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Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

OFC. OF THE SECRETARIAT

Reference File # 2569.01
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **Amendments to Rules 221.00, 230.00, 252.00 and Regulations 230.02 and 450.02D per the attached texts (additions underlined; deletions struck through).**

The referenced changes are related to the June 22, 2005 adoption of the so-called "second approval" proposition by the stockholders of CBOT Holdings, Inc. (of which the CBOT is a wholly-owned subsidiary). Receipt of the second approval represents another phase of the CBOT demutualization process that was implemented initially on April 22, 2005. As a result of the adoption of the second approval proposition, certain transfer restrictions previously applicable to CBOT Class B memberships and CBOT Holdings Class A common stock are changing. The referenced CBOT rule and regulation amendments clarify the following points in connection with firm registrations:

- (1) A member firm that designated a "non-qualifying" membership in order to make its affiliate eligible for member firm transaction fees must also designate the appropriate number of "non-qualifying" shares of CBOT Holdings Class A common stock for this purpose. Both the designated membership and the designated shares are subject to the claims process.
- (2) A lessor whose membership will be registered for an e-cbot[®] member firm or a member firm affiliate will be required also to allow his CBOT Holdings shares to be registered for that firm.
- (3) A lessor will only be subject to claims against the lessee up to the value of the membership (and the lessor's shares of CBOT Holdings Class A common stock if, and only to the extent that, such shares are registered for an e-cbot member firm or a member firm affiliate under Rule 230.00 or Regulation 450.02D).

In addition, revised Rule 230.00 provides for "investment only" member firm status with respect to any category of CBOT Class B membership. (Previously, the minimum requirement for "investment only" registration was one Series B-1 (Full) membership.)

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The CBOT intends to implement these amendments one day after the Commission's receipt of this filing.

There were no opposing views concerning these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

B071905

Additions underlined; Deletions ~~struck through~~.

221.00 Delegation - An individual member may delegate the rights and privileges of a Series B-1 (Full), Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM), or Series B-5 (COM) membership to an individual (a "delegate") upon the following terms and conditions:

- (a) The delegate shall first be approved by the Exchange under the standards of Rule 200.00 and shall sign a written agreement to become familiar with, observe and be bound by the Certificate of Incorporation, Bylaws, Rules, and Regulations of the Exchange, and all amendments subsequently made thereto. An approved delegate, who is not subject to a suspension or expulsion, shall remain approved to enter a new delegation agreement within six (6) months following the termination of the previous delegation agreement. The Exchange may, in its discretion, grant extensions of this six (6) month approval period.
- (b) The delegation agreement, any amendment thereto, and any termination, revocation, or renewal thereof, shall be in writing in such form as the Exchange may prescribe, and a copy thereof shall be filed by the member with the Exchange as a precondition to its effectiveness: Provided, however, the delegation agreement shall be null and void automatically upon the happening of any of the following events:
 - (1) Loss of any of the qualifications for entering a delegation agreement, such as sale of the membership of the member or expulsion of the member or the delegate; or
 - (2) The suspension of the member by the Exchange within three months of the date of the filing of the delegation agreement by the member with the Exchange;
- (c)
 - (1) The member shall remain liable (for an amount up to, but not in excess of, the value of the membership (and ~~its associates~~ the lessor's shares of Class A common stock of CBOT Holdings if, and only to the extent that, such shares are registered for an e-cbot member firm or a member firm affiliate under Rule 230.00 or Regulation 450.02D)) for the debts, acts and delinquencies of the delegate (or the e-cbot member firm or member firm affiliate, if applicable) arising from the delegate's exercise of rights and privileges of membership. The membership so delegated, (~~and the associated lessor's shares of Class A common stock of CBOT Holdings described above, if applicable~~), may be sold to satisfy any such liability in accordance with the Rules and Regulations of the Exchange. Delegation shall not relieve the member of any of his obligations or liabilities which he might otherwise have by virtue of being a member of the Exchange to other members of the Exchange;
 - (2) Upon the termination or expiration of the delegation agreement, the Exchange shall make notice thereof available to the membership. Thereafter, all members and delegates who may have claims against the delegate (or any e-cbot member firm or member firm affiliate for which the leased seat has been registered pursuant to Rule 230.00 or Regulation 450.02D) may file claims pursuant to Regulation 249.01(h). The member entering into a delegation

agreement shall be responsible for the payment of those claims allowed by the Exchange and not satisfied promptly by the delegate (or the e-cbot member firm or member firm affiliate, if applicable), but only to the extent of the value of the membership so delegated (~~and its associated the lessor's shares~~ of Class A Common stock of CBOT Holdings if, and only to the extent that, such shares are registered for an e-cbot member firm or a member firm affiliate under Rule 230.00 or Regulation 450.02D);

- (3) A delegate shall not be entitled to register under Rule 230.00 for a member firm, except as otherwise provided in Rule 230.00 and Regulation 230.02;

* * * *

230.00 Registration - An Eligible Business Organization may be a member firm of the Exchange with respect to all contracts if one Series B-1 (Full) membership, is in the name of any principal or employee thereof, and such membership and 27,338 shares of Class A common stock of CBOT Holdings (which may be acquired and registered as a combination or as separate interests in one or more transactions) are registered on behalf of such organization. Such principal or employee shall be referred to as a "nominee," whether the membership is firm-owned or owned by such principal or employee.

Notwithstanding the foregoing, four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships must be in the name of any principals or employees of an Eligible Business Organization, and such memberships and 129,352 shares of Class A common stock of CBOT Holdings (which may be acquired and registered as a combination or as separate interests in one or more transactions) must be registered on behalf of such organization, in order for such organization to be a member firm under Regulation 230.02, Category (3) "other Non-FCM-Non-clearing".

An Eligible Business Organization which is a non-FCM, non-clearing entity and (1) which is wholly owned by one or more members or member firms, (2) which wholly owns a member firm, or (3) which is wholly owned by the same parent company(ies) as a member firm, may be a member firm of the Exchange under Regulation 230.02, Category 2(c), only with respect to those contracts in which Series B-2 (Associate) members have trading privileges, if one Series B-2 (Associate) membership is in the name of any principal or employee of such organization, and such membership and 10,000 shares of Class A common stock of CBOT Holdings (which may be acquired and registered as a combination or as separate interests in one or more transactions) are registered on behalf of such organization.

An Eligible Business Organization may be a member firm of the Exchange under Regulation 230.02, Category (4), solely for the purpose of conducting non-clearing business on e-cbot pursuant to Chapter 9B: (1) if one Series B-2 (Associate) membership is in the name of any principal or employee of such organization, and such membership and 10,000 shares of Class A common stock of CBOT Holdings (which may be acquired and registered as a combination or as separate interests in one or more transactions) are registered on behalf of such organization; or (2) if one Series B-1 (Full) membership, leased in the name of a principal or employee of such organization, ~~is registered on behalf of such organization,~~ and 27,338 shares of Class A common stock of CBOT Holdings are ~~either registered or pledged on behalf of such organization pursuant to procedures established by the Exchange;~~ or (3) if one Series B-2 (Associate) membership, leased in the name of a principal or employee of such organization, ~~is registered on behalf of such organization,~~ and 10,000 shares of Class A common stock of CBOT Holdings are ~~either registered or pledged on behalf of such organization pursuant to procedures established by the Exchange.~~

An Eligible Business Organization may be a member firm of the Exchange under Regulation

230.02, Category (6) "Investment Only" if a Series B membership is in the name of any principal or employee of such organization, and such membership and a number of shares of Class A common stock of CBOT Holdings (which may be acquired and registered as a combination or as separate interests in one or more transactions) is registered on behalf of such organization in at least one of the following combination:

- One Series B-1 (Full) membership and 27,338 shares;
- One Series B-2 (Associate) membership and 10,000 shares;
- One Series B-3 (GIM) membership and 5,000 shares;
- One Series B-4 (IDEM) membership and 1,100 shares; or
- One Series B-5 (COM) membership and 2,500 shares.

Those individuals who desire to register memberships and shares of Class A common stock of CBOT Holdings on behalf of an Eligible Business Organization shall make application to the Exchange, giving therein such information as may be requested. If the application is granted, the memberships and shares of Class A common stock of CBOT Holdings shall be registered for the benefit of the member firm, and such member firm shall be entitled to member firm privileges with respect to all contracts or only with respect to contracts in which Series B-2 (Associate) Members have trading privileges, as the case may be.

An Eligible Business Organization, having been first qualified as a member firm pursuant to this Rule 230.00, may be a CBOT Clearing Member and entitled to clearing privileges with respect to all contracts, pursuant to the registration requirements of Rule 703.00. Member firms shall be subject to all requirements and prohibitions contained in the Rules and Regulations applicable to members, and in such cases, all nominees shall be subject to discipline and the registered memberships and shares of Class A common stock of CBOT Holdings shall be subject to sale by the Exchange for the acts or delinquencies of the member firm for which they are registered. In addition, the proceeds of the sale of registered memberships and shares of Class common stock of CBOT Holdings shall be subject to claims pursuant to Rule 252.00. All such registrations may be terminated at any time by the Exchange, or by the nominees with the prior written approval of the Exchange.

~~All memberships and shares of Class A common stock of CBOT Holdings that are owned by a Regulation 230.02, Category (2b), (3), or (6) member firm: (1) may be delegated upon the terms and conditions set forth in Rule 221.00 (in the case of memberships); or (2) All~~ memberships and shares of Class A common stock of CBOT Holdings that are owned by a Regulation 230.02, Category (2b) or (3) member firm may be in the name of a principal or employee of, and may be registered on behalf of, another member firm which is wholly owned by such member firm, which wholly owns such member firm, or which is wholly owned by the same parent company(ies) as such member firm. During the term of any such delegation or registration on behalf of another member firm, the Category (2b) or (3) member firm owning the membership(s) and shares of Class A common stock will not be entitled to member firm transaction fees. In addition, no Category (6) member firm will be entitled to member firm transaction fees. However, any such Category (2b) or (3) member firm, and Category (6) member firms, will remain subject to all applicable Exchange Rules and Regulations, including the disciplinary procedures set forth in Chapter 5, and the arbitration procedures set forth in Chapter 6.

For purposes of this Rule 230.00 and Regulation 450.02D, all Series B memberships and all shares of Class A common stock of CBOT Holdings registered on behalf of a member firm or member firm affiliate must be owned by either the member firm, the member firm's affiliates or the nominees who registered such memberships or shares, except in those instances where

a leased membership and the lessor's shares of Class A common stock of CBOT Holdings may be registered for a member firm or a member firm affiliate, or shares of Class A common stock of CBOT Holdings may be pledged on behalf of a member firm or member firm affiliate under Rule 230.00 or Regulation 450.02D.

230.02 Registration of Membership for Eligible Business Organizations - An individual desiring to register a membership and/or shares of Class A common stock of CBOT Holdings for an Eligible Business Organization under Rule 230.00 shall submit an application giving the name of the Eligible Business Organization and the business in which it is engaged, and any other information requested by the Exchange. The application must also show that the member is a principal or employee of the Eligible Business Organization. In addition, the application must designate the type of business activity, from the following list, for which registration is requested:

- (1a) Registered Futures Commission Merchant ("FCM") – Clearing
- (1b) Registered FCM – Non-clearing
- (2a) Non-FCM – Clearing
- (2b) Non-FCM – Non-clearing (Must be wholly-owned by members or members and employees of the firm; or must have a business purpose deemed appropriate by the Exchange, including cash grain firms, financial institutions, market makers designated by the Exchange, proprietary trading firms that do not otherwise fall under category (3) below, or other forms of business approved by the Exchange.)
- (2c) Non-FCM – Non-clearing Series B-2 (Associate) member affiliate of another member firm ("member firm affiliate")
- (3) Other Non-FCM-Non-clearing (Commodity pools, hedge funds, or other collective investment vehicles)
- (4) e-cbot member firm
- (5) Sole Proprietor – Clearing
- (6) Investment Only

If activity level (1a), (1b) or (2a) has been designated, the applicant shall submit the following financial information of the Eligible Business Organization: a certified financial statement prepared by an independent Certified Public Accountant as of the most recent fiscal year end, and a financial statement (which need not be certified) which is current as of the most recent preceding calendar month end. If activity level (2b), (2c), (3), (4) or (6) is designated, the applicant shall submit such financial information of the Eligible Business Organization that may be required, in the discretion of the Exchange. An applicant who is applying to be a Sole Proprietor CBOT Clearing Member shall submit a financial statement in the form designated by the Exchange.

The Exchange may in its discretion waive or modify the foregoing requirements in the case of changes in registration necessitated by reorganization of firms currently registered with the Exchange.

Approval is required for a member firm changing or expanding its type of business to a higher level of business activity as set forth above. A member firm requesting approval to operate as a type (1a), (1b) or (2a) firm which was previously registered as any other type firm must first submit the financial information required for approval as a type (1a), (1b) or (2a) firm as specified above.

The Exchange may in its discretion grant temporary approval in the case of changes in registration necessitated by reorganization of firms currently registered with the Exchange.

Upon receipt of an application for new firm registration for an Eligible Business Organization, the Exchange shall, within fifteen days thereafter, make available to the membership the name of the Eligible Business Organization, and shall post the same information on the bulletin board for a period of at least ten days after such notification to the membership.

~~No member may register any one of his or her memberships for, nor may any member register any particular shares of Class A common stock of CBOT Holdings may be registered on behalf of, or pledge such shares for the benefit of, more than one member firm or member firm affiliate.~~

~~Except as provided herein in Rule 230.00, regarding e-cbot member firms, or as provided in Rule 230.00, no membership registered for any member firm under Rule 230.00 may be delegated under the provisions of Rule 221.00.~~

An Eligible Business Organization which has been conditionally approved for member firm status shall have six (6) months after the date that it was notified of such approval, or within such extension of said period as may be granted by the Exchange, to satisfy any conditions or contingencies imposed on such approval. If the conditions or contingencies are not satisfied by the applicable deadline, the Exchange's approval of the Eligible Business Organization for member firm status shall be deemed void. -1060

252.00 Proceeds of Membership and Class A Common Stock -

- (a) GRANT OF SECURITY INTEREST. Each member of the Exchange grants to the Exchange for the benefit of the Exchange, the Clearing Services Provider, such member's Primary Clearing Member, all other Clearing Members and all other members of the Exchange, a security interest in the shares of Class A common stock of CBOT Holdings associated with each of such member's memberships in the Exchange, which, for purposes of this Rule 252.00, includes all restricted shares of Class A common stock of CBOT Holdings associated with each of such member's memberships (regardless of holder) and all restricted and unrestricted shares of Class A common stock of CBOT Holdings registered on behalf of, or designated for, or pledged for the benefit of, CBOT Clearing Members, member firms, member firm affiliates and designated passive investor entities under Regulation 450.02D, and the proceeds thereof, for the purpose of securing such members', member firms', member firm affiliates', or designated passive investor entities' obligations, whether direct or indirect, absolute or contingent, under the Certificate of Incorporation, Bylaws and Rules and Regulations of the Exchange, including, without limitation, this Rule 252.00.
- (b) ORDER OF DISTRIBUTION. This Rule applies to each sale, transfer or other disposition of a membership and all shares of Class A common stock of CBOT Holdings associated with such membership, whether made by a member voluntarily or at the direction of the Exchange. In connection with any such sale, transfer or other disposition, the proceeds of the membership and the associated shares of Class A common stock of CBOT Holdings shall be applied to the following purposes and in the following order of priority prior to the payment of any proceeds to the member:
 - (i) FIRST, the payment of all debts owed to the Clearing Services Provider, if the membership transferred was registered for a Clearing Member in order to qualify the Clearing Member for clearing status pursuant to Rule 703.00, by the member whose membership is transferred. With respect to any other membership, the Exchange shall have the first priority for the debts described in paragraph (ii)

below, and the Clearing Services provider shall have the second priority.

- (ii) SECOND, the payment of all debts owed to the Exchange by such member, including, but not limited to, dues, assessments, service fees and fines.
 - (iii) THIRD, the payment to such member's Primary Clearing Member or Members, as specified in Rule 333.00, of all claims filed under Regulation 249.01(h) for trading losses of such member arising out of transactions on the Exchange, and which claims have been allowed by the Exchange.
 - (iv) FOURTH, the payment to other Clearing Members of all claims filed under Regulation 249.01(h) for trading losses of such member arising out of transactions on the Exchange, and which claims have been allowed by the Exchange.
 - (v) FIFTH, the payment to members and member firms of all claims filed under Regulation 249.01(h) for money owed on loans which had been made to the member whose membership was transferred, exclusively for the purpose of financing the purchase of such membership, and which claims have been allowed by the Exchange.
 - (vi) SIXTH, the payment to members and member firms of all claims filed under Regulation 249.01(h) otherwise arising from Member's Contracts, exclusive of personal debts which are not related to the conduct of business as a broker, trader or futures commission merchant, and which claims have been allowed by the Exchange. Provided, however, that this provision shall not apply to a membership subject to Regulation 249.01(b) or 249.01(c).
- (c) PRO RATA PAYMENT. If the proceeds of a sale, transfer or other disposition of membership and the associated shares of Class A common stock of CBOT Holdings are insufficient to pay all filed claims allowed by the Exchange, such claims, within the priorities listed in (b) above, shall be paid pro rata, except as provided in (f) below.
- (d) SURPLUS, IF ANY. Claims which are not filed during the period specified in Regulation 249.01(h) but which would otherwise qualify under (a) above may, if allowed by the Exchange, be paid out of any surplus after all other claims allowed by the Exchange have been paid in full and shall be paid in preference to claims referred to in (f) below. The remaining surplus, if any, of the proceeds of a transfer of membership and the associated shares of Class A common stock of CBOT Holdings, after payment of all claims allowed by the Exchange under this Rule, shall be paid to the person whose membership is transferred, or to his legal representatives, upon the execution by him or them of any releases required by the Exchange.
- (e) VALUATION.
- (i) Claims which have not matured at the time of the transfer of the membership may be treated as though they had matured, and the amount due may be fixed and determined by the Exchange on the basis of market values or such other basis as the Exchange deems to be fair and just.
 - (ii) If a claim is contingent or the amount that will ultimately be due cannot be immediately ascertained and determined, the Exchange may reserve and retain such amount from the proceeds as it deems appropriate, pending determination of the amount due on the claim.
 - (iii) A claim shall be allowed by the Exchange only for the amount due after deducting the amount of the proceeds of the sale of any collateral held by the claimant or the fair value of such collateral as determined by the Exchange. The Exchange may

require, before determining whether to allow the claim, that all such collateral be sold.

- (f) CLAIMS OF PARTNERS. Claims growing out of transactions between partners, who are members of the Exchange, shall not share in the proceeds of the membership and associated Class A shares of CBOT Holdings of one of such partners until all other claims as allowed by the Exchange have been paid in full.

However, where a partnership is the Primary Clearing Member or other Clearing Member for one of its member partners, or where a partnership has made a loan to one of its member partners exclusively for the purpose of financing the purchase of the partner's membership, the partnership may share in the proceeds from the sale of such partner's membership pursuant to the priorities in subparagraphs (a)(iii), (a)(iv) or (a)(v) above, as applicable.

- (g) RIGHTS OF CREDITORS OF DECEASED, INCOMPETENT, SUSPENDED, OR EXPELLED MEMBER. The death, incompetency, expulsion or suspension of a member shall not affect the rights of creditors under the provisions of this Rule.
- (h) DEATH OR INCOMPETENCY OF CREDITOR MEMBERS. When a member is in debt to another member, the death or incompetency of the creditor member or the transfer of his membership either by his estate or legal representative or at the direction of the Exchange, shall not affect the rights of the creditor member or his estate, to share in proceeds of the debtor's membership and the associated Class A shares of CBOT Holdings under this Rule.

450.02D Member Firm Affiliates and Designated Passive Investor Entities

(i) Member Firm Affiliates - For purposes of this regulation, the term "member firm affiliate" shall mean a non-Futures Commission Merchant, non-clearing entity which is wholly owned by one or more member firms, which wholly owns a member firm, or which is wholly owned by the same parent company(ies) as a member firm. For purposes of this regulation, the term "member firm" shall refer only to a firm registered with the Exchange pursuant to registration categories (1a), (1b), (2a) or (2b) of Regulation 230.02.

- (a) A member firm affiliate may qualify for delegate fee treatment (i.e., the applicable member firm fee plus the applicable delegate fee) with respect to its transactions on the Exchange: (1) if a Series B-1 (Full) membership, leased in the name of one of its principals or employees, ~~has been registered on behalf of such member firm affiliate, and 27,338 shares of Class A common stock of CBOT Holdings are either registered or pledged on its behalf pursuant to procedures established by the Exchange;~~ or (2) if a Series B-2 (Associate) membership, leased in the name of one of its principals or employees, ~~has been registered on behalf of such member firm affiliate, and 10,000 shares of Class A common stock of CBOT Holdings are either registered or pledged on its behalf pursuant to procedures established by the Exchange.~~
- (b) A member firm which owns one or more Series B-1 (Full) memberships in addition to those required for its own registration under Rule 230.00, and/or any Series B-2 (Associate) membership(s), (hereinafter "non-qualifying memberships") may designate such a non-qualifying membership, as well as non-qualifying (not required for the member firm's own registration) shares of Class A common stock of CBOT Holdings, to make its member firm affiliate eligible for member firm transaction fee treatment. A non-qualifying membership and non-qualifying shares may not be designated for more than one member firm affiliate at any given time. A member firm affiliate, for which a non-

qualifying Series B-1 (Full) membership has been designated, must have 27,338 shares of Class A common stock of CBOT Holdings either registered or designated ~~pledged~~ on its behalf ~~pursuant to procedures established by the Exchange~~, in order to be eligible for member firm transaction fee treatment. A member firm affiliate, for which a non-qualifying Series B-2 (Associate) membership has been designated, must have 10,000 shares of Class A common stock of CBOT Holdings either registered or ~~pledged~~ designated on its behalf ~~pursuant to procedures established by the Exchange~~, in order to be eligible for member firm transaction fee treatment.

(c) A member firm that has at least four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships and 129,352 shares of Class A common stock of CBOT Holdings (which may be acquired and registered as combinations or as separate interests in one or more transactions) registered on its behalf, including any Series B-1 (Full) memberships and shares of Class A common stock of CBOT Holdings required for its own registration under Rule 230.00, may designate any number of its member firm affiliates for member firm transaction fee treatment. A member firm whose proprietary trading on the Exchange includes only agricultural contracts may, at its option, designate for member firm transaction fee treatment any number of its member firm affiliates whose proprietary trading on the Exchange also includes only agricultural contracts, if the member firm has at least five (5) Series B-1 (Full) memberships and 136,690 shares of Class A common stock of CBOT Holdings registered on its behalf (which may be acquired and registered as combinations or as separate interests in one or more transactions).

(ii) Member Firm Designation of Passive Investor Entities – A member firm that is registered with the Exchange pursuant to registration categories (1a), (1b), (2a) or (2b) of Regulation 230.02, and that has at least four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships and 129,352 shares of Class A common stock of CBOT Holdings registered on its behalf, including any Series B-1 (Full) memberships and shares of Class A common stock of CBOT Holdings required for its own registration under Rule 230.00, and/or member firm affiliates of such a category (1a), (1b), (2a) or (2b) member firm, or a member firm registered with the Exchange pursuant to registration category (3) of Regulation 230.02, may designate, for member firm transaction fee treatment, up to a total of five non-FCM, non-clearing passive investor entities, where the member firm or member firm affiliate exercises trading control over, or is under common trading control with, such entities, or in addition with respect to a category (3) member firm, which wholly owns such entities. For purposes of this regulation, a “passive investor entity” is defined as a commodity pool, hedge fund, or other collective investment vehicle.

If a Regulation 230.02, category (1a), (1b), (2a) or (2b) member firm and/or its member firm affiliates, or (3) member firm, wishes to designate more than five passive investor entities as described in this paragraph (ii), there must be an additional four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships and an additional 129,352 shares of Class A common stock of CBOT Holdings registered on the member firm’s behalf in order for the member firm and/or member firm affiliates to be eligible to designate up to a total of six additional such entities.

(iii) Provisions Applicable to Designations of Member Firm Affiliates and Passive Investor Entities – All designations of member firm affiliates and passive investor entities, as described in paragraphs (i) and (ii) above, shall be subject to the following provisions:

(a) In order to become effective, the designation must be documented with, and approved by, the Exchange in such manner as the Exchange prescribes.

(b) Upon such designation, the member firm affiliate or passive investor entity shall be

subject to the Exchange's jurisdiction and to all duties and obligations imposed upon members and member firms under the Rules and Regulations; provided, however, that the Exchange may exempt such member firm affiliates or passive investor entities from any such duty or obligation which, in the Exchange's sole judgment, is incompatible or in conflict with, or is unrelated to, the activities of the member firm affiliate or passive investor entity.

- (c) The Exchange may withdraw its approval of such designation for good cause.
- (d) A non-qualifying membership and non-qualifying shares of Class A common stock of CBOT Holdings described in paragraph (i)(b), and all of the ~~four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships or five (5) Series B-1 (Full) memberships~~ and shares of Class A common stock of CBOT Holdings described in paragraphs (i)(c) and (ii), ~~registered on behalf of a Regulation 230.02, category (1a), (1b), (2a), (2b) or (3) member firm~~ will be subject to sale by the Exchange for the acts or delinquencies of the member firm by which they are designated or for which they are registered, and/or for the acts or delinquencies of any member firm affiliate or passive investor entity that has been designated by the member firm under this regulation.
- (e) Upon the sale or transfer of a non-qualifying membership or any of the shares of Class A common stock of CBOT Holdings described in paragraph (i)(b), or any of the ~~such four (4) Series B-1 (Full) memberships or two (2) Series B-2 (Associate) memberships, or five (5) Series B-1 (Full) memberships~~ and shares of Class A common stock of CBOT Holdings described in paragraphs (i)(c) and (ii), claims may be filed pursuant to Regulation 249.01(h) against the member firm by which they are designated or for which they are registered, and/or against any member firm affiliate or passive investor entity that has been designated by the member firm under this regulation.