ADVANTAGE FUTURES LLC
AND SUBSIDIARY

STATEMENT OF FINANCIAL CONDITION
AND SUPPLEMENTARY SCHEDULES
PURSUANT TO REGULATION 1.10 UNDER
THE COMMODITY EXCHANGE ACT

December 31, 2010

AVAILABLE FOR PUBLIC INSPECTION

CFTC FORM 1-FR-FCM [0005]

OMB NO. 3038-0024

NAME OF COMPANY:	EMPLOYER ID NO:	NFA ID NO:
ADVANTAGE FUTURES LLC [0010]	**75-3094454** [0020]	**0327359** [0030]
ADDRESS OF PRINCIPAL PLACE OF BUSINESS:	PERSON TO CONTACT CONCERNING THIS REPORT:	
141 West Jackson Blvd., Suite 2045 **Chicago, Illinois 60604** [0050]	**James C. Haney** [0040] TELEPHONE NO: **(312) 347-4132** [0060]	

1. Report as of **12-31-10** [0080]

2. Type of report [0090] [X] Certified [ ] Regular quarterly/semiannual [ ] Monthly 1.12 (b)

   [ ] Special call by: ______________ [ ] Other - Identify: ______

3. Check whether [0095] [X] Initial filing [ ] Amended filing

4. Name of FCM's Designated Self-Regulatory Organization: **CME Group, Inc.** [0100]

5. Name(s) of consolidated subsidiaries and affiliated companies:

Name		Percentage Ownership		Line of Business	
Advantage Securities LLC	[0110]	**100%**	[0120]	**Broker-Dealer**	[0130]
	[0140]		[0150]		[0160]
	[0170]		[0180]		[0190]
	[0200]		[0210]		[0220]
	[0230]		[0240]		[0250]

The futures commission merchant, or applicant for registration therefore, submitting this Form and its attachments and the person whose signature appears below represent that, to the best of their knowledge, all information contained therein is true, correct and complete. It is understood that all required item, statements and schedules are integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted. It is further understood that any intentional misstatements or omissions of facts constitute Federal Criminal Violations (see 18 U.S.C. 1001).

Signed this **23rd** day of **March, 2011**

Manual signature James C Haney

Type or print name **James C. Haney**

[ ] Chief Executive Officer [X] Chief Financial Officer Corporate Title ____________

[ ] General Partner [ ] Sole Proprietor

Authority: Sections 4c, 4d, 4f, 4g, 5a, 8a, and 17 of the Commodity Exchange Act (7 U.S.C. §§ 6c, 6d, 6f, 6g, 7a, 12a, and 21)

R&J

RYAN & JURASKA
Certified Public Accountants
141 West Jackson Boulevard
Chicago, Illinois 60604
Tel: 312.922.0062
Fax: 312.922.0672

INDEPENDENT AUDITOR'S REPORT

To the Member of
Advantage Futures LLC and Subsidiary

We have audited the accompanying consolidated statement of financial condition of Advantage Futures LLC and Subsidiary (the "Company") as of December 31, 2010 that you are filing pursuant to Regulation 1.16 under the Commodity Exchange Act. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Advantage Futures LLC and Subsidiary as of December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The information contained in the supplementary schedules is presented for the purpose of additional analysis and is not a required part of the basic financial statement, but is supplementary information required by regulations under the Commodity Exchange Act. These schedules are the responsibility of the Company's management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Ryan & Juraska

Chicago, Illinois
March 21, 2011

ADVANTAGE FUTURES LLC AND SUBSIDIARY

Consolidated Statement of Financial Condition

December 31, 2010

Assets

Cash and cash equivalents	$	3,705,041
Cash segregated under federal and other regulations		3,294,335
Securities owned, marketable, at fair value		2,999,284
Deposits with clearing organizations (net of allowance of $758,000)		413,346,509
Receivables from:		
Broker-dealers and futures commission merchants		18,802,859
Other brokers		3,162,039
Clearing organizations		1,825,796
Customers (net of allowance for doubtful accounts of $360,729)		420,553
Affiliate		905,461
Other		933,398
Exchange memberships and stock, at cost (fair value $905,750)		784,619
Furniture, equipment, and leasehold improvements, at cost (net of accumulated depreciation and amortization of $1,924,654)		1,486,751
Goodwill		350,276
Other assets		1,025,233
	$	453,042,154

Liabilities and Member's Equity

Liabilities:		
Payables to:		
Broker	$	996,876
Clearing organizations		96,735
Customers		410,042,823
Noncustomers		39,728
Accounts payable and accrued expenses		8,127,075
		419,303,237
Liabilities subordinated to claims of general creditors		16,000,000
Member's equity		17,738,917
	$	453,042,154

See accompanying notes.

1. Organization and Business

Advantage Futures LLC, ("AF"), a Delaware limited liability company, was formed on January 9, 2003. AF is a wholly owned subsidiary of Advantage Financial LLC, (the "Parent"). AF is the sole member of Advantage Securities LLC ("AS"), an Illinois limited liability company.

AF is registered as a futures commission merchant with the Commodity Futures Trading Commission and is a member of the National Futures Association. AF is a clearing member of the Chicago Mercantile Exchange, the Chicago Board of Trade, the New York Mercantile Exchange, the Options Clearing Corporation, LCH.Clearnet Limited and Euronext LIFFE. AF is also an approved participant of the ELX Futures Exchange, a general clearing member of the Intercontinental Exchange (ICE Clear U.S. and ICE Clear Europe), a non-clearing member of Eurex and a foreign approved participant of the Montreal Exchange. AF provides execution and clearing services for professional traders, institutional clients and individual investors. AS is registered as a broker-dealer with the Securities and Exchange Commission and is a member the Financial Industry Regulatory Authority ("FINRA").

2. Summary of Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of AF and AS, (collectively, the "Company"). All significant inter-company balances and transactions have been eliminated.

Revenue Recognition
Futures and futures options transactions and the related commission revenue and expenses are recorded on trade date.

Depreciation and Amortization
Depreciation of furniture and equipment is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. Leasehold improvements are amortized over the term of the associated lease for financial reporting purposes and are amortized over the life of the building for tax purposes.

Goodwill
Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in connection with the Company's purchase of AS. The Company's policy is to review goodwill for impairment on an annual basis. Management has determined that goodwill has not been impaired for the year ending December 31, 2010.

Income Taxes
No provision has been made for federal income taxes as the taxable income or loss of the Company is included in the respective income tax return of the sole member.

Cash and Cash Equivalents
Cash and cash equivalents include highly liquid instruments with original maturities of three months or less at the date of acquisition.

2. Summary of Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Management determines that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

3. Segregated Assets

At December 31, 2010, assets segregated or held in separate accounts under Federal regulations included in the statement of financial condition are as follows:

Segregated for customers trading on U.S. futures exchanges:		
Cash and cash equivalents	$	825,009
U.S. Treasury securities owned, at fair value		1,999,523
Deposits with clearing organizations		375,062,568
Receivable from clearing organizations		1,789,250
Receivable from clearing brokers		1,636,265
	$	381,312,615
Held in separate accounts for foreign futures and options customers:		
Cash and cash equivalents	$	2,469,326
Deposits with clearing organizations		23,175,626
Payable to clearing organization		(32,855)
Receivable from clearing broker		17,166,594
	$	42,778,691

Customers' funds, regulated under the Commodity Exchange Act, as amended (the "CEAct"), are required to be segregated from the funds of the Company and its employees. Customers' segregated funds and equities in customers' regulated trading accounts, as shown in the statement of financial condition, do not reflect the market value of options positions owned by customers and securities owned by customers and held by the Company as collateral or as margin. At December 31, 2010, the market value of net customers' options positions totaled approximately $(9.1) million. The market value of securities owned by customers and held by the Company totaled approximately $5.1 million. Included in this amount is approximately $1.1 million in U.S. Treasury securities, $3.5 million in corporate equity securities and $500,000 in warehouse receipts. Interest on customer owned securities accrues to the benefit of the customers.

4. Securities Owned

Securities owned represent U.S. government securities on deposit with brokers with a fair value of $2,999,284.

5. Deposits with Clearing Organizations

At December 31, 2010, deposits with clearing organizations consisted of the following:

Margin Deposits:		
Cash	$	68,888,873
Money market funds		328,913,128
U.S. Treasury securities, at fair value		1,999,523
Guarantee Deposits:		
Cash		4,182,658
Money market funds		10,120,327
		414,104,509
Less: reserve for doubtful accounts	$	(758,000)
		413,346,509

6. Furniture, Equipment and Leasehold Improvements

At December 31, 2010, furniture, equipment, and leasehold improvements consisted of the following:

Computers, equipment and software	$	2,971,333
Leasehold improvements		229,616
Furniture and fixtures		210,456
		3,411,405
Accumulated depreciation and amortization		(1,924,654)
	$	1,486,751

7. Liabilities Subordinated to Claims of General Creditors

At December 31, 2010, liabilities subordinated to claims of general creditors totaled $16,000,000 and consists of the following:

Lender		Amount	Effective Date	Maturity Date	Interest Rate
Non-afiliated bank	$	5,000,000	11/15/10	11/15/12	6.375%
Non-afiliated individual		1,500,000	03/31/10	03/31/13	8.5% to 3/31/12, 13.5% thereafter
Afiliated individual		6,000,000	03/20/09	03/19/12	9% to 3/19/11, 14% thereafter
Afiliated individual		2,000,000	06/30/10	06/29/13	8.5%
Non-affiliated entity		1,500,000	12/31/10	01/02/13	0.35% to 1/2/12, 13% thereafter
	$	16,000,000			

The subordinated borrowings are covered by agreements approved by the Chicago Mercantile Exchange and are thus available in computing net capital under the CEAct. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

8. Commitments and Contingencies

The Company conducts its operations in leased office facilities and annual rentals are charged to current operations. The lease is subject to an escalation clause based on the operating expenses of the lessor.

The approximate minimum annual rental commitments under non-cancelable operating leases as of December 31, 2010 are approximately as follows:

Year Ended December 31		Amount
2011	$	818,000
2012		797,000
2013		116,000
	$	1,731,000

At December 31, 2010, the Company was a guarantor of certain exchange membership loans for its customers totaling approximately $3,669,000.

9. Employee Benefit Plan

The Company has established a salary reduction (401(k)) plan for qualified employees. The Company may elect to match employees' contributions and make further discretionary contributions to the plan, subject to certain limitations as set forth in the plan agreement.

Employee contributions made to the plan during the year ended December 31, 2010 totaled approximately $508,000.

10. Off-Balance Sheet Risk

The Company executes customer transactions in the purchase and sale of commodity futures contracts (including options on futures contracts), substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell futures contracts at prevailing market prices in order to fulfill the customer's obligations. The Company controls this risk by monitoring margin collateral levels on a daily basis for compliance with regulatory and internal guidelines and requires additional collateral when necessary. The Company requires a customer to deposit additional margin collateral, or reduce positions, if it is determined that the customer's activities may be subject to above normal market risks.

11. Agreements and Related Party Transactions

Certain exchange memberships and exchange common stock owned by members of the Parent, having an aggregate fair market value of approximately $4.9 million are registered for the use of the Company. Additionally, certain exchange memberships and exchange common stock owned by customers, having an aggregate fair market value of approximately $1.8 million are registered for the use of the Company.

At December 31, 2010, the Company had a receivable from Advantage Building LLC ("Building"), an affiliated entity owned by the Parent, totaling approximately $905,000. This amount represents expenses paid by the Company on Building's behalf.

12. Minimum Capital Requirements

The Company is subject to minimum capital requirements pursuant to Regulation 1.17 under the Commodity Exchange Act, as amended. Under Regulation 1.17, the Company is required to maintain net capital equivalent to the greater of $1,000,000 or the sum of 8% of the customer risk maintenance margin requirement plus 8% of the non-customer risk maintenance margin requirement. In addition, the Company is subject to minimum capital requirement of the CME Group, Inc. Under the more restrictive of these rules, the Company is required to maintain net capital equivalent to the greater of $5,000,000 or 8% of the customer risk maintenance margin requirement plus 8% of the non-customer risk maintenance margin requirement. At December 31, 2010, under Regulation 1.17 and under the requirements of the CME Group, Inc., the Company's minimum capital requirement and adjusted net capital were $11,438,349 and $21,341,943, respectively. The net capital rule may effectively restrict member withdrawals and the repayment of subordinated loans.

13. Fair Value Disclosure

FASB ASC Topic 820 "Fair Value Measurements and Disclosures", defines fair value as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. FASB ASC Topic 820 established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are as follows:

13. Fair Value Disclosure, continued

Level 1 Inputs:	Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date.
Level 2 Inputs:	Valuation based on other than quoted prices included with Level 1 that are observable for substantially the full term of the asset or liability, either directly or indirectly. Level 2 assets include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.
Level 3 Inputs:	Valuation based on unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation.

At December 31, 2010 the Company's Level 1 investments consisted of U.S. government securities with a fair value of $4,998,807. The Company held no Level 2 or Level 3 investments at December 31, 2010.

14. Contingency

At December 31, 2010, the Company was invested in The Reserve Primary Fund (the "Reserve"), a money market fund offered to clearing members by the CME Group, Inc. The balance in the Reserve totaled $958,053 at December 31, 2010 and is reflected in deposits with clearing organizations in the statement of financial condition.

On September 16, 2008, the Reserve incurred a loss on its investment in the debt securities of Lehman Brothers Holdings, Inc., which filed for bankruptcy protection on September 15, 2008, causing the Reserve's net asset value ("NAV") to fall below $1 per share. The Company requested redemption of its entire holdings in the Reserve on September 15, 2008, prior to the NAV falling below $1 per share. At the time of the redemption request, the Company's investment in the Reserve totaled $99,329,985.

The Reserve is currently in liquidation and is making distributions to shareholders as its investment securities mature. Through December 31, 2010, the Company has received distributions totaling $98,371,932 (approximately 99.04% of the September 15, 2008 investment balance).

The Reserve has retained all net income generated from its holdings since September 15, 2008. The Reserve has not yet resolved the issue of entitlements to its assets based upon the timing of redemption requests. Based upon information received to date, management believes the Company will recover most of its investment in the Reserve, with the exception of $758,000, and accordingly, has provided a reserve for $758,000 for its estimated loss.

15. Subsequent Events

The Company's management has evaluated events and transactions through March 21, 2011, the date the financial statements were issued, noting no material events requiring disclosure in the Company's financial statements.

SUPPLEMENTARY SCHEDULES

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 1**

Reconciliation of Statement of Financial Condition to Net Capital Computation

December 31, 2010

Total assets per Statement of Financial Condition			$	453,042,154
Add/Deduct:				
Securities owned by customers	$	5,130,639		
Reclassification of settlement due to foreign clearing organization		(69,402)		
Value of net customer options positions		(9,096,162)		(4,034,925)
Deduct: Noncurrent assets (as defined)				
Cash	$	2,690		
Deposit with clearing organization		200,053		
Receivables from customers, net		186,422		
Receivable from affiliate		905,461		
Other receivables		305,710		
Exchange memberships and stock in exchange		784,619		
Furniture, equipment and leasehold improvements, net		1,486,751		
Goodwill		350,276		
Other assets		1,010,926		(5,232,908)
Current Assets (as defined)			$	443,774,321

Total liabilities per Statement of Financial Condition			$	435,303,237
Add/Deduct:				
Securities owned by customers	$	5,130,639		
Reclassification of settlement due to foreign clearing organization		(69,402)		
Value of net customer options positions		(9,096,162)		(4,034,925)
Adjusted Total Liabilities			$	431,268,312

See accompanying independent auditors' report.

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 2**

Statement of the Computation of Net Capital and Minimum Capital Requirements

December 31, 2010

Current assets, as defined (see reconciliation on prior page)			$ 443,774,321
Adjusted total liabilities (see reconciliation on prior page)		$ 431,268,312	
Deduct liabilities subject to satisfactory subordination agreements		(16,000,000)	415,268,312
Net capital			28,506,009
Charges against net capital:			
Twenty percent of market value of uncovered inventories		$ 21,758	
Other securities (market value $339,033,455)		6,761,508	
Uncovered futures contracts in proprietary accounts		5,800	
Adjustment to eliminate the benefits of consolidation		375,000	7,164,066
Adjusted net capital (net capital less charges against net capital)			21,341,943
Net capital required using risk-based requirement:			
Amount of customer risk maintenance margin	$ 142,975,161		
8% of customer risk-based requirement		$ 11,438,013	
Amount of noncustomer risk maintenance margin	4,200		
8% of customer risk-based requirement		336	
		11,438,349	
Minimum dollar amount requirement		$ 1,000,000	
Amount required			11,438,349
Excess net capital			$ 9,903,594

<u>Computation of Early Warning Level</u>

Enter 110% of risk-based amount required	$ 12,582,184

There are no material differences between the above computation and the Company's corresponding unaudited Form 1FR-FCM filing as of December 31, 2010.

See accompanying independent auditors' report.

Reconciliation of Statement of Financial Condition to Segregation Statement (U.S. Exchanges)

December 31, 2010

Customers' Segregated Funds per Statement of Financial Condition (Note 3)	$	381,312,615
Add:		
U.S. Treasury securites owned by customers		1,093,791
U.S. corporate equity securities owned by customers		3,483,266
Warehouse receipts owned by customers		553,582
Value of customers' open long futures options contracts		144,019,510
Deduct:		
Value of customers' open short futures options contracts		(152,370,657)
Total Amount in Segregation	$	378,092,107

See accompanying independent auditors' report.

Segregation Requirement and Funds in Segregation

December 31, 2010

Segregation requirement:		
Net ledger balance:		
Cash	$	370,530,617
Securities		5,130,639
Net unrealized loss in open futures contracts traded on a contract market		(5,340,478)
Exchange traded options:		
Market value of open options contracts purchased on a contract market		144,019,510
Market value of open options contracts sold on a contract market		(152,370,657)
Net equity		361,969,631
Accounts liquidating to a deficit and accounts with debit balances with no open trades		547,151
Amount required to be segregated		362,516,782
Funds on deposit in segregation:		
Deposited in segregated funds bank accounts:		
Cash		825,009
Securities held for particular customers in lieu of cash margins, at market		3,538,252
Margins on deposit with clearing organizations of contract markets:		
Cash		45,713,247
Securities representing investments of customers’ funds, at market		329,349,321
Securities held for particular customers in lieu of cash margins, at market		381,425
Net settlement due from clearing organizations of contract markets		1,789,250
Exchange traded options:		
Value of open long option contracts		144,019,510
Value of open short option contracts		(152,370,657)
Net equities with other futures commission merchants:		
Net liquidating equity		1,636,265
Securities representing investments of customers’ funds, at market		1,999,523
Securities held for particular customers in lieu of cash margins, at market		1,038,805
Customers’ segregated funds on hand (warehouse receipts)		172,157
Total amount in segregation		378,092,107
Excess funds in segregation	$	15,575,325

There are no material differences between the above computation and the Company’s corresponding unaudited Form 1FR-FCM filing as of December 31, 2010.

Segregation Requirement and Funds in Segregation - Customers' Dealer Options

December 31, 2010

The Company does not carry customers' dealer option accounts as defined by Commodity Exchange Act Regulation 32.6. Therefore, the Company is exempt from the provisions of Regulation 32.6.

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 6**

Reconciliation of Statement of Financial Condition to Secured Statement (Non-U.S. Exchanges)

December 31, 2010

Customers' Secured 30.7 Funds per Statement of Financial Condition (Note 3)	$	42,778,691
Add:		
Value of customers' open long futures options contracts		204,959
Deduct:		
Value of customers' open short futures options contracts		(949,974)
Total Funds in Separate Section 30.7 Accounts	$	42,033,676

See accompanying independent auditors' report.

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 7**

Secured Requirement and Funds Held in Separate Accounts

December 31, 2010

Amount required to be set aside in separate Section 30.7 accounts			$	40,559,039
Funds on deposit in separate Section 30.7 accounts:				
Cash in banks				
Banks located in the United States	$	1,188,363		
Other banks designated by the Commission				
JPMorgan Chase London		1,280,963		2,469,326
Equities with registered futures commission merchants				
(JPMorgan Futures, Inc. and ABN Amro Clearing)				
Cash	$	17,344,564		
Unrealized gain (loss) on open futures contracts		(177,970)		
Value of long option contracts		172,511		
Value of short option contracts		(949,974)		16,389,131
Amounts held by clearing organizations of foreign boards of trade				
(LCH.Clearnet Limited and ICE Clear Europe Ltd.)				
Cash	$	23,175,626		
Amount due to clearing organization - daily variation		(32,855)		
Value of long option contracts		32,448		23,175,219
Total amount in separate Section 30.7 accounts				42,033,676
Excess funds in separate Section 30.7 accounts			$	1,474,637

There are no material differences between the above computation and the Company's corresponding unaudited Form 1FR-FCM filing as of December 31, 2010.

See accompanying independent auditors' report.

R&J

RYAN & JURASKA
Certified Public Accountants
141 West Jackson Boulevard
Chicago, Illinois 60604
Tel: 312.922.0062
Fax: 312.922.0672

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Member of
Advantage Futures LLC and Subsidiary

In planning and performing our audit of the consolidated statement of financial condition of Advantage Futures LLC and Subsidiary (the "Company") as of December 31, 2010, we considered its internal control structure, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statement and not to provide assurance on the internal control structure.

Also, as required by Regulation 1.16 under the Commodity Exchange Act (the "CEAct"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Regulation 1.16 in making (1) the periodic computations of minimum financial requirements pursuant to Regulation 1.17, (2) the daily computations of the segregation requirements of section 4d(2) of the CEAct and the regulations thereunder, and the segregation of funds based on such computations, and (3) the daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 under the CEAct.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures, and of the practices and procedures referred to in the proceeding paragraph, and to assess whether those practices and procedures can be expected to achieve the Commodity Futures Trading Commission's (the CFTC's) above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) and Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the proceeding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

R&J

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the CFTC to be adequate for its purposes in accordance with the CEAct and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2010 to meet the CFTC's objectives.

This report is intended solely for the information and use of management, the CFTC, the CME Group Inc., and other regulatory agencies that rely on Regulation 1.16 under the CEAct in their regulation of registered futures commission merchants, and is not intended to be and should not be used for any other purpose.

Ryan & Juraska

Chicago, Illinois
March 21, 2011