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News Release



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2009 CME Group-MSRI Prize in Innovative Quantitative Applications Awarded to Sanford Grossman for Innovative Approaches to Asset Pricing Models

Panel on Regulation of Speculation Precedes Ceremony

BERKELEY, CA, September 11, 2009 – CME Group, the world's largest and most diverse derivatives marketplace, and the Mathematical Sciences Research Institute (MSRI) announced today that Dr. Sanford Grossman, Chairman and CEO, QFS Asset Management, is the 2009 recipient of the CME Group-MSRI Prize in Innovative Quantitative Applications.

Through its [Center for Innovation](#), CME Group has partnered with [MSRI](#) to award the fourth annual CME Group-MSRI Prize, which recognizes individuals or groups who contribute original concepts and innovation in the use of mathematical, statistical or computational methods for the study of the behavior of markets and, more broadly, of economics.

Dr. Grossman will be honored and presented with the CME Group-MSRI Prize medal and \$25,000 cash award at a recognition ceremony to be held at [CME Group's](#) World Headquarters on Thursday, September 17, at 5:30 p.m. Terry Duffy, CME Group Executive Chairman; Leo Melamed, CME Group Chairman Emeritus; Robert Bryant, CME Group-MSRI Prize Selection Committee member and Director of MSRI; and Robert J. Shiller, Arthur M. Okun Professor of Economics at Yale University, will provide remarks.

Prior to the award ceremony, a seminar entitled "Regulation of Speculation and of Systemic Risk" will be held with moderator Jose A. Scheinkman, the Theodore A. Wells '29 Professor of Economics at Princeton University, and panelists Craig Donohue, CME Group Chief Executive Officer; Markus K. Brunnermeier, the Edwards S. Sanford Professor of Economics at Princeton University; Jacob Goldfield, founder of the hedge fund JGFund and former chief investment officer of Soros Fund Management; and, S. Craig Pirrong, Professor of Finance at the University of Houston and Director of the Global Energy Management Institute. The panel will be webcast live and archived on the CME Group Web site and MSRI web site.

Dr. Grossman's research has spanned a broad spectrum of economics and quantitative finance, notably in the analysis of information in securities markets, corporate structure, property rights and optimal dynamic risk management. He has published widely in leading journals and received the 1993 Mathematical Finance Best Paper Award for "Optimal Investment Strategies for Controlling Drawdowns." In 1996, he received the Leo Melamed Prize from the University of Chicago Booth School of Business for outstanding scholarship by a professor. In 2002, the University of

Chicago recognized him with its Professional Achievement Citation. The American Economic Association awarded him the John Bates Clark medal in 1987 in recognition of his research achievements.

Currently, Dr. Grossman is a trustee of the University of Chicago. He has held academic appointments at Stanford University, the University of Chicago, Princeton University and the University of Pennsylvania's Wharton School of Business. At Wharton, Dr. Grossman held the position of Steinberg Trustee Professor of Finance (now held in Emeritus). He also served as an Economist with the Board of Governors of the Federal Reserve System and as a Public Director of the Chicago Board of Trade. He has been Director, Vice President and President of the American Finance Association. For the last 20 years, he has also run QFS Asset Management, an alternative investment management firm specializing in quantitative, model-driven trading.

In acknowledging the award, Dr. Grossman said, "Quantitative research continues to play a vital role in the spectacular success of hedge funds like those offered by my firm, QFS. I am honored that two prestigious organizations like CME Group and MSRI have recognized that fact along with my academic achievements and awarded me the 2009 CME Group-MSRI Prize in Innovative Quantitative Applications."

CME Group Chairman Emeritus and CME Group-MSRI Prize Selection Committee member Leo Melamed said, "Dr. Grossman is one of the foremost economists in the world. His distinguished career includes numerous awards for his research and contributions to economic thought about price movements. As a friend and colleague of Dr. Grossman, I am honored to present him with the CME Group-MSRI Prize in Innovative Quantitative Applications."

Robert Bryant, CME Group-MSRI Prize Selection Committee member and Director of MSRI said, "Dr. Grossman has long been recognized as a leader in developing both the theoretical and the practical consequences of the role and interpretation of pricing information in quantitative finance. His published work has been enormously influential, and many economists feel that his work is particularly relevant in explaining the financial crises of this past year. Thus, his receiving the CME Group-MSRI Prize this year is both well deserved and timely. MSRI is proud to be collaborating with the CME Group in celebrating Dr. Grossman's fundamental insights and contributions."

The 2009 CME Group-MSRI Prize Selection Committee includes: **Leo Melamed**, Chairman Emeritus, CME Group; **Jose A. Scheinkman** (Prize Committee Chair), Theodore A. Wells '29 Professor of Economics, Princeton University, Department of Economics; **Anat Admati**, Joseph McDonald Professor of Finance and Economics, Stanford Graduate School of Business; **Robert Bryant**, Director, Mathematical Sciences Research Institute; **Douglas Diamond**, University of Chicago Booth School of Business; **John Gould**, Steven G. Rothmeier Professor and Distinguished Service Professor of Economics, University of Chicago Booth School of Business; **David M. Kreps**, Stanford Graduate School of Business, and 2007 recipient of the CME-MSRI Prize.

Previous recipients of the CME Group-MSRI Prize and Medal are (2008) **Lars Peter Hansen**, Homer J. Livingston Distinguished Service Professor in the Departments of Economics and Statistics at the University of Chicago; (2007) **David M. Kreps**, Senior Associate Dean for Academic Affairs, Faculty Director of the MBA Program, and Theodore J. Kreps Professor of Economics, Stanford Graduate School of Business; and (2006) **Stephen A. Ross**, Franco Modigliani Professor of Financial Economics, MIT Sloan School of Management.

CME Group is a recognized leader in financial services, exemplifying innovation in action by creating products and services that have changed the face of modern finance. Because CME Group

recognizes the importance of innovation first-hand, it created the CME Center for Innovation, whose mission is to identify, foster and showcase examples of significant innovation and creative thinking pertaining to markets, commerce or trade in the public and private sectors. For more information on the CME Center for Innovation, visit <http://www.cmegroup.com/company/center-for-innovation/>.

The Mathematical Sciences Research Institute (MSRI, www.msri.org) exists to further mathematical research through broadly based programs in the mathematical sciences and closely related activities. MSRI's research extends through pure mathematics into computer science, statistics, and applications to other disciplines, including engineering, physics, biology, chemistry, medicine, and finance. In addition to its core programs, MSRI offers summer graduate workshops, programs to enhance K-12 math education, and outreach programs on mathematical themes.

As the world's largest and most diverse derivatives marketplace, CME Group (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 largest central counterparty clearing services in the world, which provides 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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The Mathematical Sciences Research Institute (MSRI, <http://www.msri.org>), in Berkeley, California, is one of the world's preeminent centers for research in the mathematical sciences and has been advancing mathematical research through workshops and conferences since its founding as an independent institute in 1982. More than 2,000 mathematicians visit the MSRI each year, and the Institute hosts about 80 leading researchers at any given time for stays of up to one academic year. The Institute has been funded primarily by the National Science Foundation with additional support from other government agencies, private foundations, corporations, individual donors, and more than 90 academic institutions. The MSRI is involved in K-12 math education through its annual *Critical Issues in Mathematics Education* conferences for educators, math circles, the National Association for Math Circles (NAMC, www.mathcircles.org), and Olympiad competitions, in undergraduate education through its MSRI-UP program, and in public education through its "Conversations" series of public events.

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