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## **RCG RiskHunter<sup>sm</sup> Brings Powerful New Tool for Managing Risk in Today's Volatile Market Environment**

### **Real-time Risk Application Powered by Dynamic, Versatile Coral8 CEP Platform**

CHICAGO, Jan. 12, 2009 – Rosenthal Collins Group, LLC (RCG), a leading independent futures clearing firm, announced today that it has developed and filed for patent protection on a first-of-its-kind futures brokerage risk management system. Based on Complex Event Processing (CEP) technology and scheduled to launch in the first quarter, RCG RiskHunter<sup>sm</sup> is designed to “hunt” out and highlight any trading pattern or behavior that deviates from a client’s or trader’s historical behavior. The advanced technology will enable RCG to highlight prospective risk issues in real time across exchanges, products and the 24-hour trading day to allow for rapid response and amelioration if needed.

Connamara Systems worked with the RCG technology team to develop and implement RCG’s idea, bringing in California-based Coral8 to supply the CEP technology. CEP has been used in the military and other industries and is a popular technology behind algorithmic trading.

RCG RiskHunter augments the existing pre-trade and post-trade risk management processes long in place at the firm. By operating in near real time around the clock, the system closes the time gap that firms usually face between a transaction and the regular monitoring of profit and loss within and across accounts. If RCG encountered a situation in which the pre-trade process did not prevent a behavior that could put a client or the firm at risk, within minutes of an electronic trade, the firm could understand the impact and take corrective measures.

“RCG RiskHunter is an indispensable technological tool that goes beyond our already robust pre- and post-trade risk management processes to protect our clients, trading personnel and the firm,” said Scott Gordon, RCG Chairman and Chief Executive Officer. “Throughout the past year, we’ve seen unprecedented volatility across the financial and commodity markets to the point where a market can take a remarkable turn against a client in very short order. RiskHunter gives our premier risk management personnel an extraordinary new vehicle for mitigating risk by finding potential issues before they can have a significant impact on individuals or the firm.”

RiskHunter interfaces with RCG’s back-office system to accumulate information and “hunt” for key indicators to verify that every client trade is within defined parameters. The system is built on a CEP engine that incorporates complex algorithms, client trading information, live market data and RCG parameters to identify trading behaviors and

patterns, regardless of how a trade is placed or in which market. RCG RiskHunter provides virtually instantaneous warning if a trader or organization may potentially present a risk issue. The CEP technology, licensed by Coral8, encapsulates proprietary algorithms developed by RCG that identify accounts and associated activity, correlating streams of real-time data. Multiple alert levels trigger appropriate action by RCG.

“This has been a truly exciting project as I believe RCG RiskHunter will be a game-changer for risk management in the futures industry,” said Jim Downs, founder and Chief Executive Officer of Connamara Systems. “It completes the pre-trade and post-trade loop for risk management, enabling RCG to have a much faster view of potential issues than others in the industry and to view risk in ways that have never been accomplished before.”

As soon as RCG approached Connamara about the project last year, Downs and his team identified the necessary technology, brought in Coral8 and led the design and implementation, which included a comprehensive integration of multiple systems within the firm. RCG began developing the complex algorithms, and within weeks, the team was able to test the system with a proof of concept, applying the CEP technology real time to high-speed, high-volume data within the firm and confirming that the project would be successful.

"In times of market turbulence, it is leaders like Rosenthal Collins Group who use the combination of superior technology, industry excellence and best practices to come to the forefront," said Terry Cunningham, CEO of Coral8, Inc. "We are pleased to see RCG maintain its market leadership with Coral8 Engine, the most recognized CEP platform by financial market firms for rapid, agile development and deployment of sophisticated algorithms."

“We’re finding that the RCG RiskHunter technology – powered by the Coral8 CEP engine – is so flexible and customizable that we can continuously modify the scope of the system to add new risk factors and algorithms that enhance what RiskHunter can do,” Gordon said.

### **About RCG**

With more than 80 years of experience in the futures industry, Rosenthal Collins Group is one of the world’s leading regulated Futures Commission Merchants (FCMs) offering trading execution, clearing, brokerage, foreign exchange, managed futures programs and a full range of electronic trading services to institutional, commercial, professional and retail customers around the globe. RCG holds clearing memberships on all principal U.S. futures exchanges and has access to world futures markets through a network of correspondent relationships. With over 25,000 active accounts and more than 150 correspondent brokerage relationships, RCG cleared and executed more than 142 million contracts in 2008. Further information about Rosenthal Collins Group can be found at [www.RCGdirect.com](http://www.RCGdirect.com).

### **About Connamara Systems, Inc.**

With offices in Chicago and New Delhi, Connamara Systems, LLC provides custom trading systems development services to the equities and derivatives trading industries. Connamara also specializes in consulting on The Financial Information eXchange (FIX) protocol, a messaging standard or, widely adopted in the securities and derivatives industries. Connamara was an initial collaborator in 2001 in the creation of QuickFIX, a

widely distributed open source FIX engine that enables all institutions to have access to a fully functional, high quality FIX engine, and continues to contribute to the enhancements and maintenance of the engine. More information can be found at [www.connamara.com](http://www.connamara.com).

### **About Coral8**

Based in Mountain View, California, Coral8, Inc. is a leading provider of software for Complex Event Processing (CEP). Bringing together high-performance, an innovative SQL-based programming language and enterprise-class features, the Coral8 Engine is the fastest, lowest cost way to build and deploy powerful, sophisticated CEP applications. Coral8 is speeding the delivery of critical business information for customers worldwide, including Fortune 500 companies and global leaders within financial services, e-commerce, telecommunications, government and other rapidly growing vertical applications. For more information, visit [www.coral8.com](http://www.coral8.com).

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