

Robert Merton and Myron Scholes, Nobel Laureates in Economic Sciences, Receive 2011 CME Group Fred Arditti Innovation Award

CHICAGO, Sept. 8, 2011 /PRNewswire/ -- The CME Group [Center for Innovation](#) (CFI) today announced Robert C. Merton, School of Management Distinguished Professor of Finance at the MIT Sloan School of Management and Myron S. Scholes, chairman of the Board of Economic Advisors of Stamos Partners, are the 2011 CME Group Fred Arditti Innovation Award recipients. Both recipients are recognized for their significant contributions to the financial markets, including the discovery and development of the Black-Scholes options pricing model, used to determine the value of options derivatives. The award will be presented at the fourth annual [Global Financial Leadership Conference](#) in Naples, Fla., Monday, October 24.

"The Fred Arditti Award honors individuals whose innovative ideas created significant change to the markets," said Leo Melamed, CME Group Chairman Emeritus and Competitive Markets Advisory Council (CMAC) Vice Chairman. "The nexus between the Black-Scholes model and this Award needs no explanation. Their options model forever changed the nature of markets and provided the necessary foundation for the measurement of risk. The CME Group options markets were built on that infrastructure."

"The Black-Scholes pricing model is still widely used to minimize risk in the financial markets," said Scholes, who first articulated the model's formula along with economist Fischer Black. "It is thrilling to witness the impact it has had in this industry, and we are honored to receive this recognition for it."

"Amid uncertainty in the financial markets, we are pleased the Black-Scholes pricing model still plays an important role in determining pricing and managing risk," said Merton, who worked with Scholes and Black to further mathematically prove the model. "It is quite an honor to be recognized by CME Group for this achievement."

Chosen annually by the members of CMAC, the CME Group Fred Arditti Innovation Award is named after the exchange's former Chief Economist Fred Arditti, who was instrumental in developing the index upon which CME's Eurodollar futures contract, the world's most actively traded futures contract, was founded. The award honors an individual or group whose innovative ideas, products or services have created significant change to markets, commerce or trade. The award strives to celebrate innovation that through practical application has had a positive impact on the economic well-being of individuals, industry or a nation. Past recipients of the award are Economics Nobel Prize winner William F. Sharpe (2005), Leo Melamed, founder of financial futures and CME Group Chairman Emeritus (2006), Eugene Fama, distinguished Service Professor of Finance at the University of Chicago Graduate School of Business (2007), Michael Bloomberg, founder of Bloomberg LP and Mayor of the City of New York (2008), Harry Markowitz, Nobel-prize winning economist (2009) and Dr. David Ferrucci, IBM Senior Manager (2010).

About the Center for Innovation

CME Group, the world's leading and most diverse derivatives exchange, established the CME Group Center for Innovation in 2003, to identify, foster and showcase examples of significant innovation and creative thinking pertaining to markets, commerce and financial services in the public and private sectors. Each of CFI's programs aims to explore and communicate the principals behind innovation and more importantly, showcase their application to a broad and diverse audience.

Oversight of CFI is provided by the CMAC, which includes: CMAC Chairman, John P. Gould; Gary S. Becker, Nobel Prize-Winning Economist, Professor of Economics and Sociology, University of Chicago; David D. Hale, International Economist and Founder, Hale Advisors, LLC; Robert C. Merton, Nobel Prize-Winning Economist, John and Natty McArthur University Professor, Harvard Business School; Michael H. Moskow, Vice Chairman and Senior Fellow for the Global Economy and former President, Federal Reserve Bank of Chicago, the Chicago Council on Global Affairs; Robert J. Shiller, Stanley B. Resor, Professor of Economics, Yale University Chief Economist, Macro Securities Research, LLC.

Additionally, the following CME Group senior officials serve as members of CMAC: Leo Melamed, CME Group Chairman Emeritus, CMAC Vice Chairman; Terry Duffy, CME Group Executive Chairman; Craig Donohue, CME Group CEO; Phupinder Gill, CME Group President; Charles Carey, CME Group Vice Chairman; Jack Sandner, Retired Chairman.

For more information on the CME Group Center for Innovation, please visit <http://www.cmegroup.com/cfi>.

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