

CFTC v. Optiver US, LLC, et al.

Transcripts of Audio Files Attached as Exhibit A*

<u>Transcript</u>	<u>Page</u>
Transcript of 128190.wav	2
Transcript of 1281X1.wav.....	6
Transcript of 128XCP.wav.....	21
Transcript of 1293QN.wav.....	29
Transcript of 12B220.wav.....	85
Transcript of 12BM2P.wav.....	102
Transcript of 12BXQ2.wav.....	107
Transcript of OPTUS0002406.wav.....	115

**Transcripts prepared by CFTC staff.*

Transcript of 128190.wav

Description: Call from Gerben Gooijers to Ferhad Mekic

Date: 3/5/2007

Parties: Ferhad Mekic; Gerben Gooijers

Mekic: Hello, Ferhad speaking

Gooijers: Gerben

Mekic: Hey Gerben, how's it going?

Gooijers: Hey Ferhad. Yeah. Not bad. How's it going with you?

Mekic: Oh, it's alright.

Gooijers: Okay.

Mekic: Not too busy today, but I've got a bunch of stuff going on.

Gooijers: Yeah, same here.

Mekic: How's, um. You're doing the spread features over there?

Gooijers: Yeah, and the EPF.

Mekic: Oh, okay. Are they working?

Gooijers: Yeah, yeah. Both of them are working pretty well. I think we're on 100,000 today.

Mekic: Wow, that's good volatility.

Gooijers: I was calling about the TAS's.

Mekic: Yeah.

Gooijers: Cause I got an e-mail from Mark saying that we aren't first anymore.

Mekic: Uh, yeah.

Gooijers: Um, so I want to look into, yeah, increasing the frequency of sending orders.

Mekic: Yeah.

Gooijers: But what has been happening lately? How many of our orders have gotten in and are we uh just always late or whatever?

Mekic: We (unintelligible) hammer seven, and then uh, four orders get in, and then over the last week we haven't been first once.

Gooijers: Okay. But, okay, it's good to know that still a number of orders get in, so it's really increasing the frequency that will, uh, that should do the trick.

Transcript of 128190.wav

Description: Call from Gerben Gooijers to Ferhad Mekic

Date: 3/5/2007

Parties: Ferhad Mekic; Gerben Gooijers

Mekic: Yeah, I think that's what other people are doing.

Gooijers: Yeah.

Mekic: And, uh, yeah, so - but first it was like we were in all the time, then it was like 90%, 80%, then quickly down to 0 times, number of times, that we were first.

Gooijers: Yeah, it was to be expected I think.

Mekic: Yeah, exactly. If they just not use excel. (laughter).

Gooijers: Yeah.

Mekic: They'd improve very quickly.

Gooijers: Yeah.

Mekic: So, um, but we've done recently well in those anyway.

Gooijers: Okay -

Mekic: In the TAS's. And, uh, we're getting better at hedging them off.

Gooijers: Okay, good. Sounds good.

Mekic: Yeah.

Gooijers: Yah, I tried to put a close here, so I uh -

Mekic: Okay.

Gooijers: I have to do some other stuff now, but I'll look into uh, improving the Hammer tool tomorrow so that we can uh, do this with a finer frequency, so that should give us a better chance of being up front again.

Mekic:

Gooijers:

Mekic:

Gooijers:

REDACTED

Mekic:

Gooijers:

Transcript of 128190.wav

Description: Call from Gerben Gooijers to Ferhad Mekic

Date: 3/5/2007

Parties: Ferhad Mekic; Gerben Gooijers

Mekic:

Gooijers:

Mekic:

Gooijers:

Mekic:

Gooijers:

Mekic:

REDACTED

Gooijers:

Mekic:

Gooijers:

Mekic:

Gooijers:

Mekic:

Gooijers:

Mekic:

Gooijers:

Mekic: Alright, if you want to speak after the close, give me a ring.

Gooijers: Uh, yeah.

Mekic: I'll tell you what's going on here.

Gooijers: Um, yeah not today because I have to hurry today but I'll talk to you tomorrow.

Mekic: Ok. Sounds good.

Gooijers: Ok.

Mekic: Good luck and uh.

Gooijers: Yeah, you too. And I'll talk to you tomorrow.

Mekic: uh bye.

Gooijers: ok.

Transcript of 128190.wav

Description: Call from Gerben Gooijers to Ferhad Mekic

Date: 3/5/2007

Parties: Ferhad Mekic; Gerben Gooijers

END

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

Allison Optiver, this is Allison.

van der Kruk Yes, hello. This is Edwin speaking from Amsterdam.

Allison Hi.

van der Kruk Hi, how are you doing?

Allison Good.

van der Kruk Ah, can I speak to Chris please?

Allison To, sorry, Chris Dowson?

van der Kruk To Chris, yes.

Allison Sure, just a minute please.

van der Kruk Ok, thank you. Bye. (On hold).

van der Kruk (Dutch). Hello? (Dutch). (On hold).

van der Kruk Hello? (Phone Ringing)

Dowson Yup?

van der Kruk Hi Chris, how are you doing?

Dowson I'm alright, thanks. How are you doing?

van der Kruk Yeah, fine, fine. It's hard work, hard work these days.

Dowson Yeah, you're very busy?

van der Kruk Yeah. We've had some two men these days last week.

Dowson Yeah, making some cash?

van der Kruk Yeah, we made two million on Thursday, day trading eh day trading. With positions 2.2 I think. And Friday we made 1.2 million. Today we made probably 400. Somewhere between 4-500. Day trading.

Dowson Yeah, I got an email from Matt that said he made half a million or something.

van der Kruk Yeah, the (inaudible) was absolutely brilliant. We didn't anticipate on it but we just waited till the moment. We had small positions. And then out of the close we just took like uh some positions. And in light of them, really fast, so we were within a day we were waiting for

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

position due to losses. And I think we made in total something like one half million from it.

Dowson Oh, that's nice.

van der Kruk So that's really good. I was actually pretty happy that we didn't prepare anything but still we made like good profit on it. Well, we prepared some things but not really.

Dowson Not as thorough as normal.

van der Kruk Yeah, we don't. I don't think it would be like ah so good. Although I said, well, I expected that this time there wouldn't be so much anticipation because people were way too busy with it. But yeah, you never know. On the other end you don't want to distract your traders when the trading is so brilliant. But I think like a big delta position. So, you don't do it yourself as well so then you yeah you like get ridiculous closes but still we anticipate that it's pretty low and we made quite some money there and furthermore the trading is good. But um, so, yeah, that's going pretty well. Of course, the systems and the programs yeah they are helpful pretty well on Thursday and Friday. On Wednesday I had quite some problems but Friday afternoon again we had some problems. Did you have also on Friday the problems?

Dowson We weren't too bad. I mean apart from (inaudible) which just has not been virtually not working at all, they at times have been reasonably stable, so.

van der Kruk Ah, ok.

Dowson It's been ok.

van der Kruk So you've made good money last week?

Dowson Yeah, we had a decent week. We're now up to, we're almost the same as what we made last year.

van der Kruk Oh ok. That's good.

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

Dowson We're almost 12 million now basically.

van der Kruk So that's really going well then. So you've got like. So you're six million a month and improving through the year.

Dowson Yeah, exactly. We've had no technological improvements really. We had the one thing from the feed for the uh.

van der Kruk Yeah, exactly. The one thing, how does it look with those guys?

Dowson Well now, it seems it's all gonna be done through Australia. Maxwell is going to Australia for a couple months. We're also looking to recruit some uh some new developers here. We've got the recruitment things from Australia. They will also go to Australia for some time. I'm uh I'm pretty happy with the current status of it.

van der Kruk Ah, ok, so you're gonna (inaudible) your support done more or less by Australia.

Dowson Yeah, actually in Australia they're just gonna train some people for us. Then probably 1 or 2 of Australian guys will come over here with the guys we've got from America and we'll be supported like that.

van der Kruk Then they will be really good.

Dowson Yeah, I'm pretty happy about it. It should be good.

van der Kruk Yeah, that's really good. And will those Australians stay working in America?

Dowson Yeah, probably 1 or 2 of them yeah.

van der Kruk Ah, yeah that's brilliant. That's brilliant.

Dowson Yeah so that's good.

van der Kruk And when do they expect to deliver the first phase?

Dowson I'm not so sure. They're still writing up the plan now. But I don't think it's going to take too long.

van der Kruk

Dowson **REDACTED**

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk

REDACTED

Dowson

van der Kruk

Dowson

van der Kruk

Dowson

van der Kruk Yah, so ok, yeah.

Dowson Hey is Randal in work today?

van der Kruk Yeah, he's in but I think he's left already.

Dowson: Nah. I don't want to speak to him now. I was just curious. Do you want to know what happened in the TASes on Friday?

van der Kruk: I heard you made like a killing there.

Dowson: Did you hear what they did in Amsterdam?

van der Kruk: They made also good money.

Dowson: Did you hear how?

van der Kruk: Yah, basically they front-run you.

Dowson: Yeah. (laughter) Who have you been talking to about it? (laughter).

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk: I heard it from Nick and a bit from Randal.

Dowson: Yeah.

van der Kruk: Yeah. What do you think about it?

Dowson: I think, ah, I don't really blame Nick for it. If I was in his position, I might have done the same thing, but I think it's not a way that we should be trading.

van der Kruk: No. Yeah, that's like that's the thing. It's just leaning a bit on your thing. But, lets first of all, it's going really well.

Dowson: Yeah. That's a good thing so. We made like 180 grand or something.

van der Kruk: How much are you now for the year in the TAS trading?

Dowson: Like 450 or something.

van der Kruk: Whoa! Is it really good?

Dowson: After that, Ferhad and I were just talking about it a little bit and we just said look, we basically just want to have a position, we pretty much want a position every day. So we're just, we're just 99 and 101 now for 500 and then, we can also, what we thought then, we can probably disguise it a bit better as well.

van der Kruk: How do you mean?

Dowson: Yeah well, it's not as obvious if people are like 107 or 108 bid everyone knows that there's going to be something coming, whereas if it trades normally like close to one, yeah, you can hack sometimes, you can be aggressive, pushing it other times, you can even do it a bit the other way around, uh sometimes.

van der Kruk: Yeah, ok. It's a bit like, I don't know if it's getting pushed to 107 how much they trade because -.

Dowson: No, no the volumes already went up.

van der Kruk: They weren't that high?

Dowson: No.

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk: Okay, it can be 99 -101 and one bid at 101 and everything (inaudible) and in the oil, are we getting in front?

Dowson: No, we keep being behind it. We've been behind consistently for more than a week now, so.

van der Kruk: Okay, that's a pity, eh -.

Dowson: It's pretty annoying. But Gerban's been looking into it. Today, I believe uh-.

van der Kruk: Yeah he's just back from holiday.

Dowson: Yea, exactly, so.

van der Kruk: So uh, yea that's good, so, uh any, some other developments, new things or-.

Dowson: No not really, the um, for the rest things go quite okay here, it's really nice to first have Paul and (inaudible)----- been cleaning up in the NASDAQ so.

van der Kruk: Yeah.

Dowson: Really yea. Basically all our money from last week just all came from NASDAQ and RUSSELL , nothing else, literally two spots we made all our money.

van der Kruk: Okay Tuck wasn't there?

Dowson: No, Tuck was back in Amsterdam.

van der Kruk: Ok, are there your other human resources in the stocks? How did they do?

Dowson: Nothing, just nothing and also in the treasuries Jordan made a minus last week.

van der Kruk: So is there some hacking going to be happening?

Dowson: We'll have to see, Jordan also changed some marc and they were pretty bad last week in fact very bad.

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk: So you will be sitting down there on your arm then?

Dowson: (Laughter) Exactly. That's a bit of your problem. It's like, where the fuck do you start? Linbach is still off sick.

van der Kruk:

Dowson:

van der Kruk:

Dowson:

van der Kruk:

Dowson:

van der Kruk:

Dowson:

van der Kruk:

REDACTED

Dowson:

van der Kruk:

Dowson:

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk: Ok. On a different note we're gonna be like, I see we are getting a bit short in people in Australia we lost quite some traders. We are losing some people to Australia, you need some people there, I need some people, we need to fill up so it's gonna be like for this year already filling up the spots that are going to be empty. We already need find some people. Probably and maybe some people are going to be leaving I don't know especially from Australia. I think big chance that some people will leave there, just like to settle the deal and watch for their bonus. Because already three guys just headed off there, did they tell you?

Dowson: No.

van der Kruk: Some of them didn't even take bonus.

Dowson: Yeah?

van der Kruk: They went straight ahead to the other three competitor.

Dowson: When was that?

van der Kruk: It's already like at the end of the year. They took the chance of not getting a bonus and everything. They must have been promised quite a good deal there.

Dowson: Exactly.

van der Kruk: Probably need some people there. You need some people.

Dowson: Yeah.

van der Kruk: Let's hope we'll get good ones.

Dowson: Well, someone's got to train them. (hehe)

van der Kruk: That's like, yea that helped last time. (inaudible) If you think about it it's a pretty big if you (inaudible) would and you basically would have to find out that we didn't take enough time for them and it's pretty shit.

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

Dowson: I said my suggestion and it was ignored. I think we should just get someone that's, pay a teacher to be like up looking after them properly.

van der Kruk: Or maybe even, get like a reasonable trader who is just sitting there with them trading them like (inaudible) ball and uh furthermore teaching them. It may be a bit more expensive one but it may be a better solution. Because what are you going to get if you get a teacher? You also don't know. (Inaudible).

Dowson: They can be nice.

van der Kruk: But ok, you're really positive about working together with the Australians to get that going? (Inaudible).

Dowson: Yeah, I think that's gonna go pretty well.

van der Kruk: I think that's gonna go really brilliant. I don't know. These (inaudible) it looks pretty fast. That's what I could see. I've traded myself with it. The functionalities that are in it are pretty good and it's doing the job properly. The only thing is it has a lot of and burkes and caches but they're working on it to get it stable.

Dowson: Sounds good.

van der Kruk: That's how they are. And for the future trading they expect to deliver something in three months.

Dowson: That's just building the gateways and getting them connected right?

van der Kruk: Yeah, but now we'll see.

Dowson: I presume we're gonna build the gateways completely new.
(Laughter).

van der Kruk: Yeah, something like this, I don't know. Oh shit I (inaudible), I'll call him later. Maybe later on this week we should have (inaudible) a more if its maybe a bit later (inaudible) talk.

Dowson: Yeah, exactly.

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk: What are the other things we need, you need. That's what the marker said. If you look at the paper that got out. If you roll in F1. There's like a lot of things are gonna be almost no really big things you need for Amsterdam then.

Dowson: Yeah exactly, that's what I think as well. It's basically getting sort of a future trader is the key thing.

van der Kruk: Yeah, then it's basically then it comes down to, we have to on this side make like, get the OET working properly and get the futures behind it and see how good it is.

Dowson: Yeah, exactly.

van der Kruk: Ok. So, now well good work and we will maybe talk later this week then. I'm going home.

Dowson: Yep. Alright, take it easy.

van der Kruk: I'm having a busy day, busy day. I'm trading myself.

Dowson: Wow, that's been the first for awhile, huh?

van der Kruk: Yeah, yeah, yeah. I was just sitting there. (inaudible) And it's not so hard.

Dowson: Not so hard. You can trade some monkeys, today eh?

van der Kruk: On the other hand, I do think, that if you just you have those spots making so much money if you've got someone smart sitting behind it. And he does for whatever reason 10% better, or 20% better, its already full trading spots. But I could imagine that if you, to make it properly, that you just may need less people. Because that's, yeah anyhow, we'll see-.

Dowson: I got a book last week for me to read. James J. Kramer. "Confessions of a Street Addict."

van der Kruk: Oh, ok. I didn't read that one. I read, "New Money." Good one.

Dowson: This is his autobiography.

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

van der Kruk: Ok ok, yeah yeah yeah. I find him pretty cool. I should get him on television Holland as well.

Dowson: Yeah exactly.

van der Kruk: Yeah, we'll see. I, because maybe I'm a probably a first (inaudible) to Stanley as well. It see a bit of planning and see when I can come over.

Dowson: Yeah.

van der Kruk: And you bought a speed boat already?

Dowson: It's on the way, it's on the way (laughter).

van der Kruk: It's on the way?

Dowson: Yeah with these profits, might have to get a bigger one, huh?
(laughter)

van der Kruk: It's gonna be, if things go on like this, why not?

Dowson: One last thing (inaudible), did you see the advert from the Australian office?

van der Kruk: Yeah. I also didn't find it in line with his.

Dowson: Yeah, that's what I thought as well. I wonder if Cathy knows about it or.

van der Kruk: (Inaudible).

Dowson: I don't fucking care about it but it seems pretty strange so. (laughter).

van der Kruk: Yeah, I think it's uh. Did you hear we're sponsoring the Dutch national cricket team?

Dowson: No, I didn't hear that.

van der Kruk: We're sponsoring. It's going to the World Cup.

Dowson: Oh yeah?

van der Kruk: I think this is brilliant. We're paying 25,000 Euro for it. And we're shirt sponsor of the Dutch national cricket team.

Dowson: Oh that's good.

van der Kruk: Who are going to play India and Australia?

Transcript of 1281X1.wav

Description: Call from Edwin van der Kruk to Christopher Dowson

Date: 3/5/07

Parties: Edwin van der Kruk; Christopher Dowson

Dowson: Yeah.

van der Kruk: No, S. Africa. You've heard of the two best countries in the world?

Dowson: England?

van der Kruk: No. I think it was Australia and S. Africa.

Dowson: Yeah, Australia is definitely the best but I don't know. That's really good.

van der Kruk: But even all of this. Of the second level ones, Holland is still like favored to come to this thing but I don't count on it.

Dowson: I know, that's good.

van der Kruk: I heard like 2.2 billion people are watching it. And in India for this amount of money it's brilliant.

Dowson: Yeah.

van der Kruk: I don't understand the Dutch companies that they didn't step into it.

Dowson: There was a, who's idea was that?

van der Kruk: Rashit came over and I was sitting together with Randal. And he was telling yeah they didn't have a shirt sponsor and they were going to this and blahdy blahdy blah. And then Randal and I were a bit like, no, no (inaudible). I don't understand. And Randal was a bit like I think you should do it. And Randal said yeah just go to Yella (ph.) maybe this can be good for us. And then it was arranged within a few days. But they didn't have like a sponsor up to now so they were really under pressure to get it, any kind of money they could get, they would do it. So now basically we're the official sponsor on all the shirts there. I think all the English guys here in the office, they love it. And I think the Australians, if they see it, they're gonna love it as well.

Dowson: Yeah, it's pretty cool. It's good.

