



U.S. COMMODITY FUTURES TRADING COMMISSION

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Statement of the Commission

June 28, 2010

The Commodity Futures Trading Commission (CFTC or Commission) today voted to approve the Cantor Futures Exchange's (Cantor or Exchange) Domestic Box Office Receipts (DBOR) futures contract on the motion picture *The Expendables* with specific modifications requested by the Commission to guard against manipulation or any other abusive conduct in the trading of any contract by knowledgeable and informed sources within the studio or distribution company.¹

The Commission previously issued a statement on June 14, 2010, approving the Media Derivatives Exchange's (MDEX) Weekend Motion Picture Revenue futures and binary option contracts for the motion picture *Takers*. The Commission finds the issues raised by the MDEX contracts for *Takers* – regarding whether the underlying is a commodity, whether the contract is readily susceptible to manipulation and the contract's economic utility – are essentially the same for the Cantor DBOR contract currently under review. Therefore, we incorporate the analysis in our June 14, 2010, statement on those points by reference.

Based on our review, we find no material difference between the DBOR contract and the MDEX contracts approved on June 14, 2010, and accordingly find that the Cantor DBOR futures

¹ The Commission is aware that the Conference Report for H.R. 4173, the **Wall Street Reform and Consumer Protection Act of 2010**, may impact Cantor Futures Exchange's ability to offer these contracts. However, as the Conference Report is not law, it is not a factor the Commission can consider in deciding whether to approve or deny this contract.

contract is based on a commodity, is not susceptible to manipulation and can be used to fulfill an economic hedging purpose.²

Section 5c(c)(3) of the Act requires the Commission to “approve any such new contract or instrument... unless the Commission finds that the new contract or instrument... would violate this Act.” Based on our review, the Commission does not believe that the terms and conditions of the proposed DBOR futures contract violate the Act or the Commission’s Regulations thereunder.

Accordingly, we vote to approve the contract.

² Though, as is discussed in the June 14, 2010 statement, the Commission has not made a finding that a contract is required to serve an economic hedging purpose. Given the concerns raised by the public regarding the proposed contracts, Commission staff undertook such a review in connection with the MDEX and Cantor contracts.