

THE OPENING CALL

Newsletter of the Commodity Floor Brokers and Traders Association

NYBOT Board Elections Set for June 15

Elections for the Board of Governors of NYBOT will be held on Wednesday, June 15th. Candidates are listed below with an (*) asterisk next to the names of CFBTA members. Following the lists are statements by the candidates.

Floor

(Vote for two)
Robert G. Ahrens
*Thomas A. Butler, Jr.
*John Marchisotto

Sugar Trade

(Vote for one)

Patrick C. Bennett

Cotton Trade

(Vote for one)
Joseph T. Nicosia

Trade At Large

(Vote for one)
Charles H. Falk

FCM

(Vote for three)
*Sebastian Angelico
*Martin B. Greenberg
Michael J. Nugent

Floor

Thomas A. Butler Jr.

Dear Fellow NYBOT Equity Owners,

Thank you for your support in the past; it has been my honor to serve as your representative on the Board for the past four years. I have been a member since 1989 and in the commodities business since 1986.

Now is the time for us to bring equity to the owners of NYBOT. In the past, we have talked about an insurance program, equity dividends, trading rewards, reduced fees, and other programs. However, unless we put something in place, another extraordinary year could pass without our members enjoying these benefits. I believe that by the end of this year, the board can and should have in place a program that benefits the equity owners.

Let's have a culture at NYBOT that recognizes the equity owner and gives real benefits to its owners. The Exchange has taken steps to be more responsive to the membership, such as the member relations committee, but I think we need to take the next step in recognizing ownership.

We must actively support our way of doing business. Open outcry is the most efficient form of price discovery

Cameras in the Pits?

Should video cameras be installed in the trading rings? The topic received considerable discussion at the May CFBTA members' meeting, with no conclusion drawn. However, members are urged to contact CFBTA directors with their input. CFBTA opinions will then be forwarded to Exchange boards and committees.

"The floor is divided on this issue," George Gero told fellow directors. Jan Willem van den Dorpel concurred, saying, "It's been under discussion at NYBOT, I have not seen one subject that has gotten the floor as upset."

Much concern for the idea surrounds the issue of access to the tapes: who will use them, and for what purpose. Also, how will the cameras be arranged to provide a complete view.

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NYBOT BOARD ELECTION FOCUS 2005

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for our agricultural products. We must work to be responsive to our present customers and pursue new users of our products.

Presently we are enjoying record volume, we have the largest groups of new members, we no longer have note payments, we have successfully negotiated a new agreement with Cantor, and we now have minimal concerns regarding the Klein issue. Our collective accomplishments have translated into record seat prices. I hope this is just the beginning.

I have an excellent attendance record serving on the Board and on several other committees. I believe that as a board representative it is my duty to actively participate in the process so that when rule or policy change comes before the board I am well informed and have represented you throughout the process.

I would greatly appreciate your support in my re-election to the Board. I believe my experience as a Board member will be a benefit to the membership as we assess lucrative and exciting opportunities. If there are any issues you would like to discuss in the coming weeks, please do not hesitate to contact me.

With great optimism,
Thomas A. Butler, Jr.

Floor
John Marchisotto

Dear Members,

I am writing to ask for your support in the upcoming Board of Governors' election to represent the floor category. I have been a member of NYBOT since 1992, initially acquiring a FINEX membership in 1987. I am currently the chairman of the financial products committee, and also serve on the membership, member relations, business conduct, booth allocation and executive floor committees.

As a member of NYBOT, my first priority is to see to it that open outcry continues as the preferred method of price discovery on our Exchange. As an occasional trader in the sugar, cotton and CFOJ pits, I understand the need for technology to promote the open outcry trading system by supporting the service provided to our market users so that we can maintain our pre-eminent status. As a trader of financial products, who has a customer base consisting of retail and arbitrage accounts, I recognize the need for an electronic trading platform for financial products to enhance NYBOT's customer base and compete in the world of financial futures and derivatives trading.

Through my service on various committees, and as a participant in the Board discussions concerning financial product matters, I am keenly aware of the issues facing the Exchange for all products. It has been very rewarding to have been a part of the Exchange's governing process over these last few years during which we have attained record volume and growth. I would like to continue having a role in the Exchange's future. As a member of the member relations committee, I have supported and contributed to the development and expansion of member benefits. I believe these efforts would be greatly advanced by serving as a member of the Board of Governors.

I embrace the challenges of serving on the Board of Governors, representing the floor category. I look forward to contributing to our organization in a more aggressive stance.

Thank you for your consideration and your vote.

FCM
Martin B. Greenberg

Phone: 212/ 822-7100
Email: MTY365@HOTMAIL.COM

1982 – Present: Sterling Commodities Corporation, New York, NY

* Founder and Chairman of the Board

1987 – 1992: Commodities Exchange, Inc. New York, NY

* Chairman of the Board 1990–1992
* Board Member 1987-1990

1994 – Present: J.P. Morgan Index - Advisory Board, New York, NY

1992 – 1995: United Nations Development Corp., New York, NY

1993 – 1997: Casino America, Biloxi, MS
* Audit Committee
* Compensation Committee

1989 – 1991: Westair Inc., Fresno, CA
* Audit Committee
* Compensation Committee

1984 – 1987: Landmark Bank, Hartford, CT

1976 – 1980: Colonial Commercial Corporation, Valley Stream, NY

AFFILIATIONS (Current)

* North Shore Hospital Associate Trustee, 1979
* Glen Oaks Club, 1979
* Republican Inner Circle, 1990
* Friars Club, 1990
* Adios Golf Club, 1998

HONORS

* 1992 Anti-Defamation League Metals Industry Man of the Year

Candidates' biographical information is provided as a courtesy to our members and does not represent an endorsement of any individual.

Pre-payment Required for Health Insurance Plans

Beginning August 1, 2005, all payment for health insurance obtained through CFBTA must be either automatically deducted monthly, or paid by check a year in advance. "There have been a considerable number of members not paying their premiums on time," Warren Rosen reported at the May membership meeting, "this puts the whole CFBTA group at risk of termination." Those with late premiums, he explained, are members paying by check who were supposed to pay one month in advance. To protect the integrity of the insurance program, the CFBTA officers voted to require one of three automated payment options, or payment for a full year by check.

Most members insured on this program have already taken the initiative and

signed up for one of the three options available:

1) Trading account authorization (where Medbill sends the Clearing House a bill for all its customers insured, and they remit one check)

2) Electronic funds transfer (automatic deduction from your checking account)

3) Credit card authorization.

Payment by check will no longer be accepted unless paid annually in advance. The July bill will be the last you will receive in this manner. On the August bill, projected for a July 10 mailing, you will be properly credited the cost of security to your account and deny any future holdings. You will

also be required to sign a new authorization form selecting one of the new payment methods.

Rosen reports that over 200 members have already taken the automated payment options, and reported satisfactory results over the past six months. He explains that it will benefit all members in the future, helping to reduce the cost of late fees and administrative costs, thereby keeping premiums down. Those with questions may speak to Warren personally.

Personal Health Advocates

Enhancements to the health insurance offerings are coming. One is a Personal Health Advocate program, at a cost of \$2.95 per month per family. This program will provide 24 hour, 7-day-a week access to a professional who will help answer health questions, and help navigate both the health and insurance systems. "It is like having a social worker for your family," Rosen reported at the meeting. He said this will improve the health care experience for families, since the individuals have a medical background and are well versed in the medical delivery system and case management services. They stay with a case to its conclusions.

Health Savings Accounts

Another offering coming is the Health Savings Accounts (HSA), an amalgam of a tax-free savings account and a high deductible health insurance policy used for routine medical expenses. You can invest in this like any other investment account, gaining interest on principle that will always be there year after year until it is used. As well, this plan can cover expenses from dental, eyewear, prescription drugs and other IRS qualified medical expenses, tax-free. Premiums for this plan will be lower than traditional coverage, since you are basically self-insuring for the small expenses.

In addition, a new dental and vision discount program will soon be available for CFBTA members.

Cameras in the Pits?

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At the Chicago Mercantile Exchange video cameras are installed on the trading floor. The Exchange refused to divulge any information on the system to *Opening Call* other than to confirm that it exists. However, one insider said that there are several cameras above each pit giving full views of all transactions. Footage apparently is available to traders and the compliance department and is used to solve trade disputes.

CFBTA members discussed whether it is appropriate to offer an opinion on the system at this time. CFBTA Public Director Mel Falis requested information on cameras in general. At the May meeting, he said that although he has not personally reviewed the matter, he would like to first know whether cameras have ever been demonstrated to be an effective compliance tool. After examining that, he said, a conclusion could be drawn analyzing all of the various factors. Jeff Grossman chimed in, questioning what would happen if the tapes were "inconclusive" or part of the trade was obscured. John Hanemann asked how the tapes would be used – by customers, compliance, to resolve trade disputes, or to levy fines. Steven Forman, however, strongly supports the idea. "Perception rules our business," he said, "At the end of the day all we have is our integrity." Therefore, he supports the cameras.

Further discussion on the cameras will be held at the next CFBTA meeting.

In Brief...

Medical Offices

At the May meeting, George Gero proposed asking the Exchange to donate office space to be used by physicians, similar to the arrangement formerly used in 4 World Trade Center. This would enhance access to medical care for traders, especially in emergency situations. Scott Hess suggested approaching Pat Conti and the facilities committee. The Exchange would merely donate the space, not become directly involved in hiring physicians, etc.

American Stock Exchange

CFBTA members discussed allowing AMEX members who are registered to trade commodities access to CFBTA membership. The matter was tabled because Gero reported that the AMEX designation as a contract market has expired. The possibility was left open for the future. AMEX members would not have access to CFBTA insurance, but could have access to other benefits such as seat financing as financial benefits of CFBTA are refined.

CFTC

CFBTA members offered support for the new nominee for CFTC Chairman, Reuben Jeffrey, during the May meeting. He was nominated by President Bush on May 17 and awaits Senate confirmation. He is currently a special assistant to the president and senior director for international economic affairs at the National Secretary Council. He also has worked for Goldman Sachs in Paris, London and New York. The White House also intends to nominate Walter Lukken to a second term as commissioner of the CFTC. If confirmed by Congress, his

term will expire in April of 2010. CFBTA would also like to thank Earl Carlile and Allen Cooper, CFTC senior market surveillance personnel, for attending the May meeting. They withheld discussion of the Re-Authorization bill until the new CFTC chairman is in place.

New Director

Gordon Rutledge was elected a new CFBTA director, serving in the NYMEX slot.

Seat Financing

George Gero reported that CFBTA is meeting with officers of HSBC regarding starting an assistance program for CFBTA members looking to purchase exchange seats.

Energy Bill

The Energy and Natural Resources Bill was passed by the Senate in late May, emphasizing conservation and alternate energy sources. It will have to be reconciled with the House version of the bill which is geared toward increased production. The bill is expected to be presented to the President before the August recess.

Trading Jumps

Volume in futures and options trading has jumped worldwide in the first two months of 2005 – with overall world volume up 4.7%, according to the FIA. The United States led the increase – with an overall 18.9% jump in trading. Broken down, US futures trading grew 26.9% to 236.2 million contracts, while options soared 37%.

2005 CFBTA Officers/Directors

Officers

Chairman: A. George Gero
Vice Chairman: Fred Schoenhut
President: John Hanemann
Secretary: Jan Willem van den Dorpel
Treasurer: Joe Salvatore
First Vice President: Larry Bilello
Vice President: David Greenberg

Directors:

COMEX: Richard Buccellato, Michael Devaney, John Moore, Bob Pellegrino, Charles Rasher, Bruce Zins
COMEX OPTIONS: Michael Hammer

COTTON: Marc Brenner, Thomas Butler, Stan Meierfeld
CSCE: Sebastian Angelico, Mike Belmont, Steve Forman, Fred Mascia, Steven Winter

NYFE: Walter Fair, Al Peras

NYMEX: Madeline Boyd, Robert Coakley, Steve Ardizzzone, Jeff Grossman, Z. Lou Guttman, Scott Hess, Michael McCallion, John McNamara, Gary Rizzi, Gordon Rutledge, Richard Schaeffer, Richard Saitta, Steve Karvellas

Public Director: John Conheeneey Sr.

Committees and Associates

Associate Members: John Conheeneey Jr., Thomas LoBue, David Schneiderman

CPA Member: Alan Berk, CPA

Counsel: Sam Abernethy, Esq.

Legal Committee: Mel Falis, Esq., James Gargan, Esq., Mike Wagner, Esq.

Open Outcry: Mary Ann Matlock

Communications Director: David Garland

REMINDER

TO REMAIN ELIGIBLE FOR HEALTH
INSURANCE AT CFBTA GROUP RATES, YOUR
MEMBERSHIP MUST BE UP-TO-DATE!!!