

April 15, 2010

House Committee on Agriculture  
Chairman Collin C. Peterson  
1301 Longworth House Office Building  
Washington, D.C. 20515

House Committee on Agriculture  
Ranking Member Frank D. Lucas  
1301 Longworth House Office Building  
Washington, D.C. 20515

Re: April 22, 2010 Committee Hearing on Application of Cantor Futures Exchange, L.P.

Dear Chairman Peterson and Ranking Member Lucas:

I appreciate the opportunity to submit this letter to the House Committee on Agriculture regarding the CFTC application of Cantor Futures Exchange, L.P. (the "Cantor Exchange") to become a designated contract market.

The Cantor Exchange proposes to establish a regulated futures market offering market participants the opportunity to hedge exposure to the domestic box office receipts of new film releases. Such a market would allow a diverse group of motion picture industry participants, including studios, film distributors, theater owners, investors and other financial intermediaries within the motion picture industry to manage their risk and exposure to new film releases. The market would also serve a price discovery function relating to the market's perceived value of film releases, a valuable tool to film distributors and theater owners that must allocate economic resources based on the expected interest in a new film. In these fundamental respects, therefore, the market will operate like, and serve the same purposes as, other futures markets.

As an independent film maker, I am excited by the prospect of a futures market in box office receipts.

Many independent filmmakers and distributors, myself included, rely on private investors to finance the production and distribution of their films. I believe a market in domestic box office receipts would substantially widen the number and breadth of financing sources available to the motion picture industry by lowering the risk inherent in such financing. The benefits of greater financing availability are many, including lower barriers to firms hoping to enter the industry, and including the public benefits of a more robust and independent motion picture industry which engenders greater competition and a more diverse selection of content for consumers.

I am familiar with the application of the Cantor Exchange and have discussed with the Cantor Exchange the mechanics and utility of establishing a futures market in domestic box office receipts. I believe the Cantor Exchange would provide a very useful hedging tool for motion picture industry participants and would provide a useful price discovery function.

Through discussions with the Cantor Exchange, I am comfortable that the market for futures on box office receipts can be adequately policed regarding material non-public information and attempted market manipulation. The Cantor Exchange will restrict trading by those with material non-public information relating to film releases. Motion picture industry participants will be required to maintain information barriers between persons whose decisions may affect the value of a film's box office receipts or who have access to such information and persons responsible for hedging company positions.

I would like to thank again the members of the Committee for affording me the opportunity to submit this letter. I believe that the Cantor Exchange will offer a valuable market to myself and other motion picture industry participants and will have a positive influence on competition in the industry.

Very truly yours,



Editor/Co-Producer "American Movie"

cc: Commodity Futures Trading Commission  
Chairman Gensler  
Commissioner Dunn  
Commissioner O'Malia  
Commissioner Sommers  
Commissioner Chilton