



One North Franklin, Suite 2300, Chicago, Illinois 60606

ZICHE

RULE CERTIFICATION

November 5, 2004

By Electronic Mail and FedEx

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

Re: Rule Certification of NQLX LLC

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Regulations 38.4(b) and 40.6, NQLX LLC hereby certifies the enclosed Notice to Members related to member compliance with financial reporting requirements, *NQLX Notice to Members 04-2004*. The Notice waives the financial filing requirements for NQLX members during the period of trading suspension on the Exchange.

The proposed effective date of this Notice to Members is December 17, 2004. This Notice to Members has been approved for adoption by management of NQLX pursuant to NQLX rules. There were no substantive opposing views expressed to its adoption. NQLX hereby certifies that *NQLX Notice to Members 04-2004* (September 10, 2004) complies with the Commodity Exchange Act and the regulations thereunder.

Please contact me if you have any questions concerning the enclosed Notice.

Sincerely,

Robert Ledvora
Executive Vice President and
Chief Financial Officer

Enclosure





**Member Compliance
Obligation - Financial
Reporting During
Trading Suspension**

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:

- Financial reporting
- Capital requirement

Executive Summary

Effective December 17, 2004, and/or at such time as trading is suspended on NQLX LLC ("NQLX" or "Exchange"), pursuant to this *Notice to Members*, NQLX is suspending member compliance obligations to make certain financial filings and periodic reports.

Please direct any questions concerning this *Notice* or NQLX's

delisting of security futures products to Robert Ledvora, Executive Vice President and Chief Financial Officer, at (312) 553-4819.

**Member Financial
Reporting During Trading
Suspension**

On September 1, 2004 NQLX announced that it would suspend trading in all of its security futures products in an orderly fashion and consistent with its market obligations. The aim is to suspend trading following the expiry of the December 2004 contracts on December 17, 2004. However, the Exchange will retain its Designated Contract Market (DCM) status.

In conjunction with this delisting of all security futures products, NQLX will relieve its members of the obligation to make certain financial filings. The following enumeration highlights the rule references that need no longer be complied with during the period of trading cessation on the Exchange.

**Rule 315 – Financial Requirements-
Broker-Dealers, Futures Commission
Merchants, and Introducing Brokers.**

All Members registered, or required to register, must maintain minimum

capital requirements; submit a Form 1-FR, Focus Report, and/or audited financial statements, as applicable; submit any other information requested by the Market Regulation Department.

**Rule 316 – Financial Requirements
Clearing Members.**

In addition to the requirements of Rule 315, all Clearing Members must comply with the financial, reporting, accounting, and operational requirements established by NQLX and the Clearing Organization.

**Rule 317 – Financial Requirements-
Members Not Registered with the
CFTC or SEC.**

A Member not registered, or required to register, with the SEC as a broker or dealer pursuant to section 15(b)(1) of the Securities Exchange Act or with the CFTC as a futures commission merchant or introducing broker pursuant to section 4f(a)(1) of the CEA must maintain net worth of not less than \$250,000 and immediately notify the Market Regulation Department if its net worth declines below \$300,000. This waiver of member responsibility is only applicable as long as trading on the exchange is suspended.

© 2003 NQLX LLC. All rights reserved. Notices to Members attempt to present information to readers in an easily understandable format. However, if any inconsistency exists between this Notice and NQLX's Rules, NQLX's Rules prevail and provide the authoritative source of information.