthly fees of anywhere from \$5 to hundreds of dollars based on the number of exchanges and the type of access.

Professional traders will bear the brunt of this new tax with a cost of \$85 per month per user ID for each CME Exchange. The unfortunate professional trader who has quotes for CME, CBT, NYMEX and COMEX will pay \$340 per month. If the trader has a primary trading platform and a back-up platform, multiply that by 2.

If you think the professional trader designation applies only to floor traders or prop shops or high-frequency traders, you would be mistaken. Anyone with a registration – floor broker, floor trader, associated person, CTA, broker-dealer – is a "professional" under CME's guidelines.

Non-professional traders may feel comforted that their fees will be much lower - \$5 per exchange per month. But many farmers, grain elevators, ranchers, commercial hedgers and retail customers will be shocked to learn that only individuals will qualify as non-professionals under the CME Group definition. If these market participants do business as a corporation, partnership or LLC, they will have the privilege of paying the professional tariff.

The past few years have shaken the confidence of customers and members in the integrity of the futures industry. The CME Group's actions in implementing these new market data fees without dialogue with market participants is insensitive, at best, and disingenuous at worst.

The purpose of this letter is to inform all those affected to protest this action by writing to the CME Board of Directors asking for a delay and further discussion.

Regards,



Leslie Rosenthal
Managing Member

ROSENTHAL COLLINS GROUP, LLC

216 West Jackson Boulevard Chicago, Illinois 60606 Phone (312) 460-9200
www.rcgdirect.com