



RECEIVED  
C.F.T.C.

2004 OCT 13 PM 2:01

## RULE CERTIFICATION

October 12, 2004

*By Electronic Mail and FedEx*

Ms. Jean A. Webb  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Rule Certification by NQLX LLC

Dear Ms. Webb,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Regulation 40.6, NQLX LLC ("NQLX") hereby certifies the enclosed Notice to Members related to *Securities Futures Open Interest Transfer, NQLX Notice to Members 03-2004* (Oct. 13, 2004). This Notice to Members sets forth additional requirements associated with the transfer of open interest from NQLX.

The proposed adoption and effective date of this Notice to Members is October 13, 2004. This Notice to Members has been approved for adoption by management of NQLX pursuant to NQLX's rules. There were no substantive opposing views expressed as to its adoption. NQLX hereby certifies that *NQLX Notice to Members 03-2004* (Oct. 13, 2004) complies with the Commodity Exchange Act and the regulations thereunder.

Please contact me at (312) 553-4819 if you have any questions concerning the enclosed Notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Ledvora".

Robert Ledvora  
Executive Vice President and Chief Financial Officer

cc: R. Shilts  
De'Ana Dow



## Securities Futures Open Interest Transfer

### Transfer of open positions held on NQLX

#### Suggested Routing:

Suggested Routing function is meant to aid the reader of this document. Each NQLX member should consider the most appropriate distribution in the context of its own organizational structure.

- Operations
- Finance & Accounting
- Legal & Compliance

#### Key Topics:

- Suspension of products on NQLX
- Transfer of open positions at the clearinghouse

### Executive Summary

Effective as of the open of business on October 25, 2004, pursuant to this *Notice to Members*, NQLX LLC is suspending trading in certain contract months that currently have open positions. Through extensive consultation with NQLX Members, the Options Clearing Corporation and OneChicago we have designed a

process that will allow an orderly transfer of all open positions in these contract months held on NQLX. It has also been confirmed that there will be no fees or charges assessed by either exchange or the clearinghouse as a result of this transfer and any associated post-trade activities.

NQLX recently announced that it will suspend trading in all of its security futures products (SFPs) with the goal of ceasing trading in all SFPs following the expiry of the December 2004 contract on December 17, 2004 (see NQLX press release dated September 1, 2004). In order to effect the orderly winding down of its SFPs, effective September 2, 2004, NQLX amended Rule 901(a) to amend the contract specifications of all NQLX SFPs.<sup>1</sup>

As the next step in this process, effective the open of business on Monday, October 25, 2004, open positions held in certain NQLX contracts will be transferred and converted by OCC to open positions that will be solely tradable on OneChicago.<sup>2</sup> Once transferred,

<sup>1</sup> See NQLX Notice to Members 01-2004, *Securities Futures Product Suspensions*

<sup>2</sup> See OCC Memo Number 020038 Oct. 8, 2004 for specific

these open positions will be subject to OneChicago rules and regulations and NQLX will suspend trading in the relevant contract months. For your convenience, Appendix One attached to this *Notice* identifies those SFPs and SFP contract months that will be part of the transfer and conversion by OCC to OneChicago SFPs. The Appendix also identifies the SFPs and SFP contract months that will remain tradable on NQLX.

To ensure an orderly transfer and conversion process and efficient management of open positions, Members should, where necessary and appropriate, communicate with their customers regarding the procedures and timing of the closing out of open positions on NQLX and the subsequent transfer of these positions by OCC to OneChicago.

Further, please note that NQLX is working closely with its market makers, customers and regulatory authorities to ensure that all regulatory and market obligations are fulfilled during this transfer and conversion

details concerning the mechanics of the position consolidation ([http://theocc.com/market/informos/info\\_memos\\_form.jsp](http://theocc.com/market/informos/info_memos_form.jsp))

process and for the products that  
continue to trade on NQLX.

Please direct any questions  
concerning this *Notice* to Robert  
Ledvora, Executive Vice  
President and Chief Financial  
Officer, at (312) 553-4819.

The following products will be transferred after the close of business on October, 22:

<b>TICKER</b>	<b>STOCK NAME</b>	<b>MONTHS</b>			
AIG	American International Group, Inc.	Nov-04	Dec-04		
AMD	Advanced Micro Devices Inc.	Nov-04	Dec-04		
AMGN	Amgen, Inc.	Nov-04	Dec-04		
BAC	Bank of America Corp.	Nov-04	Dec-04		
BBBY	Bed Bath & Beyond Inc.	Nov-04	Dec-04		
BRCM	Broadcom Corp.	Nov-04	Dec-04		
C	Citigroup, Inc.	Nov-04	Dec-04		
CMVT	Comverse Technology Inc.	Nov-04	Dec-04		
CSCO	Cisco Systems, Inc.	Nov-04	Dec-04		
CVX	ChevronTexaco Corp.	Nov-04	Dec-04		
DELL	Dell Computer Corp.	Nov-04	Dec-04	Mar-05	
EBAY	eBay, Inc.	Nov-04	Dec-04	Mar-05	
GE	General Electric Co.	Nov-04	Dec-04	Mar-05	Jun-05
GENZ	Genzyme Corp	Nov-04	Dec-04		
HD	Home Depot, Inc.	Nov-04	Dec-04		
HPQ	Hewlett-Packard Co.	Nov-04	Dec-04		
IBM	International Business Machines, Corp.	Nov-04	Dec-04		
INTC	Intel Corp.	Nov-04	Dec-04		
JNJ	Johnson & Johnson	Nov-04	Dec-04		
JNPR	Juniper Networks Inc.	Nov-04	Dec-04		
JPM	JP Morgan	Nov-04	Dec-04		
KLAC	Kla-Tencor Corp.	Nov-04	Dec-04		
KO	Coca-Cola Co.	Nov-04	Dec-04	Mar-05	Jun-05
MER	Merrill Lynch & Co., Inc.	Nov-04	Dec-04	Mar-05	
MO	Altria Group, Inc.	Nov-04	Dec-04		
MOT	Motorola Inc.	Nov-04	Dec-04		
MSFT	Microsoft Corp.	Nov-04	Dec-04		
NEM	Newmont Mining Corp.	Nov-04	Dec-04		
NOK	Nokia Corporation ADR	Nov-04	Dec-04		
NVDA	Nvidia Corp.	Nov-04	Dec-04		
NVLS	Novellus Systems, Inc.	Nov-04	Dec-04		
ORCL	Oracle Corp.	Nov-04	Dec-04	Mar-05	
PFE	Pfizer, Inc.	Nov-04	Dec-04	Mar-05	
QCOM	QUALCOMM, Inc.	Nov-04	Dec-04		
QLGC	Qlogic Corp.	Nov-04	Dec-04		
SGP	Schering-Plough Corp.	Nov-04	Dec-04		
T	AT&T Corp.	Nov-04	Dec-04		
TXN	Texas Instruments, Inc.	Nov-04	Dec-04		
VRTS	Veritas Software Corp.	Nov-04	Dec-04		
VZ	Verizon Communications	Nov-04	Dec-04		

WMT	Wal-Mart Stores, Inc.	Nov-04	Dec-04
XOM	Exxon Mobil Corp.	Nov-04	Dec-04
YHOO	Yahoo!, Inc.	Nov-04	Dec-04

The following products will remain tradable on NQLX:

<b>TICKER</b>	<b>STOCK NAME</b>	<b>MONTHS</b>			
CIEN	CIENA Corp.	Nov-04	Dec-04		
EP	El Paso Corporation	Nov-04	Dec-04	Mar-05	Jun-05
IWM	Russell 2000	Nov-04	Dec-04		
QCQ	NASDAQ 100	Nov-04	Dec-04		

Whether the open interest in the following products will be transferred is yet to be determined:

<b>TICKER</b>	<b>STOCK NAME</b>	<b>MONTHS</b>	
AAPL	Apple Computer, Inc	Nov-04	Dec-04
ABX	Barrick Gold Corp.	Nov-04	Dec-04