



Mona Lisa Consulting, Inc.

May 19, 2010

Mr. Gary Gensler
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Gensler:

I appreciate the opportunity to express my view on the proposed establishment of a contract market for Domestic Box Office Receipts by Cantor Futures Exchange.

I am an independent market research consultant. Over twelve years I have been working on finding innovative solutions for business process optimization -- specifically, I focus on developing new research (predictive) models with the help of intelligent systems, like neural networks software -- for the entertainment field.

I train neural network software -- a system of artificial intelligence -- to forecast and/or to classify box office results before a film's release date as accurately as possible with the purpose of finding new low cost solutions to turn millions of new data points arriving to the system on every given day into accurate forecasts.

I heard Mr. Richard Jaycocks' (CEO of Cantor Future Exchange) testimony on the Committee Hearing on April 22, 2010. He made many sound arguments in his testimony and I fully support Mr. Jaycocks' proposal to create a closed-end film futures exchange to create a cleaner and financially more stable market environment in the motion picture industry for a very simple and compelling reason. The motion picture industry is an industry that the United States continues to dominate globally. Making the financing of it more open and transparent is an important role that opposite results. you can play as regulators to ensure that this remains so.

I study the entertainment market from a standpoint of an intelligent system. The following observations are in this sense scientific, ergo objective.

1. Manipulation of the end result (of film box office performance)

- The system cannot be manipulated by changing the film production and/or film marketing costs in order to make a motion picture perform significantly worse or better. These two parameters "production cost" and "marketing cost" do not carry any significant value among the parameters of a film forecasting test. When I change these values or when I even eliminate them from the training data points -- the forecasted value is not changed.

- When the system is manipulated by "BUZZ" or through any other form of word-of-mouth communication method -- the public learns fast about any attempt of unfair manipulation and it will "punish" the source of the attempt by producing

2. Transparency and regulation in the motion pictures business processes.

- It is very hard to work with entertainment research projects. Cantor Exchange's model will bring the needed transparency and some new regulations into the industry. I believe that once the landscape of the industry is more transparent and it is better regulated the entire entertainment field will benefit from these changes. More innovative business solutions will be discovered by researchers and entrepreneurs -- to benefit all.

3. Risk management -- reducing risks.

- One cannot call this regulated business transaction (a bid for future film box office results) "GAMBLING". Statistically speaking, gambling is not comparable to legitimate business processes like investing one's money in stocks or in commodities.
- The research has proven that in a more transparent business environment the importance of the risk factors is less significant. (I have result from indie -- non-studio, small budget -- film forecasting to proof this statement.)

In summary, as a researcher, I fully support the proposal of Cantor Film Exchange to establish a regulated and transparent closed-end film exchange, available for anybody to participate in.

A transparent and fair business field will create the necessary environment for researchers to bring much needed innovations to all: to those who make the films and to those who buy the tickets to enjoy the films.

Sincerely,



Edith Bodnar

A 2006 World Technology Award nominee
for her innovative research work in the entertainment industry.

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cc:

Commissioner Dunn
Commissioner O'Malia
Commissioner Sommers
Commissioner Chilton