

DECLARATION OF LAWRENCE SCHULMAN

I, Lawrence Schulman, declare that:

1. I am personally familiar with the facts set forth herein, and, if called as a witness, I could and would testify thereto of my own personal knowledge.
2. I have a B.A. in Mathematics and Economics from Wesleyan University and an MBA in Finance from the University of Chicago.
3. I have over 20 years experience in futures and options trading and research and in the development and training of traders. Early in my career, I worked for the Chicago Board of Trade ("CBOT") and was a key member of the team that developed the options contract on the T-Bond future. In 1982, I became a managing partner of Singer Wenger Trading Co., a proprietary trading firm where I developed proprietary models for pricing, risk analysis, and volatility management and where I managed a team of futures and options traders.
4. In 1985, I formed my own firm focused on yield curve and interest rates options arbitrage. I sold this firm to First Options in 1986 and stayed on as Vice President and General Manager of the proprietary trading division. In this role, I developed and implemented software that permitted pricing, risk control and accounting to be done in real time.
5. From 1989 to 1995, I traded for my own account and did consulting work. My consulting work included research and trading system design and the creation of trading strategies for futures options trading. I joined the staff of BOG Trading LLC in 1995, where I developed several experimental trading strategies for trading interest rate options and short-term interest rates. I also directed research in volatility and arbitrage techniques.
6. In 1997, I left BOG Trading and founded a consulting firm with two other specialists in trading strategy modeling and training. Together we conducted training courses in trading, risk management and credit evaluation and sold those services to firms that wanted to outsource the training function.
7. In 1998, I joined Goldenberg, Hehmeyer to design and develop a training program for their traders. I also was responsible for developing the strategy and implementation



plan for a new purely screen-based trading business. In 5 years, the firm became the largest proprietary interest rate trading company on exchanges in Germany, the U.K. and the United States. I built the operation from a start-up to a team of over 175 traders with locations in Chicago, New York and London. I was responsible for both the strategic direction and the day-to-day management of all aspects of the proprietary electronic trading business.

8. In late 2003, I left Goldenberg, Hehmeyer to set up Cheiron Trading LLC – a proprietary electronic futures trading firm. Cheiron is located at 3 First National Plaza, 14th Floor, Chicago, Illinois.

9. I first saw a beta version of what became TT's MD Trader product sometime in 2000 at TT's offices in Evanston, Illinois. I saw that this tool had potential and that it was different than the types of order entry tools being used for electronic trading at the time. In particular, MD Trader provided a static column of prices about which market data was displayed such that the market data moved relative to the prices. Visually, this provided the trader with an intuitive way to sense the direction and velocity of the market. Also, it allowed for very simple and accurate order entry.

10. Goldenberg, Hehmeyer became a customer of TT's MD Trader when it was launched as a product. Once I started using the product, I saw that it was better than the preexisting order entry screens. In particular, it was faster in that by providing a more intuitive display, it reduced the time it takes for a trader to recognize opportunities. Also, it allowed for order entry with less errors than preexisting screens because a trader can quickly enter orders at particular price levels with absolute confidence that he will send an order at the intended price. This was so because there was no risk of the prices moving while the trader was attempting to enter an order. The product also had a one-click recentering feature that was valuable because it allowed the trader to quickly bring the display of the market to the center of the screen. I had never seen any of these features in preexisting electronic trading tools.


11. The combination of the more intuitive display and the fast and reliable order entry cause MD Trader to be a faster tool than preexisting systems. Speed is critical to the success of electronic traders. Anything that increases the speed in which a trader can send an order to an electronic exchange is very valuable.

12. MD Trader provided a significant change to the order entry screens that were prevalent at the time of its release. Prior to the release of MD Trader, traders did not even perceive a problem with the old tools they were using. Only after seeing the benefits of MD Trader did people like myself realize the shortcomings of the preexisting systems. In fact, despite the benefits of MD Trader, when it was first launched as a product we had some difficulty convincing traders to switch over to MD Trader because they were so used to using the older style screens. Ultimately, though, these traders made the switch.



13. After TT launched MD Trader, many competitors of TT released products that had similar features, such as the static price, the improved order entry and the recentering features.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 28, 2004.


Lawrence Schulman