

# Tulane Energy Institute

2011 Tulane Energy Trading Competition  
Official Competition Rules



## SUMMARY

1. Beginning equity account balance is \$100,000.
2. Minimum of 5 trades per day and a penalty of \$1,000 per trade/per day that was not executed.
3. Maximum of 2 teams per University.
4. Limits: Students will be prohibited from executing any additional trades once their position account drops below zero. In addition, the maximum number of open contracts permitted at any one time will be 25 contracts. If a student exceeds the maximum contracts open at anytime, they will be disqualified.
5. Maximum of 2 members per team. Team may consist of undergraduate and graduate students or any mix of the two.
6. There is a non-refundable \$100 per team remote round participation fee.
7. End-of-day rankings will be the hourly-computed risk-adjusted account balances using the Tulane Performance Index.
8. Competition begins on trade date October 3, 2011 (8:00am Central).
9. Competition ends at the close of business on trade date October 14, 2011 (4:00pm Central).
10. No open positions outside of trading hours are allowed. All positions must be closed by 4pm (central). Trades not closed will be unwound at a 15% penalty to the then prevailing market price.
11. Daily Trading Hours 8AM to 4PM (Central).

All trades must be made using Trading Technologies' X\_Trader<sup>®</sup> electronic software interface. Trades may be based on any combination of technical or fundamental data.

12. Products traded: The first two contracts of:
  - a. **Light Sweet Crude (CL)** Trading Unit: 1,000 U.S. barrels (42,000 gallons) Price Quotations: U.S. dollars and cents per barrel. Minimum Price Fluctuation: \$0.01 (1 cent) per barrel (\$10.00 per contract).
  - b. **Natural Gas (NG)** Trading Unit: 10,000 million British thermal units (mmBtu) Price Quotations: U.S. dollars and cents per barrel. Minimum Price Fluctuation: \$0.001 (1/10 of a cent) per mmBtu (\$10.00 per contract).

*Note: No other products are allowed. In the event that another product is traded profits will not be realized from those trades but losses will be realized.*

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## OFFICIAL COMPETITION RULES

1. **Student Agreement:** This Agreement governs Student's participation in the Tulane Energy Trading Competition ("Competition") sponsored by Tulane Energy Institute, Trading Technologies, Inc., Thomson Reuters, Inc., CME Group, Inc., and other sponsors listed on the webpage [www.trading.tulane.edu](http://www.trading.tulane.edu) ("Sponsors"). Student agrees to monitor the Competition website at [www.trading.tulane.edu](http://www.trading.tulane.edu) for information relating to the Competition. To the extent that this Agreement varies from any material provided on the Sponsor website, this Agreement controls. Sponsors may modify this Agreement by providing Student with notice by e-mail. If Student does not consent to such modifications, Student must promptly notify Sponsors by e-mail sent to [trading@tulane.edu](mailto:trading@tulane.edu) and promptly cease participation in the Competition. Student's continued participation after Sponsors have provided such e-mail notice constitutes acceptance of the terms and conditions of the revised Agreement.
2. **Responsibility for Orders and Trades:** Student understands that the Sponsors are unable to know whether someone other than Student has entered, or is entering, orders using Student's user name and password. Student will not permit any other person to have access to Student's account for any purpose. Student shall be responsible for the confidentiality and use of, and any Student orders entered with, Student's user name and password. Student agrees to report any loss or theft of Student's user name or password, or any unauthorized access to Student's account, immediately by e-mail sent to [trading@tulane.edu](mailto:trading@tulane.edu). Student will remain responsible for all orders entered using Student's user name and password.
3. **Tulane Energy Trading Competition Terms and Trading Rules:** Student understands and agrees to fully abide by the following rules and terms that govern the Competition:
  - a. All Students must be eligible to and actually submit an application to Tulane University. Entry in the Competition is open to any undergraduate or graduate student, provided that only two (2) teams per university is permitted to register. Teams must consist of two (2) students per team. Participation in the Competition is void where prohibited by law. Students must possess the appropriate capacity to be eligible to receive available prizes.
  - b. Students cannot be employed by Sponsors at any time during the contest. The Student also represents that he is of legal age in the state in which he resides.
  - c. The purpose of Competition rules is to insure that every Student will have the same opportunity for success.
  - d. Teams may request Trading Technologies and/or Thomson Reuters to provide product training prior to the trading event. However, such training will only be provided as time and resources permit.
  - e. The trading competition involves an initial round called the "Remote Trading Event" which will involve a maximum of 100 teams competing for an opportunity to participate in the "Energy Finals Event", whereby the top teams comprising a maximum of 40 students will compete in an on-site individual trading competition in New Orleans, Louisiana.
4. **Remote Trading Event:**
  - a. All trades must be made using Trading Technologies' X\_Trader<sup>®</sup> electronic software interface. Trades may be based on any combination of technical or fundamental data.
  - b. **Trading Hours:** Trades will be permitted between the hours of 8:00am and 4:00pm (Central) Monday through Friday each day during the Remote Trading Event period.
  - c. **Position Requirements:** Student's account will be credited with \$100,000 in phantom money at the beginning of the Competition and Student may make as many trades as desired over the two weeks that the competition will run. At least 5 trades per day must be made during the competition. Students will be assessed a \$1,000 penalty for the minimum trades not transacted. Standard commissions and market data fees will be waived. Students must unwind all positions each day

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- whereby no outstanding positions are held overnight (after 4pm central each day). Positions that remain after 4:00pm (central) will be automatically unwound at the prevailing market price less a 15% penalty.
- d. Limits: Students will be prohibited from executing any additional trades once their position account drops to zero. In addition, the maximum number of open contracts permitted at any one time will be 25 contracts. If a student exceeds the maximum contracts open at anytime, they will be disqualified.
  - e. Students will trade the first two contracts traded of the NYMEX Natural Gas Henry Hub and/or the NYMEX West Texas Intermediate Crude Oil contracts. Trade executions will be simulated based on actual real-time quotes and size in the markets.
  - f. Results and Methodology: Hourly changes in account equity will be used in determining the ranking of each team using a risk-adjusted methodology that measures the depth and duration of declines in account equity. For more information on the risk-adjusted return methodology used, including a sample model on how the hourly changes in account equity would be computed, please refer to the links on the website [www.trading.tulane.edu](http://www.trading.tulane.edu).
5. Energy Finals Event:
- a. Qualifications: Members of the top twenty teams will be provided with an official invitation to the Energy Finals Event in New Orleans, Louisiana.
  - b. Maximum of two teams per school may be invited to the Energy Finals Event in New Orleans.
  - c. Travel Arrangements: Students, and participating faculty sponsors, are responsible for any and all travel, lodging, and other related expenses associated with their participation in the Tulane Energy Trading Competition. Tulane, sponsors and affiliates are in no way responsible for reimbursement.
  - d. Students selected to participate in the Energy Finals Event will be required to submit a resume.
  - e. The Energy Finals Event will be an individual trading event that combines strategy formulation, presentation, and execution in a series of on-site trading simulations.
6. Selection of Cases: The Tulane Energy Institute (in collaboration with the event Sponsors) will be responsible for selecting the trading cases for the competition. Advance materials, if necessary, will be provided to the finalist teams within 7-10 days after notification of their qualification to participate in the Energy Finals Event.
7. Selection of Judges: Tulane Energy Trading Competition is judged by a panel of corporate energy firm executives selected by the Tulane Energy Institute (in collaboration with the event sponsors).
8. Judging: Prior to Tulane Energy Trading Competition, the judges will be briefed on the cases by members of the Tulane Energy Institute faculty. At the pre-competition briefing, the faculty will work with the judges to identify the key issues in the cases and discuss a benchmark solution.
9. Technical support will be available from Trading Technologies & Thomson Reuters for which respective phone numbers and other contact information will be available at the website at [www.trading.tulane.edu](http://www.trading.tulane.edu).
10. A \$100 per team Participation fee is non-refundable upon admittance into the competition. Team members are responsible for all costs of travel, lodging, transportation, dining, and other expenditures necessary for competition. For more information please contact [trading@tulane.edu](mailto:trading@tulane.edu).

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11. Prizes will consist of Internships and Jobs from certain event Sponsors. In addition, certain nominal stipends may be awarded in addition to Internships and/or jobs in order to help offset certain living and travel expenses that may be incurred by the recipients of the placement awards. First place winners will be provided with the first choice of available placement awards; Second place will have second choice, etc. Prize winners are solely responsible for all federal, state and local taxes associated with the receipt of any prize, if any, and they shall provide Sponsors with all information it requires to assure appropriate payment. Prize winners also agree to execute all documents that Sponsors determine to be necessary or advisable regarding the awarding of prizes, an affidavit of compliance with this Agreement, and any liability releases that may from time to time be requested by Sponsors.
12. Student consents to the use by Sponsors of Student's name and likeness for publicity, advertising, trade or promotional purposes in any media or manner, including, without limitation, name, performance and relative ranking, on Sponsors' website(s) without further payment, consideration, notice or approval. Students will be required to sign a video release upon arrival at the Finals Event.
13. Student hereby releases and agrees to release, indemnify and hold harmless Sponsors its officers, directors, employees, agents, clients, affiliates, subsidiaries and any other persons associated with the Competition for any liability, loss or damages to Student or any person or entity, including without limitation damage to computer hardware or software caused in whole or in part, directly or indirectly, by participation in the Competition (or related activities) or the award of a prize. Furthermore, in consideration of student's engagement as Talent by the A.B. Freeman School of Business of Tulane University, referred to here as the Videographer, on terms hereinafter stated, Student hereby give the videographer, his legal representatives and assigns, those for whom the videographer is acting, and those acting with her per mission, or his employees, the right and permission to copyright and/or use, reuse and/or broadcast and republish video tape recordings of student, or in which student may be distorted in character, or form, in conjunction with my own or a fictitious name, on reproductions thereof in color, black and white made through any media by the videographer at his studio or elsewhere, for any purpose whatsoever; including the use of printed matter in conjunction therewith. Student hereby waives their right to inspect or approve the finished videotape, soundtrack, or advertising copy or printed matter that may be used in conjunction therewith or to the eventual use that it might be applied. Student Hereby releases, discharges and agrees to save harmless the videographer, his representatives, assigns, employees or any person or persons, corporation or corporations, for whom he might be acting, including any firm publishing and/or distributing the finished product, in whole or in part, from and against any liability as a result of any distortions, blurring, or alteration, optical illusion, or use in composite form, either intentionally or otherwise, that may occur or be produced in the taking, processing or reproduction of the finished product, its publication, distribution, or broadcast of the same even should the same subject student to ridicule, scandal, reproach, scorn, or indignity. Student certifies that they are over eighteen years of age, and competent to contract in student's own name in so far as the above is concerned.
14. Sponsors are not responsible for any incorrect or inaccurate information or failure or delay in providing information associated with the Competition. Sponsors are not responsible for any error, omission, interruption, deletion, defect, delay in operation or transmission, communications line failure, theft or destruction or unauthorized access to, or alteration of, Competition entries and participation. Sponsors are not responsible for any problems or technical malfunction of any telephone network or lines, computer online-systems, servers or providers, computer equipment, software, failure of email or players on account of technical problems or traffic congestion on the Internet or at any website or combination thereof, including injury or damage to Student's or to any other person's computer related to or resulting from downloading materials in any application.
15. Sponsors are not responsible for cheating or fraud by any participant.

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16. If, for any reason, the Competition is not capable of being executed as planned, including without limitation infection by computer virus, bugs, tampering, unauthorized intervention, fraud, technical failures, or any other causes that corrupt or affect the administration, security, fairness, integrity or proper conduct of the Competition, Sponsors reserve the right, at its sole discretion, to cancel, terminate, modify or suspend the competition without notice. The decisions of Sponsors in regard to any and all matters relating to the Competition, including without limitation, satisfaction of eligibility and participation requirements and the selection of winners, shall be final and bind Student and all parties that may derive rights from Student's participation therein. Refunds of the \$100/Team participation fee will be based on the sole discretion of the Tulane Energy Institute.
17. Student Qualification: Student agrees to disclose to Sponsors any change in any information provided by Student including, but not limited to, any change in the information that bears on Student's eligibility to participate in the Competition. Student represents and warrants that Student is duly registered and in good standing in the college or university indicated by Student. Student authorizes Sponsors to make such inquiry as it deems appropriate to verify Student's information.
18. Price Quotations, Market Information, Research and Internet Links: Price quotations, market information, news, research and other information accessible through the Competition software ("Information") may be prepared by Sponsors or third-party information providers ("Providers"). Neither Sponsors nor the Providers guarantee the accuracy, timeliness, or completeness of the Information. RELIANCE ON QUOTES, DATA OR OTHER INFORMATION IS AT STUDENT'S OWN RISK. IN NO EVENT WILL SPONSORS OR THE PROVIDERS BE LIABLE BY REASON OF USE OF THE INFORMATION. THERE IS NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE INFORMATION, INCLUDING WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR USE, OR WARRANTY OF NON-INFRINGEMENT. The Information is the property of Sponsors and the Providers or their licensors and is protected by applicable copyright law. Student agrees not to reproduce, re-transmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information in any manner without the express written consent of Sponsors or the Providers. Sponsors reserve the right to terminate access to the Information. Links to outside websites are provided for the convenience of Students and Sponsors do not guarantee or warrant the accuracy, timeliness or completeness of any information provided on such websites.
19. License to Use Competition Software and Related Restrictions: Sponsors grant to Student and Student accepts a nonexclusive and non-transferable license to use Sponsor's proprietary software to communicate with the Sponsor's Systems ("Sponsor Software"), solely as provided herein. Title to the Sponsor's Software shall remain the sole property of Sponsors, including without limitation, all applicable rights to patents, copyrights and trademarks. Student shall secure and protect the Sponsor's Software in a manner consistent with the maintenance of Sponsor's ownership and rights therein and shall not sell, exchange, or otherwise transfer the Sponsor's Software to others. Student shall not copy, modify, translate, decompile, reverse engineer, disassemble or otherwise reduce to a human readable form, or adapt, the Sponsor's Software or use it to create a derivative work. Any updates, replacements, revisions, enhancements, additions or conversions to the Sponsor's Software supplied to Student by Sponsors shall become subject to this Agreement. Sponsors shall be entitled to obtain immediate injunctive relief against threatened breaches of the foregoing undertakings without the necessity of proving irreparable injury.
20. Miscellaneous: This Agreement contains the entire agreement of the parties; and Sponsors have made no representations or warranties, and Student has not relied on, or been otherwise induced by, any matter not expressly provided herein. Student agrees to the provision of this Agreement in

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English, and represents that Student understands all of its terms and conditions. If any provision of this Agreement is deemed unenforceable, such provision shall be ineffective only to the extent of such unenforceability, without invalidating the remaining provisions of this Agreement. The failure of Sponsor to enforce, at any time or for any period, any one or more of the terms or conditions of this Agreement shall not constitute a waiver of such terms or conditions or their enforceability. Sponsors are authorized to record all telephone conversations with Student. Sponsors may discontinue providing services to Student and may terminate this Agreement at any time. This Agreement shall inure to the benefit of Sponsor's successors and assigns and binds Student's successors and assigns. Only Student may enforce this Agreement, and Student may not assign or transfer any rights or obligations hereunder without the prior written consent of Sponsors. This Agreement is governed by the laws of the State of Louisiana, without giving effect to conflict of law provisions. The courts of Louisiana shall have exclusive jurisdiction over all disputes relating to or arising from the execution or performance of this Agreement

**LIMITATION OF RESPONSIBILITY: STUDENT ACCEPTS THE SPONSOR'S SYSTEM "AS IS", AND WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, PURPOSE OR APPLICATION; TIMELINESS; FREEDOM FROM INTERRUPTION; OR ANY IMPLIED WARRANTIES ARISING FROM TRADE USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE. UNDER NO CIRCUMSTANCES SHALL IB BE RESPONSIBLE FOR ANY DELAYS OR INTERRUPTIONS OF SERVICE OR TRANSMISSIONS, OR FAILURES OF PERFORMANCE OF THE SPONSOR'S SYSTEM, REGARDLESS OF CAUSE, INCLUDING, BUT NOT LIMITED TO, THOSE CAUSED BY HARDWARE OR SOFTWARE MALFUNCTION OR INTERRUPTIONS IN THE USE OF THE IB SYSTEM, INCLUDING, FOR EXAMPLE, THOSE CAUSED INTENTIONALLY BY SPONSORS FOR PURPOSES OF SERVICING THE RESPECTIVE SYSTEMS.**

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