

## **CME Group and CME Trust to Provide \$300M Guarantee to SIPC Trustee to Help Facilitate Release of Customer-Segregated Funds**

- Guarantee intended to assist Trustee in making prompt distribution of customer segregated funds and frozen cash balances**
- CME Trust to provide its roughly \$50 million in assets to CME Group market participants to offset missing customer funds held at MF Global**

CHICAGO, Nov. 11, 2011 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, today took extraordinary measures in order to accelerate the return of substantial customer cash and other assets securely held at CME Clearing, other clearing houses and MF Global custodians following the failure of MF Global. Though CME Clearing does not guarantee FCM-held assets, CME Group is willing to provide a \$250 million financial guarantee to the Trustee to give the Trustee greater latitude to make an interim distribution of cash to customers now, given the monumental task he faces to sort through considerable data and claims in order to complete the MF Global liquidation and make distributions to creditors. Additionally, CME Trust will provide \$50 million to CME Group market participants in the event there is a shortfall at the conclusion of the Trustee's distribution process.

Until this point, the Trustee has authorized the distribution of \$1.45 billion in customer collateral, which permitted the transfer of open positions and avoided greater losses to customers that would have been incurred through liquidation. Cash balances remain frozen. Today's proposal is designed to ensure that customers would have access to a greater percentage of the total customer-segregated funds MF Global accounted for at CME Clearing, other clearing houses and MF Global custodians.

This unprecedented guarantee offered by CME Group would be used by the Trustee in the event that a final accounting determines that the Trustee distributed more property than was permitted by the Bankruptcy Code and CFTC regulations. In addition, if there is a shortfall at the conclusion of the distribution and the \$50 million Trust has not been exhausted, the remainder of those funds will be used to restore the other CME Group customer accounts that suffered a shortfall in customer-segregated funds held at MF Global. The Trust was designed to be used in cases such as this if customers lose money due to the failure of a clearing member.

"The failure of MF Global and the firm's mishandling of customer segregated funds is absolutely uncharted territory for this industry, and this extreme measure will help to provide all former MF Global customers access to their account balances that had previously been frozen in the liquidation," said CME Group Executive Chairman Terry Duffy. "Throughout this process, we have been working with the Trustee to help him release securely-held customer property at CME Clearing to customers and transferee clearing members. We have and will continue to advocate on behalf of customers - wherever they cleared or traded."

"CME Group believes it is critical to pursue this option with the Trustee to distribute additional securely-held customer assets," said CME Group CEO Craig Donohue. "Our primary concerns are the protection of our customers at CME Clearing and the integrity of all futures markets. We recognize that the U.S. Bankruptcy Code requires the Trustee to account for all customer assets and claims to ensure a fair, pro-rata distribution of those assets, and we sincerely appreciate how complex this task is for the Trustee. We believe this extraordinary measure is necessary to ensure that all customers are treated fairly during the unique and challenging circumstances surrounding the failure of MF Global. We continue to work with the Trustee to return all of the remaining segregated funds to customers as soon as possible as allowed by law."

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural commodities](#), [metals](#), [weather](#) and [real estate](#). CME Group brings buyers and sellers together through its [CME Globex](#)® electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates [CME Clearing](#), one of the world's leading central counterparty clearing providers, which offers clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through [CME ClearPort](#)®. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk in both listed and over-the-counter derivatives markets.

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