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FOR IMMEDIATE RELEASE

**CME Group-MSRI Prize in Innovative Quantitative Applications
Awarded to Bengt Holmstrom**

BERKELEY, CA, October 15 – CME Group and the Mathematical Sciences Research Institute (MSRI) announced Dr. Bengt Holmstrom, economics professor at Massachusetts Institute of Technology (MIT), as the 2013 recipient of the CME Group-MSRI Prize in Innovative Quantitative Applications. He will be honored at an award ceremony at W Chicago-City Center on Monday, October 21, at 10:30 a.m.

Preceding the award ceremony, James J. Angel, Associate Professor at Georgetown University, Eric Budish, Associate Professor of Economics at the University of Chicago, Bryan Durkin, Chief Operating Officer at CME Group, Terry Hendershott, Associate Professor of Finance at the University of California, Berkeley and Myron Scholes, Frank E. Buck Professor of Finance Emeritus, Stanford University; will participate in a panel discussion on the topic: "Liquidity and High Frequency Trading" prior to the award ceremony. The panel will be moderated by David Eisenbud, Director, Mathematical Sciences Research Institute.

The eighth annual CME Group-MSRI Prize recognizes individuals who contribute original concepts in mathematical, statistical or computational methods for the study of the markets' behavior and global economics.

"I'm deeply gratified to receive the CME Group-MSRI Prize and to join the exceptional list of financial economists who have gotten it before," said Dr. Bengt Holmstrom. "It is a true honor."

*"CME Group is proud to present the coveted CME Group-MSRI prize for innovative Quantitative Applications to Professor Bengt Holmstrom of MIT," said Leo Melamed, CME Group Chairman Emeritus. "Professor Holmstrom's book *Inside and Outside Liquidity* is at the forefront of current market discussions, and liquidity exemplifies the successful markets at CME Group."*

"Professor Holmstrom's research on the impact of liquidity and the role that governmental intervention can play have produced extraordinary insights into macroeconomics and the recent global financial crises," said David Eisenbud, Director of MSRI and Prize Selection Committee

member. "MSRI is proud to be collaborating with CME Group in acknowledging Professor Holmstrom's innovative analysis and its contribution to the mathematics community."

Media can attend the award ceremony where CME Group will present Holmstrom with the CME Group-MSRI Prize medal and \$25,000 cash award. Email Lindsey Noel at lindsey.noel@cmegroup.com to register.

Currently, Holmstrom is the Paul A. Samuelson Professor of Economics at MIT and holds a joint appointment with MIT's Sloan School of Management. He was also head of the Economics Department from 2003-2006 and has held faculty positions at Yale University and Northwestern University prior to joining MIT. Primarily a contract theorist, Holmstrom has done seminal work in the theory of incentives with applications to the theory of the firm, to labor markets and to corporate finance. His 2010 book, *Inside and Outside Liquidity*, co-authored with Jean Tirole, illustrates his recent research on the supply of liquidity and its relevance for financial crises.

The 2013 CME Group-MSRI Prize Selection Committee includes: Lars Peter Hansen, prize committee chair, David Rockefeller Distinguished Service Professor in the Departments of Economics and Statistics at the University of Chicago and 2008 recipient of the CME-MSRI Prize; David Eisenbud, Director, Mathematical Sciences Research Institute; Sanford J. Grossman, Chairman and CEO, Quantitative Financial Strategies, Inc. and 2009 recipient of the CME-MSRI Prize; Leo Melamed, Chairman Emeritus, CME Group; José A. Scheinkman, Edwin W. Rickert, Professor of Economics, Columbia University, Department of Economics; Myron Scholes, Frank E. Buck Professor of Finance, Emeritus, Stanford Graduate School of Business; and Nancy L. Stokey, Frederick Henry Prince Distinguished Service Professor in Economics, University of Chicago.

Last year's honoree, Robert Shiller, Professor of Economics, Yale University, Department of Economics and Cowles Foundation for Research in Economics, and Professor of Finance and Fellow at the International Center for Finance and 2008 honoree, Lars Peter Hansen, Homer J. Livingston Distinguished Service Professor in the Departments of Economics and Statistics at the University of Chicago, were awarded this week with the 2013 Nobel Prize in Economics. Other previous recipients of the CME Group-MSRI Prize and Medal are (2011) Thomas Sargent, Professor of Economics, New York University, Senior Fellow, Hoover Institution, Stanford, California; (2010) Dr. Jean Tirole, Scientific Director of Industrial Economic Institute and Member of the Toulouse School of Economics; (2009) Sanford J. Grossman, Chairman & CEO, QFS Asset Management, Inc.; (2007) David M. Kreps, Senior Associate Dean for Academic Affairs, Faculty Director of the MBA Program, and Theodore J. Kreps Professor of Economics, Stanford Graduate School of Business; and (2006) Stephen A. Ross, Franco Modigliani Professor of Financial Economics, MIT Sloan School of Management.

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About MSRI

The Mathematical Sciences Research Institute (MSRI, <http://www.msri.org>), in Berkeley, California, is one of the world's preeminent centers for research in the mathematical sciences and has been advancing mathematical research through workshops and conferences since its founding as an independent institute in 1982. Approximately 2,000 mathematicians visit the MSRI each year, and the Institute hosts about 85 leading researchers at any given time for stays of up to one academic year. The Institute has been funded primarily by the National Science Foundation with additional support from other government agencies, private foundations, corporations, individual donors, and nearly 100 academic institutions. The MSRI is involved in K-12 math education through its annual Critical Issues in Mathematics Education conferences for educators, math circles, the National Association for Math Circles and its website (NAMC, www.mathcircles.org), and Olympiad math competitions; in undergraduate education through its MSRI-UP program; and in public education through its "Conversations" series and a variety of public events.

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