

2.5 cents per side for every participating exchange future and future option transaction permanently.

Do you see that?

A. Yes.

Q. Now, you have no understanding yourself right now that any of these participating exchanges actually infringe any TT patent; is that right?

A. That is correct.

Q. And you want them --

You are saying, I will stop suing people if those exchanges will pay me money; is that right?

A. That is correct.

Q. And the amount of money is 2.5 cents per side, right?

A. That is correct.

Q. What is a side?

A. That is --

Well, a contract traded has two sides to it, a buy and a sell, and so a side is one side of that.

So, each one -- each contract traded that actually executes has two sides to it, so it is per side for that.

Q. And you actually in the context, and later in this letter, you do the calculation for everybody to see how much money that could be made for TT; is that

right?

A. Yes.

Q. Let's go to the third page in 79 -- excuse me, 72927. I must have given you the wrong page, Daniel. Next one I think. Okay.

Then under 2B, the first paragraph under 2B, please.

Mr. Brumfield, you then tell the world, Theoretically, had each of the big four futures exchanges, and that is the group we have talked about already, right, the Board of Trade, the Merc, LIFFE, and EUREX?

A. Yes.

Q. Had each of the big four futures exchanges been participating in the 2.5 cent solution, TT would have received \$130 million over the past 12 months.

A. Yes, sir.

Q. So, your solution was for TT to receive \$130 million per year, and I guess that is probably based on numbers for the last year that you had received; is that right?

A. Somewhere in there, in the numbers.

Q. And then to receive it permanently into the future.

Is that right?

A. That is correct.

Q. \$130 million, or however the numbers work out, that is an estimate for the previous 12 months.

Is that right?

A. That is correct.

Q. And your ability to make this -- I will use your word, I think you said proposal, is based on the existence of a patent, or patents, for the MD Trader; is that right?

A. No, I think this talks about it, the whole first couple of pages talks about the distribution we were doing for the exchanges.

So, in that way I thought we were doing a tremendous job for the exchanges.

They always kind of treat us like a stepchild in a way, and that is okay, but we were working with them in that way, and I thought we were helping them a lot and growing their volume tremendously, and they were benefiting from it tremendously, and we weren't.

So, I said, Geez, can you share some with us? Right. It is a proposal. They can always say, Jump in the back.

Q. But under your proposal they were going to give you \$130 million every year permanently, or thereabouts, whatever -- however the numbers worked out; is that

right?

A. Yes, yes.

Q. And in return what you were going to give them, and the Futures Industry, was peace from patent litigation?

A. That was one of the components of the deal. There were many parts to it.

Q. Now, is that open letter, Mr. Brumfield, part of it talks about taking it to the nth degree, to the absolute limit?

A. Well, when you are -- how do you say this, when you are -- when you are financially in the type of situation, type of trouble, that TT is, and yet you think you are providing value, you are just mixing it up, you are trying, right, and it doesn't hurt to ask in my view.

Q. And you actually talked to every one of these exchanges, you actually had a conversation with them about this, right?

A. That is correct.

Q. And every one of them said, No, thank you.

Is that right?

A. That is correct.

MR. LOMBARDI: Thank you, your Honor.

MR. BRUMFIELD: Let me grab my water.

REDIRECT EXAMINATION

BY MR. BERGHOFF:

Q. You mentioned in response to some questions from Mr. Lombardi, and I may not have the words exactly right, but that TT was handling or contributing to the distribution for the major exchanges, at least.

Could you explain what you mean by handling or contributing to the exchanges distribution?

A. We would interface with the exchanges through what they call the API's, the applied program interfaces.

So, you interface with them with technology on the back end, you route it all way to the front end, which is the GUI.

So, we are taking it -- we are connecting to their wire and we are putting that in banks all over the world, in hedge funds all over the world, in proprietary traders.

So, we go out, and now, we are actually doing the network too, which is TT net, and we just distribute, distribute, distribute their product.

So we -- well, that is a description.

Q. And is MD Trader a factor in the increased volume of their product, trading futures contracts?

A. I definitely believe -- I think so, yes.

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