

FISD Anti-Piracy Working Group
May 6, 2010
Moody's Analytics
New York
Meeting Notes

We are grateful to Mike Salk and Moody's Analytics for hosting this meeting.

Participants: Mike Salk (Moody's Analytics), Diane Eisenstat (Standard and Poor's), Charles Kwalwasser (Barclays Capital); Mike Connor (Market News International); Susan Gallagher (Rights Management Group Intl.); David Kelly (MicroRose); Gavin Kelly (MicroRose); Nick Carso (NASDAQ OMX); Angie Wozniak (CME Group); Mary Hansen (NASDAQ OMX); Lindsay Brant (NASDAQ OMX); Caroline Porter (London Metal Exchange); Elaine Barranco (Citi); Mary Ellen Donlevy (NYSE Euronext); Harold Phillips (NYSE Euronext); Dan Duncan (McGraw Hill); Bill George (McGraw Hill); Scott Preiss (CUSIP); Gail Goody (Dow Jones Indexes); Aaron Garforth (London Stock Exchange); Derek Walsh (London Stock Exchange); Zaklina Keramidopulos (TMX Group); Erica Volponi (NASDAQ OMX); Scott Novey (eSignal); Phil Wasilausky (JCV Investment Services); Patty Sachs (Citi); Keith Kupferschmid (SIIA); Tom Davin (SIIA/FISD); Nick Merritt (SIIA/FISD)

Notes:

- Case Study Presentation – CME Group in Turkey

Angie Wozniak with CME Group provided an overview of the exchange's efforts in mitigating misuse of their market data in Turkey.

CME initially was informed of widespread misuse of their data in Turkey from a licensed vendor that was unable to sell CME data in Turkey due to ample opportunities for customers to find the data for free.

CME identified three primary local/regional vendors and began discussions to stress the acceptable ways to use the data. Although it was a long and laborious process filled with emails, phone calls and meetings, in late 2007 the exchange garnered success by having the first of these local vendors sign a contract. Further success was accomplished the following year with the second local vendor agreeing to come aboard as a fully licensed vendor.

CME feels these changes in the relationships with local vendors have been a significant and quantifiable victory for them. However they realize the environment will require continual monitoring for the foreseeable future as more investment banks add new products containing increased data from more international exchanges.

CME recommends identifying a vendor that is conducting business fairly in the area to help locate other vendors that might not be operating as they should.

- Benchmarking Survey for member exchanges and Content Providers

The group discussed a potential benchmarking survey for exchanges and Content Providers.

Consensus among the group was that members contributing to the survey data should be provided anonymity – no individual exchange or Content Provider would be identified without their express permission. The group also felt that in order to encourage more complete and thorough data from responses, that only firms contributing to the data would be provided with access to the compiled data.

Several members suggested that in addition to providing members with insight on where their answers compare with peers, the survey results could be used to provide information to the public audience to assist in our Working Group's goal of educating our target audiences.

The challenge of the survey will be to create a document that asks for information that is of interest and value to the member firms and data that can and will be submitted by the participants. FISD Staff will solicit the Working Group members for input on the survey.

- U.S. District Court Case Ruling: flyonthewall.com

Keith Kupferschmid, VP of the SIIA Piracy division, provided an overview of the recent court ruling handed down in U.S. District Court on Barclays Capital, Merrill Lynch, and Morgan Stanley v. flyonthewall.com. The ruling focuses on the misappropriation of "hot news" and has potential impact of great significance on a number of FISD member firms.

Keith's summary of the case is attached. FISD members are encouraged to forward this summary to their colleagues that might have an interest in this case and this topic. Feel free to contact Nick Merritt (nmerritt@siia.net) or Keith Kupferschmid (kkupferschmid@siia.net) with any questions or comments.

- Rouge website: www.docin.com

Charles Kwalwasser with Barclays noted the above website as a potential problem in displaying unauthorized data and information. Complicating matters for most FISD members are that the site is located in China, has its ISP located in China and posts completely in Mandarin.

Action Items:

- 1) FISD Staff will reach out to Working Group members in soliciting ideas and questions for the benchmark survey.
- 2) FISD Staff will reach out to vendor member firms seeking any technology that provides a 'watermark' for live streaming data.

Next Meeting Schedule:

TBA