

From: Powell, Linda

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CC:

Subject: U.S. TRADEMARK APPLICATION NO. 77199918 - CHI - 13271-364 - SU - Request for
Reconsideration Denied - Return to TTAB - Message 4 of 4

Attachment Information:

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Files: CME Gr Weather Products first page.jpg, CME Gr Weather Products pg 25.jpg

CME Group
A CME/Chicago Board of Trade/NYMEX Company

Weather Products

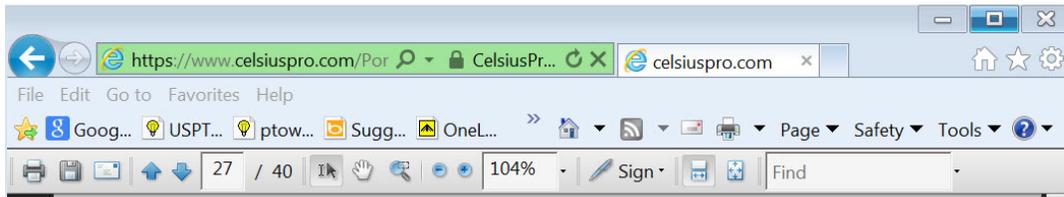
Managing global weather exposures.
Growing opportunities. Reducing risks.

SAFETY
100 years
default free

2007
No Default

2008
No Default

In a world of increasing volatility, CME Group is where the world comes to manage risk across all major asset classes — interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals and alternative investments like weather and real estate. Built on the heritage of CME, CBOT and NYMEX, CME Group is the world's largest and most diverse derivatives exchange encompassing the widest range of benchmark products available. CME Group brings buyers and sellers together on the CME Globex electronic trading platform and on trading floors in Chicago and New York. We provide you with the tools you need to meet your business objectives



the contract is "in" or "at the money."

Cat-In-A-Box

cmegroup.com

HURRICANE SEASONAL FUTURES AND OPTIONS

Hurricane Seasonal futures and options are one of three categories of Hurricane futures and options we offer. They focus on **all hurricanes** that make landfall within one of several specific locations or geographic regions between January 1 and December 31.

- Gulf Coast, from Brownsville, Texas, to the Alabama/Florida border
- Florida, from the Alabama/Florida border to Fernandina Beach, Fla.
- Southern Atlantic Coast, from Fernandina Beach, Fla., to the North Carolina/Virginia border
- Northern Atlantic Coast, from the North Carolina/Virginia border to Eastport, Maine
- Eastern U.S., from Brownsville, Texas, to Eastport, Maine
- Cat-in-a-Box – a term used to describe the Galveston-Mobile region, a coastal region possessing the largest concentration of oil and gas platforms in the Gulf

HOW THE FUTURES WORK

Hurricane Seasonal **futures** represent the **sum total of CHI values** of hurricanes that make landfall in a specified region throughout the hurricane season.

Customers wishing to hedge against the potential damage of an entire hurricane season would assess their risks and then **buy Hurricane Seasonal futures** at a **specific CHI level** for a **specific region**, such as 25, a level at which they decide they would need protection from financial loss.

Hurricane Seasonal **futures** are cash-settled at the **end of the hurricane season** at the **total CHI value of the specified region**.

That number is multiplied by a cash multiplier of \$1,000 per 1 CHI point. Thus, a futures contract that settles to a CHI of 25 has a value of \$25,000. If no hurricanes make landfall in the specified region of the contract, then the contract settles to 0.

HOW THE OPTIONS WORK

Two types of options are offered on Hurricane Seasonal futures.

Standard/Vanilla Options

Customers wishing to hedge against the potential damage of an entire hurricane season would assess their risks and then **buy Hurricane Seasonal options at a specific strike price**, such as **15 CHI**, a level at which they decide they would need protection from financial loss.

Hurricane Seasonal **options** are cash-settled at the **end of the hurricane season** at the **total CHI value of the specified region**. That number is multiplied by a cash multiplier of \$1,000 per 1 CHI point. Thus, a call option contract with a strike price of 15 CHI that settles to a CHI value of 25 has a value of \$10,000. If no hurricanes make landfall in the specified region of the contract, then the contract settles to 0.

Binary Options

Binary options on Hurricane Seasonal futures pay a fixed dollar amount if the option is either "at" or "in the money." This distinguishes them from standard/vanilla options as the value of standard/vanilla options vary depending on the difference between the strike price and the settle price.

If the respective **CHI seasonal value is equal to or greater than the strike price**, the buyer receives \$10,000. If the respective **CHI seasonal value is less than the strike price**, the buyer receives **nothing**. Only call options (options to buy) for binary options are available. Contracts are automatically exercised at the end of the season or can be exercised at any point during the season once the contract is "in" or "at the money."