

August 18, 2006

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

Reference File # 2715.01
Rule Certification

Dear Ms. Donovan:

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

- **Amendments to CBOT Rulebook Chapter 3 per the attached texts (additions underlined; deletions struck through).**

The referenced comprehensive revisions are designed to eliminate obsolete provisions and to more appropriately reflect current Exchange trade practices. The updates include provisions to:

- Recognize the usage of electronic order routing and confirmation of transactions, and draw appropriate distinctions between open auction and electronic trading;
- Relocate/renumber Regulations 444.01 through 444.05 to achieve a more logical arrangement of related provisions;
- Reflect currently applicable CTI codes (via new Regulation 332.03);
- Make specified provisions for erroneous trade resolution more consistent (i.e., Regulation 350.04, paragraph C has been amended to address the resolution of trades which have been executed in the wrong commodity, to make it consistent with Regulation 353.01);
- Conform with CFTC and industry standards concerning the asset threshold required for commodity trading and investment advisors to enter into block trades on behalf of customers (via revised Regulation 331.05); and
- Relocate the Exchange's holiday definition from Regulation 312.01 to Rule 922.00.

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The CBOT intends to implement these amendments on or about September 1, 2006.

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

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Additions are underlined; Deletions are ~~struck through~~.

Chapter 3 Trade Practices

Ch3 Exchange Facilities

300.00 Exchange Facilities - The Exchange shall provide a Trading Floor and an electronic trading facility (together, "Exchange facilities") which shall be open for trading during such hours as the Exchange shall designate. All trading in Exchange products shall occur on or through Exchange facilities, in accordance with Exchange Rules and Regulations.

301.00 Admission to the Floor - The only persons who may be admitted to the Floor of the Exchange are members of the Exchange, Floor Clerks and Broker Assistants authorized under Regulation 301.05 and Appendix 3B, persons holding trading permits under Regulations 209.01 or 209.04, permitted guests under Regulation 301.02, and authorized employees and agents of the Exchange. No one but a member or an authorized permit holder shall execute any open auction transaction in futures or options on the Floor of the Exchange.

301.01 Identification Badges- No person shall be admitted to the Floor of the Exchange unless he or she is wearing an identification badge issued by the Exchange, and such person must wear such badge at all times while he or she is on the Floor.

301.02 Guest Badges - The Security Department may, upon application of a member, or upon its own initiative pursuant to Exchange policies, issue a badge to a guest permitting access to the Floor of the Exchange.

All guests of a member shall be accompanied by a member while on the Exchange Floor and shall obey all Rules and Regulations respecting floor conduct established herein for members. Members shall be responsible for all violations of the Exchange's Rules and Regulations committed by their guests and for resulting fines.

301.04 Press Identification badges, permitting admission to the Exchange Floor, may be issued to the Press, and recalled, by the written authorization of the Communications Department.

301.05 Floor Clerks - With the prior approval of the Floor Conduct Committee, or designated Exchange staff pursuant to delegated authority, a non-member employee of a member or member firm registered under Rule 230.00 may be admitted to the Exchange Floor upon the payment by the employer of such periodic fees as may be established by the Exchange. No floor clerk shall be permitted to enter the Exchange Floor without a badge. Floor clerks may perform only such services and other clerical, communication, and informational duties as may be specifically permitted by the Exchange. (See Appendix 3B.)

Floor clerks are strictly prohibited from soliciting orders. Floor clerks may not be registered

as Associated Persons except as provided in Regulation 301.07. They may communicate orders to the pit from their position or communications instrument by use of hand signals, verbal notification, or an approved automated order entry device.

In the event a floor clerk is registered as an Associated Person in violation of this Regulation, the Exchange may cause such floor clerk's floor access keycard to be immediately deactivated. Upon termination of the Associated Person status, a floor clerk's keycard may be reactivated.

The Floor Conduct Committee may recall floor clerk badges for cause and may exclude from the Floor any non-member employee of any member or member firm.

Employing members and member firms shall be responsible for the conduct and appearance of their employees on the Exchange Floor and shall be subject to discipline for the actions of their employees on the Exchange Floor.

Notwithstanding Rule 420.00, nonmembers holding a Floor Clerk badge or a Broker Assistant badge shall not have any interest whatsoever in an account which contains positions in futures or options contracts traded on the Exchange. No member or member firm may jointly hold such an account with a nonmember Floor Clerk or Broker Assistant, and no member firm may accept or carry any such account in which a nonmember Floor Clerk or Broker Assistant holds any interest.

Provided, however, that the following shall apply to any person who has Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM) or Series B-5 (COM) membership, Membership Interest, or permit holder status on the Exchange and who also holds a Floor Clerk or Broker Assistant badge.

Such person shall not trade for, or carry in his account or an account in which he has any interest, any positions in contracts traded on the Exchange except for those contracts which he is entitled to trade as principal or broker for others by virtue of his membership or permit holder status as referenced above. However, a member or permit holder who holds a Broker Assistant badge, and who stands in an area designated for broker assistants outside of a financial futures or financial options pit, may carry in his account or an account in which he has an interest, any positions in contracts traded on the Exchange, provided that the orders for such positions are placed through the normal customer order flow process.

A non-clearing member holding a Floor Clerk or Broker Assistant badge shall be required to notify his Primary Clearing Member, as defined in Regulation 207.01, of the name, address and immediate supervisor of the member or member firm by whom he is employed as a Floor Clerk or Broker Assistant. Upon a Primary Clearing Member's revocation of clearing authorization in accordance with Regulation 207.01(c), the Primary Clearing Member immediately shall give written notice to the member or member firm who employs a non-clearing member as a Floor Clerk or Broker Assistant that the non-clearing member's clearing authorization has been revoked. A non-clearing member holding a Floor Clerk or Broker Assistant badge shall be denied floor access privileges upon the revocation of clearing authorization by his Primary Clearing Member. The floor access privileges of a non-clearing member who holds a Floor Clerk or Broker Assistant badge may be reinstated upon the filing

of a release with the Member Services Department by the non-clearing member's Primary Clearing Member in accordance with Regulation 207.01(d).

301.06 Floor Access by Annual Election Candidates and Non-Member Directors -

The following are permitted physical access to the Floor of the Exchange:

- a) Candidates in the current year's Annual Election who:
 - Have been nominated in the manner set forth in the Certificates of Incorporation and ByLaws of CBOT Holdings and the Exchange, as applicable; and
 - Do not already have Exchange Floor access by virtue of a membership privilege.
- b) Non-member Directors on the Exchange's Board.

Individuals who are admitted to the Exchange Floor pursuant to this regulation shall not be authorized thereby to execute trades or to perform any other functions which are reserved to members or clerks on the Exchange Floor.

301.07 Floor Clerk- Temporary Badges - The Floor Conduct Committee, or designated Exchange staff pursuant to delegated authority, may issue temporary badges authorizing non-member employees of members or member firms to perform the duties of a "Floor Clerk" as defined in Regulation 301.05. Such authorization shall be for a specific period not to exceed ten business days.

When such non-member employees are Associated Persons, such authorization may be granted for a specific period not to exceed three business days but only if the employer demonstrates to the satisfaction of the Floor Conduct Committee, or designated staff pursuant to delegated authority, that it has a reasonable business necessity for such authorization.. No particular employee can be so authorized for more than three days in any calendar month.

301.10 Twenty-Five Year Member - When a Series B-1 (Full) or Series B-2 (Associate) member who has been such a member for twenty-five years or more transfers his membership or delegates the rights and privileges of his membership under Rule 221.00, such member shall be issued an Honorary Membership Badge by the Exchange which will entitle the former member to access the Trading Floor (with the exception of the Trading Pits), and to remain on the Exchange's mailing lists.

301.11 Applicants for Membership - Applicants for membership may be issued special badges by the Member Services Department, for a period of ten business days, for the limited purpose of observing Floor activities. If an applicant is registered as an Associated Person, such a special badge may only be issued with the prior approval of the Floor Conduct Committee, or designated Exchange staff pursuant to delegated authority.

301.12 Membership Floor Access Badges - Any member or delegate whose floor access trading privileges have been revoked, suspended or lawfully discontinued for any reason must return the floor access membership badge and access card to the Member Services Department within 30 days from the termination of floor access privileges. Any failure to comply with this Regulation will be referred to the Floor Conduct Committee.

Willful possession of a membership floor access badge or access cards by anyone not then entitled to the privileges of that membership shall be an act detrimental to the Exchange.

310.00 Time and Place for Trading - The hours of trading for each futures or options contract listed by the Exchange shall be determined by the Exchange, and are set forth in Appendix 3D, which is incorporated into this Rule by reference. No member shall execute any futures or options transactions except in the pit assigned to trading in such futures or options contracts, or on e-cbot, during the hours set forth in Appendix 3D, except as provided in Regulations 331.05 through 331.08. . No member shall execute, on the Floor of the Exchange, a transaction with a non-member, in any futures or options contract listed by the Exchange.

Ch3 Market Quotations

320.02 Wire and Other Connections - Any use on the Exchange Floor of wired or wireless communication devices, or any software, shall be subject to the approval of the Exchange pursuant to Exchange policies.

320.09 Transmission of Market Quotations - No member of this Exchange shall, by any means whatsoever, convey or transmit continuously the market quotations from the Floor of the Exchange to any person or entity located off the Floor of the Exchange, except with the permission and pursuant to the requirements of the Exchange.

320.13 Futures and Options Quotations - The transmission by any means of market quotations for any futures or options listed on the Exchange shall be subject to the approval and control of the Exchange. Such quotations shall include all bids, asks, and market prices of any futures or options traded on the Exchange. Such quotations constitute valuable property of the Board of Trade which are not within the public domain. The transmission and receipt of such quotations shall be subject to such conditions, including the payment of applicable fees, as the Exchange shall impose. Failure to comply with such conditions shall subject any member receiving or distributing such quotations to disciplinary action pursuant to the procedures set forth in Chapter 5 of the Exchange's Rules and Regulations.

320.14 Transactions Made at other than Current Market - Transactions made on the Floor of the Exchange at a price above that at which the same futures or options contract is offered, or below that at which such futures or options contract is bid, are not made at the current market price for such futures or options contracts and shall be disallowed by the action of any two members of the relevant Pit Committee. If so disallowed, such transactions shall not be reported or recorded by the Exchange or, if already reported, shall be cancelled. A determination on whether a price should be disallowed must be made within 10 minutes after the Pit Committee has been notified that the price has been called into question; otherwise the quote in question must stand. A determination pursuant to this Regulation to disallow a transaction shall be final.

320.15 Market Quotations - For transactions made on the Floor of the Exchange, the reporter in each pit shall be the judge of what constitutes a proper range of quotations to be sent out, subject to the supervision of the Pit Committee in the respective pits.

Quotations sent out must be based on bids, offers or transactions made in the open market. The term "open market" means a bid or an offer openly and audibly made by a public outcry and in such a manner as to be [] available to all members in the pit at the time.

It is not permissible for members to reform a trade by changing the price at which orders have been filled, nor to report as filled orders that have not been filled. Any quotations based on a transaction made in the open market, already distributed or sent out over the wire, shall not be cancelled except as provided by Regulations 320.14, 320.17, and 320.18 .

320.16 Fast Quotations - Whenever price fluctuations in the pit(s) are rapid and the volume of business is large, the pit reporter, upon authorization of the Pit Committee Chairman or his designated representative from the Pit Committee, shall cause the "FAST" symbol to be used in conjunction with all Exchange quotation displays and records reflecting transactions made in the pit. (The "FAST" symbol shall be abbreviated "F" when used on Exchange quotation and display devices.) The Pit Committee shall determine at what time "FAST" market conditions began and terminated. When a market is designated "FAST", the pit reporter shall endeavor to activate a "FAST" market indicator clearly visible to the entire trading floor.

All prices in the range between those quoted immediately prior to and immediately following the "FAST" market designation are considered officially quoted whether or not such prices actually appear as trades on Exchange quotation displays and records. There shall be no discontinuances.

The consequence of "FAST" market conditions is that a penetrated limit order may not be able to be executed at the specified limit price.

In the event that a dispute arises concerning the execution of an order, the fact that a market was designated "FAST" shall constitute evidence that market conditions were rapid and volatile. A "FAST" designation does not nullify or reduce the obligations of the floor broker to execute orders with due diligence according to the terms of the order. Trading activities which violate the Rules and Regulations of the Exchange remain violations under "FAST" market conditions.

320.17 Authority of Pit Committees over Quotation Changes and Insertions -

With respect to open auction trading:

- (a) The Pit Committee Chairmen, Vice Chairmen or their Pit Committee designees may change an opening range only within 30 minutes after the opening of the futures or options contract.
- (b) The Pit Committee Chairmen, Vice Chairmen or their Pit Committee designees may change a closing range only within 15 minutes after the closing of a futures contract or within 30 minutes after the closing of an options contract.
- (c) The Pit Committee Chairmen, Vice Chairmen or their Pit Committee designees may authorize the insertion of a quotation which affects a high or low at any time prior to 15 minutes after the closing of a futures contract or within 30 minutes after the closing of an options contract.
- (d) The Pit Committee Chairmen, Vice Chairmen or their Pit Committee designees may authorize any quotation change or insertion which does not affect an open, high, low or close

at any time prior to the opening of the futures or options contract on the next business day.

No Pit Committee member may authorize any quotation change, insertion or cancellation, if such individual has a personal or financial interest in such change, insertion or cancellation.

All quotation changes, insertions, or cancellations must be authorized by at least two Pit Committee members. However, if there is only one Pit Committee member who does not have a personal or financial interest in a change, insertion or cancellation, that one Pit Committee member may authorize such change, insertion or cancellation.

When a Pit Committee member is requested to authorize a quotation change, insertion or cancellation, the relevant pit shall be notified of such request.

320.18 Authority of the Market Report Department over Quotation Changes and Insertions -The Market Report Department may review and authorize any request for a quotation change or insertion which was not reviewed by the Pit Committee or which is not encompassed by Regulation 320.17.

320.19 Opening and Closing Orders - For open auction trading hours, orders entered prior to or on the opening (or resumption) of the market, as applicable, and orders affected by such opening (or resumption) orders, as applicable, shall not be required to be executed at a specified price due to the unique and rapid market conditions existing during an opening or a resumption. Similarly, orders entered for execution on the close of the market, and orders affected by such closing orders, shall not be required to be executed at a specific price due to the unique and rapid market conditions existing during a close.

If stop orders are elected within the opening or resumption range, floor brokers who are unable to execute those orders within the opening or resumption range, as applicable, while diligently acting in conformity with the rules and regulations of the Exchange, shall not be held liable. Stop orders elected during the opening (or resumption) range automatically become market orders and should be executed at the prevailing market, which may or may not be within the opening (or resumption) range. If stop orders are elected within the closing range, floor brokers who are unable to execute such orders, while diligently acting in conformity with the rules and regulations of the Exchange, shall not be held liable.

Ch3 Floor and Trading Practices

330.00 Floor Brokers - A member, who executes orders for another member and who is not a clearing member, must immediately give up the name of a clearing member. A floor broker trading for a member shall be responsible as principal for the performance of the contract except that his responsibility shall terminate when the transaction is accepted by the principal.

330.00A Clearing Members - Trades between clearing members must be confirmed within one hour by providing to the Clearing Services Provider the name of the buyer and seller, the commodity sold, the amount thereof, the delivery month, and the purchase price.

330.01 Floor Broker and Floor Trader Registration - No member may execute any trade on the Floor of the Exchange for any other person unless the member is registered or has been granted a temporary license as a floor broker, nor may a member execute any trades on the Floor of the Exchange for his or her own account, unless the member is registered or has been granted a temporary license as a floor trader, in accordance with the Commodity Exchange Act and Commodity Futures Trading Commission Regulations.

. Willful failure to comply with this Regulation may be deemed an act detrimental to the interest or welfare of the Exchange.

330.02 Maintenance of Floor Broker and Floor Trader Registration - Each member registered as a floor broker or floor trader must promptly report any changes in his registration information to the National Futures Association in accordance with CFTC requirements, and must promptly notify the Member Services Department of such changes.

Requests for withdrawal of floor broker or floor trader registration must be made on Form 8-W and filed with the National Futures Association and the Exchange in accordance with CFTC Regulation 3.33.

All registered floor brokers and floor traders must comply with Appendix B to Part 3 of the CFTC's Regulations – Statement of Acceptable Practices with respect to Ethics Training. In this regard, all registered floor brokers and floor traders shall become familiar with, and keep abreast of changes to, the Rules and Regulations of the Exchange, rule interpretations issued by the Exchange, and relevant provisions of the Commodity Exchange Act and CFTC Regulations.

330.03 Broker Associations - Two or more Exchange members with floor trading privileges, of whom at least one is acting as a floor broker, shall be required to register with the Exchange as a Broker Association, within ten days after establishment of the Broker Association, if they: (1) engage in floor brokerage activity on behalf of the same employer, (2) have an employer and employee relationship which relates to floor brokerage activity, (3) share

profits and losses associated with their brokerage or trading activity, or (4) regularly share a deck of orders.

The Broker Association shall file its registration statement in a form provided by the Exchange. Any registration information provided to the Exchange which becomes deficient or inaccurate must be updated or corrected promptly.

A member of a Broker Association shall be prohibited from receiving or executing an order unless the Broker Association is registered with the Exchange.

Members of a broker association may not share profits or losses associated with their personal trading activity by direct or indirect means.

No registered broker association or member thereof shall permit a non-member or non-member firm to have any direct or indirect profit or ownership interest in a registered broker association. Moreover, no registered broker association or member thereof shall permit a member who is not involved in the pre-execution or execution of customer orders to have any direct or indirect profit or ownership interest in a registered broker association.

The Board may establish limits on the percentage of trading between a member of a broker association and (1) other members of broker associations with which he is affiliated.

The Exchange may grant exceptions to the percentage limits on intra-association trading in circumstances where a broker association can demonstrate that compliance with the limits may reduce liquidity or impede the creation of new business in the affected market.

331.01 Price of Execution Binding - The price at which a transaction for futures or options is executed on the Exchange shall be binding. A member shall not guarantee the price of execution to any customer, but a floor broker's or clearing firm's error in handling a customer order may be resolved by a monetary adjustment or in accordance with Regulation 350.04.

331.02 Acceptable Orders - The following orders are acceptable for execution in the open auction market. Orders other than those listed below will be accepted solely at the broker's discretion on a "not held" basis.

- (1). Market order to buy or sell - A market order is an order to buy or sell a stated amount of contracts at the best price obtainable.
- (2). Closing order to buy or sell - A closing order to buy or sell is a market order which is to be executed at or as near the close as practicable, or on the closing call in a call market.

- (3). Limit order to buy or sell - A limit order is an order to buy or sell a stated amount of contracts at a specified price, or at a better price, if obtainable.
- (4). Stop order to buy or sell - A stop order to buy becomes a market order when the stop price is bid or a transaction in the contract occurs at or above the stop price. A stop order to sell becomes a market order when the stop price is offered or a transaction in the contract occurs at or below the stop price.
- (5). Stop limit order to buy or sell (where the price of the limit is the same as the stop price only) - A stop limit order to sell becomes a limit order executable at the limit price or at a better price, if obtainable, when a transaction in the contract is offered or occurs at or below the stop price. A stop limit order to buy becomes a limit order executable at the limit price or at a better price, if obtainable, when a transaction in the contract is bid or occurs at or above the stop price.
- (6). DRT ("Disregard Tape" or "Not Held") Order - An order giving the floor broker complete discretion over price and time in execution of a trade, including discretion to execute all, some or none of the order. It is understood the floor broker accepts such an order solely at the risk of the customer on a "not held" basis.
- (7). All-Or-None order to buy or sell - An order to be executed only for its entire quantity at a single price and with a size at or above a predetermined threshold, for those products for which such orders are permitted by the Exchange. Such orders must be executed in accordance with Regulation 331.03.

331.02A Acceptable Orders - Market orders to buy or sell, closing orders to buy or sell, spread orders, straight limit orders to buy or sell, and straight stop orders to buy or sell shall be permitted during the last day of trading in an expiring future. Time orders, contingency orders of all kinds, market on close, inter-month spread orders involving an expiring future, and cancellations, that reach the Trading Floor after 11:45 a.m. on the last day of trading in an expiring future, may involve extraordinary problems and hence will be accepted solely at the risk of the customer. This Regulation shall only apply to open auction trading hours.

331.03 All-Or-None Transactions - The Board of Directors shall determine the minimum thresholds for and the futures and options in which All-or-None transactions shall be permitted in the open auction market. The following provisions shall apply to All-or-None trading:

- (a) A member may request or make an All-or-None bid and/or offer for a specified quantity at or in excess of the applicable minimum threshold during the open auction trading hours in the appropriate trading area.
- (b) A member may respond by quoting an All-or-None bid and/or offer price. A bid or offer in response to an All-or-None request shall be made only when it is the best bid or offer in response to such request, but such price need not be in line with the bids and offers currently being quoted in the regular market.

- (c) A member shall not execute any order by means of an All-or-None transaction unless the order includes specific instructions to execute an All-or-None transaction or the All-or-None bid or offer is the best price available to satisfy the terms of the order.
- (d) An All-or-None bid or offer may be accepted by one or more members provided that the entire quantity of the All-or-None order is executed at a single price and that each counterparty to the order accepts a quantity at or in excess of the designated minimum counterparty threshold. Each order executed opposite an All-or-None order must be for a quantity that meets or exceeds the minimum counterparty threshold. Separate orders may not be bunched to meet the minimum counterparty threshold.
- (e) The price at which an All-or-None transaction is bid, offered or executed will not elect conditional orders (e.g., limit orders, stop orders, etc.) in the regular market or otherwise affect such orders.
- (f) All-or-None transactions must be reported to the reporter in each pit who shall designate the price quotes for All-or-None transactions as All-or-None price quotes.
- (g) Under no circumstances shall All-or-None orders to buy and sell both be executed in their entirety opposite each other.

- (h) All-or-None transactions are permitted in the following contracts subject to the listed minimum quantity thresholds.

Contract	All-or-None Minimum	Counterparty Minimum
10-Year Interest Rate Swap futures	1,000	100
10-Year Interest Rate Swap/10-Year T-Note spread	7,500	250
10-Year Interest Rate Swap futures options	1,000	100
5-Year Interest Rate Swap futures	1,000	100
5-Year Interest Rate Swap/5-Year T-Note spread	1,000	100
5-Year Interest Rate Swap futures options	1,000	100
2-Year Treasury Note futures	200	50
5-Year Treasury Note futures	2,000	10% of Order
5-Year T-Note/10-Year T-Note futures spread	2,000	10% of Order
30-Day Fed Funds futures (All-or-None orders may be executed only in contract months that have less than 30,000 contracts of open interest.)	1,000	100
2-Year Treasury Note futures options (including inter-commodity and intra-commodity spreads)	2,500	100
5-Year Treasury Note futures options (including inter-commodity and intra-commodity spreads)	2,500	100
10-Year Treasury Note futures options (including inter-commodity and intra-commodity spreads)	2,500	100
Treasury Bond futures options (including inter-commodity and intra-commodity spreads)	2,500	100

All-or-None intra-commodity spread transactions may be executed in permitted contracts provided that each leg of the spread meets the All-or-None threshold for that contract. However, All-or-None intra-commodity spreads and inter-commodity spreads involving 2-Year, 5-Year or 10-Year Treasury Note options or Treasury Bond options may be executed provided that at least one option leg of each such spread order meets the designated All-or-None minimum order

quantity and that one leg of each such spread transaction meets the designated counterparty minimum. (04/01/04)

331.04 Execution of Simultaneous Buy and Sell Orders for Different Account Owners -

A member who has received both buy and sell orders from different account owners for open auction trading of the same product and the same expiration month and, for options, the same strike price, may execute such orders for and directly between such account owners provided that the member shall first bid and offer openly and competitively by open auction at the same price, stating the number of contracts. If neither the bid nor the offer is accepted within a reasonable time, the orders may then be matched by the member in the presence of a member of the Pit Committee. If either the bid or the offer is accepted in part, the remainder of the orders may be matched pursuant to the requirements of this Regulation. The member making the trade shall clearly note on the order or other document used to record the trade, the time of execution to the nearest minute, and shall present such record to such member of the Pit Committee for verification and initialing. (10/01/02)

331.05 Block Trade Transactions – The Exchange may designate any contract initially listed for trading on or after December 31, 1999 as eligible for Block Trade transactions under this Regulation and shall determine the minimum size thresholds for the contracts in which Block Trade transactions are permitted. In determining the minimum size threshold, the Exchange shall take into consideration (to the extent available) the size distribution of transactions in the contract, the size distribution of transactions in the related cash or over-the-counter markets, and all other information relevant to transaction size in the relevant contract. The hours of operation of the Block Trade facility shall be determined by the Exchange.

Members may enter into transactions outside of the Exchange's central markets, at prices mutually agreed, with respect to contracts that have been designated by the Exchange for such purpose, provided that the following conditions are satisfied:

- a) Each buy or sell order underlying a Block Trade must (i) state explicitly that it is to be, or may be, executed by means of a Block Trade and (ii) be at least for the minimum transaction size as determined by the Exchange. Orders may not be aggregated in order to achieve the minimum transaction size; provided, that a commodity trading advisor registered (or exempt from registration) under the Commodity Exchange Act, including without limitation any investment advisor registered (or exempt from registration) under the Investment Advisors Act of 1940, or a foreign person performing a similar role or function subject as such to foreign regulation, with total assets under management exceeding \$25 million, may aggregate customer orders in order to achieve the minimum transaction size.
- b) The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of such Block Trade; (ii) the price and size of other trades in the same contract at the relevant time; and (iii) the price and size of trades in other relevant markets, including without limitation the underlying cash market or other related

futures markets, at the relevant time. The price at which a Block Trade is executed shall not affect conditional orders such as limit orders or stop orders. The price at which a Block Trade is executed shall not be used in establishing settlement prices.

- c) Each nonmember customer to a Block Trade transaction must qualify as an “eligible contract participant”, as that term is defined in Section 1a(12) of the Commodity Exchange Act, provided that, if any Block Trade is entered into on behalf of customers by a commodity trading advisor registered (or exempt from registration) under the Act, including without limitation any investment advisor registered (or exempt from registration) under the Investment Advisors Act of 1940, or a foreign person performing a similar role or function subject as such to foreign regulation, with total assets under management exceeding \$25 million, the individual customers need not so qualify.
- d) Each Block Trade executed pursuant to this Regulation must be cleared through the clearing members. Information identifying the relevant contract, contract month, price, quantity, time of execution, counterparty clearing member, and for options, strike price, put or call and expiration month, for each Block Trade must be reported by the seller to the Exchange within five minutes immediately following execution of such Block Trade. The Exchange will publicize information identifying the trade as a Block Trade and identifying the relevant contract, contract month, price or premium, quantity and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price, for each Block Trade immediately after such information has been reported to the Exchange.
- e) Each clearing member and member that is party to a Block Trade shall record the following details on its order ticket: the contract (including the delivery or expiry month) to which such Block Trade relates; that the trade is a Block Trade; the number of contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; for options, strike price, and put or call and, if applicable, details regarding the customer for which the Block Trade was executed, the underlying commodity, whether the transaction involved a put or a call and the strike price. Upon request by the Exchange, such clearing member or member shall produce satisfactory evidence, including without limitation the order ticket referred to in the preceding sentence, that the Block Trade meets the requirements set forth in this Regulation. (01/01/06)

444.01 331.06 Transfer Trades - Transfer trades, or office trades, may be made upon the books of a futures commission merchant, solely for the purposes of:

- (a) transferring existing trades from one account to another carried by the same futures commission merchant where no change in ownership is involved;

(b) transferring existing trades from an account carried by one futures commission merchant to an account carried by another futures commission merchant where no change in ownership is involved, provided that no such transfer may be made for the purpose of evading and avoiding delivery on such trades and provided further that if such transfer is made after receipt from the Clearing Services Provider of a notice of intention to deliver applicable to such trades, then the notice of intention to deliver must be passed through the Clearing Services Provider along with the trades so transferred and the Clearing Services Provider shall thereupon pass the notice of intention to deliver to the futures commission merchant carrying the account to which such transfer has been made and delivery shall be taken by such futures commission merchant. All such transfer trades shall be designated as such and must be cleared through the Exchange's Clearing Services Provider in the manner provided by the Clearing Services Provider;

(c) exchanging futures for, or in connection with, cash commodities, swap transactions, or over-the-counter derivative transactions, as specified in Regulation 331.08;

(d) to establish the prices of cash commodities;

(e) correcting errors on cleared trades, provided that the original trade record confirms the error, and such transfers are identified in the manner required by the Exchange's Clearing Services Provider; or

(f) transferring trades executed on behalf of another futures commission merchant from the account of the executing futures commission merchant to the account of the other futures commission merchant or its customer where no change of ownership is involved ("give-up transactions"), provided that such give-up transactions are identified in the manner required by the Clearing Services Provider.

The Business Conduct Committee ("BCC"), or designated staff pursuant to delegated authority, may, in its discretion, upon written request, exempt a transfer trade from the requirements of this Regulation provided that the transfer trade is made for the purpose of combining the positions held by two or more commodity pools which are operated by the same commodity pool operator and traded by the same commodity trading advisor, pursuant to the same strategy, into a single account so long as the transfer does not result in the liquidation of any open positions, and the pro rata allocation of interests in the consolidating account does not result in more than a de minimis change in the value of the interest of any pool participant. Additionally, the BCC, or designated staff pursuant to delegated authority, in its discretion, upon written request, may exempt such other transfers in connection with or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

Transfer trades must be made at the same price or prices which appear on the books of the transferring futures commission merchant, and the transfer must also show the date when such trade or trades were originally made. However, the BCC, or designated staff pursuant to delegated authority, in its discretion, upon written request, may permit the transfer of positions at

settlement price if such transfer is made as a result of, or in connection with, a merger, asset purchase, consolidation or similar non-recurring transaction where the entity to which the positions are transferred becomes a successor in interest to the entity from which the transfer originated. All such transfers shall retain the original trade date of the positions. Additionally, those transfers involving a debtor, as defined by and in accordance with Regulation 272.02, shall retain the original trade date for purposes of delivery but shall be entered on the books of the transferee at the settlement price on the day of the transfer.

The parties to transfer trade transactions shall provide to the Clearing Services Provider all information with respect to such transactions as shall be required by the Clearing Services Provider, in the form and manner required by the Clearing Services Provider. (01/01/06)

444.02 331.07 Transfer Trades for Purpose of Offsetting DJIAsm Futures - With the consent of the account controller, a clearing member may:

Offset and liquidate long mini-sized Dow (\$5 Multiplier) futures positions against short DJIA Index futures positions, or short mini-sized Dow (\$5 Multiplier) futures positions against long DJIA Index futures positions, held in the same contract month and year and in the same account in a ratio of 2 (two) mini-sized Dow (\$5 Multiplier) contracts to 1 (one) DJIA Index contract.

Offset and liquidate long mini-sized Dow (\$5 Multiplier) futures positions against short DJIA Index (\$25 Multiplier) futures positions, or short mini-sized Dow (\$5 Multiplier) futures positions against long DJIA Index (\$25 Multiplier) futures positions, held in the same contract month and year and in the same account in a ratio of 5 (five) mini-sized Dow (\$5 Multiplier) contracts to 1 (one) DJIA Index (\$25 Multiplier) contract.

Offset and liquidate long DJIA Index futures positions against short DJIA Index (\$25 Multiplier) futures positions or short DJIA Index futures positions against long DJIA Index (\$25 Multiplier) futures positions, held in the same contract month and year and in the same account in a ratio of 5 (five) DJIA Index contracts to 2 (two) DJIA Index (\$25 Multiplier) contracts.

The clearing member shall notify the Clearing Services Provider of offsetting positions by submitting reports to the Clearing Services Provider in such form and manner as the Clearing Services Provider shall specify. The positions being offset shall be transferred to a holding account at the Clearing Services Provider and long and short positions in the same contract month in the holding account will be netted, thus reducing the number of open positions in such contract. (03/20/06)

331.08 Exchange of Futures for Related Transactions

(a) The following transactions may be executed outside of the Exchange's central

markets, in accordance with the requirements of this Regulation.

- (i) Exchanges of futures for, or in connection with, cash commodities (“Exchange for Physical Transactions” or “EFPs”). EFPs may be executed in all CBOT futures contracts.
- (ii) Exchanges of futures for, or in connection with, swap transactions (“Exchange for Swap Transactions” or “EFSs”). EFSs may be executed only in U.S. Treasury Bond futures; Long Term, Medium Term, and Short Term U.S. Treasury Note Futures; Dow Jones-AIG Commodity Indexsm Futures; and 10-Year and 5-Year Interest Rate Swap Futures; and
- (iii) Exchanges of futures for, or in connection with, over-the-counter derivatives (“OTC”) transactions (“Exchange for Risk Transactions” or “EFRs”). EFRs may be executed only in CBOT agricultural commodity futures and in U.S. Treasury Bond Futures; Long Term, Medium Term, and Short Term U.S. Treasury Note Futures; Dow-AIG Commodity Indexsm Futures; 30-Day Fed Fund Futures and 10-Year and 5-Year Interest Rate Swap Futures. The OTC component of an EFR must comply with any applicable regulatory requirements prescribed by the Commodity Futures Trading Commission.
- (iv) Options on futures are not a permissible component of an EFP, EFS or EFR.

For purposes of this Regulation, all EFPs, EFSs and EFRs shall be referred to as Exchanges of Futures for Related Positions.

- (b) The Related Position (cash, swap, or OTC derivative) must involve the commodity underlying the futures contract, or must be a derivative, by-product or related product of such commodity that has a reasonable degree of price correlation to the commodity underlying the futures contract.
- (c) An Exchange of Futures for a Related Position consists of two discrete, but related simultaneous transactions. One party must be the buyer of (or have the long market exposure associated with) the Related Position and the seller of the corresponding futures, and the other party must be the seller of (or have the short market exposure associated with) the Related Position and the buyer of the corresponding futures. However, a member firm may facilitate, as principal, the Related Position on behalf of a customer, provided that the member firm can demonstrate that the Related Position was passed through to the customer that received the futures position as part of the Exchange of Futures for Related Position transaction.
- (d) The accounts involved on each side of an Exchange of Futures for a Related Position:
 - (a) must have different beneficial ownership; or
 - (b) must be under separate control; or
 - (c) must involve separate legal entities.

- (e) The quantity covered by the Related Position must be approximately equivalent to the quantity covered by the futures contracts.
- (f) Exchanges of Futures for Related Positions may be entered into in accordance with the applicable trading increments set forth in the rules governing such futures contracts, at such prices as are mutually agreed upon by the two parties to the transaction.
- (g) Clearing firms on opposite sides of an Exchange of Futures for a Related Position must subsequently approve the terms of the transaction, including the clearing firm (division), price, quantity, commodity, contract month and date prior to submitting the transaction to the Clearing Services Provider. All Exchanges of Futures for Related Positions must be submitted to the Clearing Services Provider by a clearing firm acting on its own behalf or for the beneficial account of a customer who is a party to the transaction.
- (h) Each Exchange of Futures for a Related Position shall be designated as such, and cleared through the Exchange's Clearing Services Provider as if it were a transaction executed in the Exchange's central markets. The transaction shall be submitted to the Clearing Services Provider within the time period and in the manner specified by the Clearing Services Provider.
- (i) The time of execution of an Exchange of Futures for a Related Position must be recorded on the futures order ticket, and on the record submitted to the Exchange's Clearing Services Provider.
- (j) Parties to any Exchange of Futures for a Related Position must maintain all documents relevant to the futures and the cash, swap, or OTC transactions, including all documents customarily generated in accordance with cash or other relevant market practices and any documents reflecting payment and transfer of title, and must provide such documents to the Exchange upon its request. (01/01/06)

331.09 Transfer Trades and Exchanges of Futures for Related Positions in a Delivery Month - During the delivery month and 2 business days prior to the first delivery day, transfer trades, or Exchanges of Futures for Related Positions, as described in Regulation 331.08, for the purpose of offsetting existing positions where no change of ownership is involved, are prohibited when the date of execution of the position being transferred, or the futures component of the Exchange of Futures for Related Position, is not the same as the transfer or Exchange of Futures for Related Position trade date. Positions carried at the same or different futures commission merchants for the same owner 2 business days prior to a delivery month and thereafter are required to be offset through open auction or on e-cbot, as applicable, or fulfilled through the normal delivery process. Where the positions are carried at different futures commission

merchants, the receiving firm has the responsibility to assure compliance with this regulation (01/01/06)

331.10 Giving Up the Name of a Clearing Member and Give-Up Transactions -

An individual must have prior permission from a clearing member to give-up its name for a trade executed on the Exchange. A floor broker is prohibited from giving up in the pit a name other than the executing clearing member placing the order. Give-up orders are prohibited when used as a pricing mechanism in connection with cash market contracts. Pricing in connection with cash market contracts must be done only on a versus-cash basis pursuant to the requirements of Regulation 331.08.

The futures commission merchant ("executing FCM") executing a trade on behalf of another futures commission merchant (the "carrying FCM") (including such carrying FCM's customers) must submit the trade to the Clearing Services Provider for clearing, and remains responsible for the clearing and settlement of such trade as prescribed by the Clearing Services Provider. Executing FCMs and carrying FCMs must utilize an automated invoicing system for commission payment resulting from give-up transactions, as determined by the Exchange. Notwithstanding the foregoing, the executing FCM, carrying FCM and, as applicable, the customer on the account at the carrying FCM for which the trade is executed, may by agreement set out their respective obligations and financial responsibility to one another relating to the transfer of the trade. (01/01/06)

332.00 Transactions Must Be Executed in The Open Market - All futures or options transactions executed by any member of the Exchange, on the Exchange Floor, must be executed openly and competitively by open auction during open auction trading hours. Except as specifically provided in Regulation 331.04, under no circumstances shall any member or member firm execute any such orders or any portion thereof by acting as agent for both buyer and seller, either directly or indirectly, in his or its own name or that of an employee, broker or other member of the Exchange; provided, that on transactions where brokers as agents for other members meet in the execution of orders in the open market and without prearrangement unintentionally execute a transaction for the same clearing member principal, such transactions shall not be considered in violation of this Rule. (04/01/05)

332.01A Bidding and Offering Practices - Bidding and offering practices on the Floor of the Exchange must at all times be conducive to competitive execution of orders, as required by Rule 332.00. For example, bids or offers of 'all the way to,' 'all you have up (or down) to,' 'everything you have up (or down) to,' and similar expressions, are not conducive to competitive execution of orders, and are expressly deemed to be in violation of Rule 332.00.

332.02 Time Brackets - Each member executing transactions on the Floor of the Exchange shall enter or cause to be entered on the record of those transactions an indicator designating the time bracket within the trading session in which each execution occurred. Each clearing member shall enter only the bracket information submitted to the clearing member by the member

executing the trades in the designated form on the record of transactions submitted to the Clearing Services Provider. The brackets and their designations are as follows:

7:00-7:15 a.m.	A	11:30-11:45 a.m.	S	5:00-5:15 p.m.	A
7:15-7:30 a.m.	B	11:45-12:00 noon	T	5:15-5:30 p.m.	B
7:30-7:45 a.m.	C	12:00-12:15 p.m.	U	5:30-5:45 p.m.	C
7:45-8:00 a.m.	D	12:15-12:30 p.m.	V	5:45-6:00 p.m.	D
8:00-8:15 a.m.	E	12:30-12:45 p.m.	W	6:00-6:15 p.m.	E
8:15-8:30 a.m.	F	12:45-1:00 p.m.	X	6:15-6:30 p.m.	F
8:30-8:45 a.m.	G	1:00-1:15 p.m.	Y	6:30-6:45 p.m.	G
8:45-9:00 a.m.	H	1:15-1:30 p.m.	Z	6:45-7:00 p.m.	H
9:00-9:15 a.m.	I	1:30-1:45 p.m.	2	7:00-7:15 p.m.	I
9:15-9:30 a.m.	J	1:45-2:00 p.m.	3	7:15-7:30 p.m.	J
9:30-9:45 a.m.	K	2:00-2:15 p.m.	4	7:30-7:45 p.m.	K
9:45-10:00 a.m.	L	2:15-2:30 p.m.	5	7:45-8:00 p.m.	L
10:00-10:15 a.m.	M	2:30-2:45 p.m.	6	8:00-8:15 p.m.	M
10:15-10:30 a.m.	N	2:45-3:00 p.m.	7	8:15-8:30 p.m.	N
10:30-10:45 a.m.	O	3:00-3:15 p.m.	8	8:30-8:45 p.m.	O
10:45-11:00 a.m.	P	3:15-3:30 p.m.	9	8:45-9:00 p.m.	P
11:00-11:15 a.m.	Q			9:00-9:15 p.m.	Q
11:15-11:30 a.m.	R			9:15-9:30 p.m.	R

The first time bracket in the trading session of each respective futures or options contract will be less than 15 minutes, as determined by the Exchange for each particular contract, and will be designated by a "dollar" sign "\$".

The last time bracket in the trading session of each respective futures or options contract will be one minute or less, as determined by the Exchange for each particular contract, and will be designated by a "percent" sign "%"; provided however, that each respective contract's close may be expanded or reduced by an amount of time which shall not exceed one minute due to unique market conditions on a particular trade date as determined in the discretion of each futures or options Pit Committee. These time constraints do not apply to contracts which close by public

call. Any closing period other than that established by the Exchange shall be communicated to the market at least five minutes prior to the commencement of the revised close for that date.

The modified closing call in the trading session of each respective futures or options contract, as applicable, will be designated by a "pound" sign "#".

If the member executing the trades does not submit a bracket designation to the clearing member, the clearing member shall enter "?" as the bracket designation when submitting the record of such transaction to the Clearing Services Provider. [] (01/01/04)

332.03 Customer Type Indicator ("CTI") Codes - Each clearing member must identify each transaction executed on the Floor of the Exchange or on e-cbot, on the record of transactions that it submits to the Clearing Services Provider, with the correct customer type indicator ("CTI") code. The CTI codes are as follows:

CTI 1: Electronic Trading and Open Auction - Applies to transactions initiated and executed by an individual member for his/her own account, for an account he/she controls, or for an account in which he/she has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading and Open Auction- Applies to orders entered/trades executed for the proprietary accounts of a member firm or member firm affiliate, as defined in Regulations 230.02 or 230.03. Members initiating and executing trades by open auction for the proprietary accounts of a member firm may participate in the Exchange's CTI 2/1 Conversion Program.

CTI 3: Electronic Trading- Applies to orders entered by a member or a non-member Registered User for the account of another individual member or an account controlled by such other individual member.

CTI 3: Open Auction- Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading and Open Auction - Applies to all orders/transactions not included in CTI categories 1, 2, or 3. These typically are orders entered by or on behalf of non-member entities.

332.04 Records of Floor Traders - Each member executing transactions on the Floor of the Exchange for his or her personal account, who uses trading cards as his or her original record of such transactions, must use pre-printed sequentially pre-numbered trading cards. A new trading card must be used at the beginning of each time bracket as designated in Regulation 332.02.

Each member who uses trading cards must record the transactions in non-erasable ink in exact chronological order of execution on sequential lines of the trading card, and no lines may be skipped. Provided, however, that if lines remain after the last execution recorded on a trading card, the remaining lines must be marked through. All transactions which are recorded on a single trading card must be recorded on the same side of such trading card. No more than six transactions may be recorded on each trading card.

The trading cards must contain pre-printed member identification which will include, but will not be limited to, the trading acronym and the full name of the member. The trading cards must also contain preprinted bracket designations. Such trading cards must be distinguishable from other trading cards used by the member during a one week period.

Members who use an approved electronic device to record their trades, whether as an original record, or subsequent to recording their trades on trading cards, must record their trades on the device in the exact sequence in which they were executed and must ensure that the correct time bracket is entered for each transaction.

332.05 Card Collection - At such times and in such manner as designated by the Exchange, each member shall provide his clearing member with any trading documents which are relied upon for transactional information necessary for submission to the clearing system containing those trades that have been executed thus far during that day. Trading documents include trading cards of members' personal and proprietary trades, trading cards of one member reflecting trades of another member and floor order tickets.

A member may correct any errors on trading documents by crossing out erroneous information without obliterating or otherwise making illegible any of the originally recorded information. Alternatively, with regard to trading cards only, a member may correct any errors by rewriting the trading card. However, if a trading card is rewritten to correct erroneous information, the member shall provide his clearing member with the top ply of the original trading card, or in the absence of plies, the original trading card, which has been subsequently rewritten, in accordance with the same collection schedule designated by the Exchange for trading documents relied upon for clearing purposes.

Following the collection of the above-stated documents, the clearing member shall ensure that all such documents receive an Exchange-designated time stamp upon collection. (12/01/96)

332.06 Records of Proprietary Orders - Immediately upon receipt on the Floor of the Exchange of an order from a proprietary or house account, each member or member firm shall prepare a written record of the order unless such order is immediately entered into an approved electronic device. Such written record shall be dated and time stamped when the order is received and shall show the account designation.

Such written records of proprietary orders of both clearing and non-clearing member firms need not be prepared if the members executing such transactions on the Floor of the Exchange are employed by such member firms and meet the recordkeeping requirements set forth in Regulation 332.04. However, such members must register with the Exchange and may not trade for their personal accounts. The executing members may record proprietary orders in this manner if they have initiated such orders, or if their employing firm has placed proprietary orders with them for execution. (10/01/00)

332.07 **Accountability of Trading Documents** - Each member executing transactions on the Floor of the Exchange, and his clearing member(s), shall establish and maintain procedures that will assure the complete accountability of all trading cards used in the execution of trades for the member's personal account, whether or not the information on such trading cards is also entered into an approved electronic device.

A member is accountable for all other documents used by the member in the execution of trades made for others, including broker cards on which original trade information is recorded, whether or not such trades are also electronically endorsed.

Floor brokers who record flashed order executions on broker cards must record on the broker card, the corresponding clearing firm number and order ticket number for every flashed order execution. In addition, floor brokers who record flashed order executions on broker cards must use non-erasable ink and may correct any errors by crossing out the erroneous information without obliterating or otherwise making illegible any of the originally recorded information. (12/01/96)

332.08 **CTR Recordkeeping and Data Entry Requirements** - Pursuant to Regulations 332.02, 332.04, 332.05, 332.06, 332.07 and 332.09, each member and member firm shall keep, in an accurate and complete manner, all records required to be made or maintained under the Rules and Regulations regarding submission of data to the Exchange or the Clearing Services Provider for CTR purposes. All trade data submissions must be done in a correct and timely manner.

Trade data includes, but is not limited to, the time bracket, executing broker, opposite broker, transaction type, customer type indicator ("CTI") code (as defined in Regulation 332.03), trade timing and trade sequencing information.

If the member executing the trade does not provide the required data to the clearing member, the clearing member shall enter "?" as the designation when submitting the record of such transaction to the Clearing Services Provider. If the trade cannot clear without the specific information, it is the clearing member's obligation to enter a "?" designation and to obtain

promptly from the member who executed the trade the complete and correct information concerning the trade. (01/01/04)

332.09 Member Trading for Another Member on the Trading Floor -

- (a) At the time of execution, every order, which is not reduced to writing, that a member receives from another member who is present on the trading floor, must be recorded in writing unless such order is immediately entered into an approved electronic device. The member executing the order must record the time of execution to the nearest minute on any trading card or other document used to record the trade and must return this card or document to the initiating member.

A member placing a verbal order, except for orders involving options-futures combinations and other spread trades where the initiating member personally executes at least one leg of the spread, shall simultaneously make a written record of the order and record the time of placement to the nearest minute or simultaneously enter the order into an approved electronic device. If a written record is made, the order and the time shall be recorded on the member's trading card, which shall be in sequence with other trading cards used by that member. Any trading card used to record the placement of the verbal order and any trading card or document used to record the execution of the order must be submitted together to the clearing member by the member placing the order or designated representative in accordance with the collection schedule established by the Exchange.

- (b) Every written order that is initiated by a member for his own account, or an account over which he has control, while on the Exchange Floor, must be dated and time stamped upon transmission for execution, and when returned or, in the case of an arbitrage or a flashed transaction, when confirmed or cancelled. (08/01/94)

332.10 Records of Customer Orders - Each member who, on the Floor of the Exchange receives a customer's order which is not in the form of a written or electronic record including the account identification, order number and date and time, to the nearest minute, such order was received on the Floor of the Exchange, shall immediately upon receipt thereof prepare a written or electronic record of such order, including the account identification, unless the order qualifies for and is executed pursuant to and in accordance with CFTC Regulation 1.35(a-1)(5), and order number, and shall record thereon, by timestamp or other timing device, the date and time, to the nearest minute, such order is received. Non-erasable ink must be used to record all such information in the case of a written record. (11/01/94)

332.11 Changers – The Exchange shall permit a clearing firm to act as a changer, subject to the provisions below, for the purpose of engaging in changing transactions involving CBOT mini-sized Corn, mini-sized Soybean or mini-sized Wheat futures contracts and their full-sized counterparts. A changing transaction involves the purchase or sale of a commodity between a changer and another member, which on the part of the changer is part of a spreading transaction between a mini-sized contract and its corresponding full-sized contract.

A. Application and Notices

1. A clearing member firm desiring to act as a changer for one or more of the mini-sized contracts specified in this Regulation, shall make an application to the

Exchange, in the manner prescribed by the Exchange. The Exchange may approve changers consonant with the needs of the Exchange, considering such matters as liquidity in the relevant contracts, space and physical facilities required for changing, financial capability of the applicant, the number and character of the relevant contracts, and the number and capacity of changers already in a particular commodity.

2. A changer shall notify the Exchange of the names of its changer's representatives who will accept orders for changing transactions, and any changes thereto.
3. A changer shall file with the Exchange, notice of any limitations on the extent to which it will make its services available, and of any changes to such limitations, one day prior to their effective date. The Exchange may disapprove any such limitations.

B. Execution of Changing Transactions

1. A changer shall maintain a representative on the trading floor at all times during open auction trading hours to accept orders for changing transactions.
2. A member may give an order to a changer's representative, who shall immediately place such order for execution in the pit for the relevant full-sized contract. A changer may not unreasonably refuse to accept any order that is consistent with its authorization to act as a changer.
3. If filled, the member placing the order and the changer's representative shall be deemed to have executed a changing transaction wherein the full-sized commodity purchased (sold) has been sold to (bought from) the member placing the order, on and subject to the rules of the Exchange.
4. When a changer purchases (sells) a full-sized commodity, it may mark up (down) the price of the purchase (sale) when making the corresponding sale to (purchase from) the member placing the order, by the amount of its changing fee. The changer shall disclose the amount of its current changing fee, prior to accepting any particular order for a changing transaction.
5. Rule 336.00, Bids and Offers Subject to Partial Acceptance, shall not apply to the execution of a changing transaction.

C. Recordkeeping and Clearing

1. An order for a changing transaction must be documented and time-stamped in the same manner as a customer order, in accordance with Regulation 465.01.
2. A changer shall clear its changing transactions through an account exclusively designated for such purpose. This changing account at all times shall be evenly spread between the relevant mini-sized contracts and their full-sized counterparts. However, changer accounts which have e-cbot transactions pending for clearing on the next trade date are exempted from the evenly spread requirement.
3. All changing transactions shall be clearly identified as such by appropriate accounts or symbols on all records of the changer and on the records submitted for clearing.

- D. Fees – Changers may be obligated to pay changer transaction fees to the Exchange, in such amounts, at such times, and in such manner as the Exchange may prescribe.

E. Miscellaneous

1. No changer's representative shall enter into a changing transaction in which he appears as the executing member on each side of the transaction.
2. If applicable, a member futures commission merchant shall disclose to its customers that the price at which a trade is executed on the Exchange may include a changer's fee, and, that the amount of the changing fee, if included in a transaction price, shall be disclosed to a customer upon request.
3. No member or employee of a member shall require, induce or attempt to induce, either directly or indirectly, a floor broker or member to execute any transaction through a changing transaction or to utilize the services of a particular changer or changer's representative.
4. No member may give a market order, a priced order, or a discretionary order, to a changer's representative except by open auction, nor without first seeking a bid or offer, nor without executing as much as possible in the pit at prices which such member reasonably expects to be the best available. Members may not enter priced orders with a changer that are off the current market in both the mini-sized contract and its corresponding full-sized contract.
5. No member shall give orders to a changer's representative for quantities that he could reasonably expect to execute in the pit for the relevant mini-sized contract. (04/01/03)

333.00 Trades of Non-Clearing Members - (See 207.01) (05/01/06)

333.01 Error Accounts - (See 207.03) (05/01/06)

333.03 Funds in Trading Accounts Carried by Clearing Members - (See 207.04) (05/01/06)

335.00 Bids and Offers Subject to First Acceptance - Any offer made on the Exchange Floor to buy or sell any futures or options contract is subject to immediate acceptance by any other member. All such offers shall be general offers and shall not be specified for acceptance by particular members. 254 (08/01/94)

336.00 Bids and Offers Subject to Partial Acceptance - If an offer is made on the Exchange Floor to buy or sell any specified quantity of any futures or options contracts, such offer shall be deemed an offer to buy or sell all or any part of such specified quantity and, if not immediately accepted for the entire quantity, it may be accepted for a quantity less than specified. Orders or offers to buy or sell a specified quantity or none shall not be allowed, except as specifically provided in Regulation 331.03. 255 (07/01/00)

336.01 Guaranteeing Terms of Execution - Any member or member firm who receives an order to buy or sell a futures or options contract for execution on the Exchange is prohibited from directly or indirectly guaranteeing the execution of the order or any of its terms such as the quantity or price. A member may only report an execution that has occurred as a result of open auction or has been effected through e-cbot.

This regulation shall not be construed to prevent a member or member firm from assuming or sharing in the losses resulting from an error or mishandling of an order. (08/01/94)

337.01 Orders Involving Cancellations Accepted on a 'Not Held' Basis - All orders involving cancellations that reach the Trading Floor 10 minutes or less before the opening or resumption of the market, as applicable, and all orders involving cancellations that reach the Trading Floor 10 minutes or less before the close of the market may involve extraordinary problems and hence will be accepted solely at the risk of the customer on a 'not held' basis.

All orders must be received by the floor broker within a reasonable time prior to the opening, the resumption or the close of the market, as applicable. Such other orders not received by the floor broker within a reasonable time prior to the opening, the resumption or the close of the market will be accepted solely at the risk of the customer on a 'not held' basis. 1847 (09/01/98)

350.01 Failure to Check Trades - If any member or member firm is unable with diligent effort to check any futures or options transaction made with another member or member firm on the Exchange Floor, then such transaction shall be closed out for the account of whom it may concern by the member or member firm claiming the contract at the earliest reasonable opportunity in order to establish any claim for loss because of such failure to check by the other party to the contract. 1811 (08/01/94)

350.02 Responsibility For Customer Orders - A floor broker or member firm shall exercise due diligence in the handling and execution of customer orders. The Exchange's Arbitration Committee is authorized to determine whether a broker or member firm fulfilled their obligations and whether an adjustment is due to the customer. The Committee may consider the nature of the order and existing market conditions, including the existence of a "FAST" market, at the time the broker or member firm acted or failed to act. However, a "FAST" designation does not nullify or reduce the obligations of the floor broker or member firm to execute orders with due diligence according to the terms of the order.

Except in instances where there has been a finding of willful or wanton misconduct, in which case the party found to have engaged in such conduct cannot avail itself of the protections in this provision, neither floor brokers nor member firms, or other persons acting as agents nor any of their officers, directors or employees, shall be liable for any loss, damage or cost (including attorney's fees and court costs), whether direct, indirect, special, incidental, consequential, lost profits or otherwise of any kind, regardless of whether any of them has been advised or is

otherwise aware of the possibility of such damages, arising out of the use or performance of the CBOT's Electronic Order Routing System, any component(s) thereof, or any fault, failure, malfunction or other alleged defect in the Electronic Order Routing System, including any inability to enter or cancel orders, or any fault in delivery, delay, omission, suspension, inaccuracy or termination, or any other cause in connection with the furnishing, performance, maintenance, use of or inability to use all or any part of the Electronic Order Routing System, including but not limited to, any failure or delay in transmission of orders or loss of orders resulting from malfunction of the Electronic Order Routing System, disruption of common carrier lines, loss of power, acts or failures to act of any third party, natural disasters or any and all other causes.

The foregoing shall apply regardless of whether a claim arises in contract, tort, negligence, strict liability or otherwise. The foregoing limitations are cumulative and shall not limit or restrict the applicability of any other limitation or any rule, regulation or bylaw of the Exchange or its Clearing Services Provider. The foregoing shall not limit the liability of any floor broker or member firm, or other person acting as agent or any of their respective officers, directors or employees for any act, incident, or occurrence within their control.

If any of the foregoing limits on the liability of the floor brokers or member firms or other persons acting as agents or any of their officers, directors or employees should be deemed to be invalid, ineffective, or unenforceable and a customer sustains a loss, damage or cost (including attorney's fees and court costs) resulting from use of the Electronic Order Routing System, the entire liability of the floor brokers or member firms and their agents or any of their officers, directors or employees shall not exceed the brokerage commissions and any other charges actually paid by the customer.

Notwithstanding any of the foregoing provisions, this provision shall in no way limit the applicability of any provision of the Commodity Exchange Act, as amended, or Regulations thereunder. (01/01/99)

350.04 Outtrades and Errors and Mishandling of Orders -

A. Outtrades - If a floor broker discovers, either intraday or interday, that all or some portion of a customer order was executed but cannot be cleared, the broker shall do one of the following:

1. Re-execute the order in the market and adjust the customer by check if the re-execution price is worse than the original execution price. If the re-execution price is better than the original execution price, the customer is entitled to the better price.
2. Assign the opposite side of the portion that cannot be cleared to his or her error account and assign a fill to the customer at the execution price. The floor broker shall not liquidate the assigned position until at least ten minutes have elapsed after the execution of the order giving rise to the outtrade and, in any event, after the bracket period in which the outtrade arose has ended. These liquidation restrictions shall not apply to a liquidation during a Modified Closing Call. Any profits resulting from the liquidation of the assigned position belong to the floor broker, and may be retained or

disbursed to whomever he chooses, in his discretion.

B. Unfilled or Underfilled Orders – If a broker fails to execute an order or underbuys or undersells on an order, the broker shall do one of the following:

1. Execute the order or the remainder of the order in the market and adjust the customer by check if the customer is filled at a price less favorable than that to which he was entitled but for the error or mishandling. If the order is filled at a more favorable price, the customer is entitled to the better price.
2. Execute the order or the remainder of the order in the market. If the order, or the remainder of the order, is filled at a worse price than that to which it was entitled but for the error or mishandling, the broker may allocate the fill to his error account and assign the opposite side of the order to his error account at the price to which the customer was entitled. If the order is filled at a more favorable price, the customer is entitled to the better price.

C. Wrong Month, Wrong Strike, or Wrong Commodity Executions

When an order has been executed in the wrong contract month, wrong strike price, or wrong commodity, and the erroneous transaction has been placed in the broker's or firm's error account, the error may be corrected by one of the following:

1. Execution of the order in accordance with its terms, with an adjustment by check if the order is executed at a worse price as a result of the mishandling of the order.
2. Execution of a spread transaction, in accordance with Regulation 352.01, whereby one leg of the spread represents the correct execution of the order and the other leg offsets the erroneous position in the error account.

D. Wrong Side of Market Executions

When an order has been executed on the wrong side of the market and the erroneous execution has been placed in the broker's or firm's error account, the error may be corrected as follows:

Execution of the order in accordance with its terms, with an adjustment by check if the order is executed at a worse price as a result of the mishandling of the order.

If a broker overbuys or oversells on an order, the customer is not entitled to any of the excess. A position that has been established in an erroneous or mishandled attempt to execute a customer order must be placed in the error account of the broker or firm responsible for the error or mishandling. Any profits resulting from the liquidation of the trades placed in a broker's or firm's error account belong to the relevant broker or firm, and may be retained or disbursed to whomever they choose at their discretion

In accordance with Regulation 336.01, no broker shall guarantee, directly or indirectly, the execution of an order, or any of its terms, except in the case of a bona fide error or mishandling. (03/01/04)

350.05 Trading Practices - The following acts are prohibited and shall constitute acts detrimental to the welfare of the Exchange (except as permitted under Regulation 331.05). This Regulation shall apply to all persons subject to the jurisdiction of the Exchange, and, unless

otherwise specified, shall apply to both the open auction market and the e-cbot market.

- (a) No person shall purchase any futures contract, purchase any call option or sell any put option for his own account, or for any account in which he has an interest, or for an account over which he has discretionary trading authority, while in possession of any executable order of another person for the purchase of any futures contract, the purchase of any call option or the sale of any put option in the same product.
- (b) No person shall sell any futures contract, sell any call option or purchase any put option for his own account, or for any account in which he has an interest, or for an account over which he has discretionary trading authority, while in possession of any executable order of another person for the sale of any futures contract, the sale of any call option or the purchase of any put option in the same product.
- (c) No person shall execute a transaction in the trading pit for an account over which he has discretionary trading authority.

The above restriction shall not apply to:

- 1. transactions for another member of the Exchange for an account owned by such member;
 - 2. transactions for members of such person's family which include; spouse, parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, or in-law;
 - 3. transactions for proprietary accounts of member firms.
- (d) No person shall disclose at any time the existence or terms of an order that has not been disclosed to the market, except at the request of an authorized representative of the Exchange or of the Commission. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this Regulation. However, nothing herein shall alter or waive a person's responsibility to comply with existing provisions of the Commodity Exchange Act, Commission Rules, and the Rules and Regulations of the Exchange. Furthermore, it shall be a violation of this Regulation for any individual to solicit or induce a person to disclose order information in a manner prohibited by this Regulation.
 - (e) No person shall take, directly or indirectly, the other side of any order of another person revealed to him by reason of his relationship to such other person, except with such other person's prior consent and in conformity with Exchange rules, except as provided in Regulations 331.05, 331.06, 331.08, or 9B.13, or except for transactions done in accordance with Regulation 350.04 to resolve bona fide errors or outrades.
 - (f) No person shall make any purchase or sale which has been pre-arranged, except as permitted under Regulations 331.05, 331.06, and 331.08..
 - (g) No person shall withhold or withdraw from the market any order or part of an order for the benefit of any person other than the person placing the order.
 - (h) No person shall execute any transaction on the Floor of the Exchange after the closing bell except in a call market close.
 - (i) No person shall buy and sell as an accommodation at any time or, except as specifically

provided in Regulations 331.04 and 9B.13, to use one order to fill another order, or any part thereof.

- (j) No party to an open auction transaction shall fail to properly notify the pit recorder of the price at which trades have been consummated.
- (k) No person shall allocate executions of orders in any manner other than an equitable manner.

350.07 Checking and Recording Trades - Members executing transactions on the Exchange Floor must within fifteen minutes after each transaction confirm with the opposite member trader every execution of a futures transaction with respect to executing member, price, quantity, commodity, delivery month and respective clearing members, and with respect to options transactions, premium and option series. Each record of transactions must show the relevant foregoing information and also must include and clearly identify the date and appropriate time bracket, and the opposite executing member.

350.08 Notification of Uncleared Trades - Any clearing firm that is unable with diligent effort to resolve a transaction that fails to clear with another clearing firm, shall notify the floor member who executed the transaction of the outrade. Such notice shall be given prior to the following day's open auction trading hours opening or resumption, as applicable.

In all cases, such notice shall be given in sufficient time prior to the open as to allow the floor member to make provisions for any adjustment.

The opening range or resumption range, as applicable, of the following day's open auction trading hours shall be the limit of liability as a result of an outrade.

(09/01/98)

350.11 Resolution of Outtrades - Outtrades shall be resolved in accordance with Regulation 350.04 or by issuing a check in an amount agreed to by the members making the trade(s).

A. Price Outtrades

When an outrade exists due to a discrepancy as to price, members making the trade may choose to resolve the discrepancy by electing either of the two prices in question, if they agree that the trade was executed at that price.

If an outrade involves a price discrepancy between a local and a broker, and the members cannot agree on the price of execution, the price recorded by the broker shall be used to clear the trade.

If an outrade between locals or an outrade between brokers involves a price discrepancy, and these members cannot agree on the price of execution, the buyer's price shall be used to clear the trade.

B. Quantity Outtrades

When an outtrade exists due to a discrepancy as to quantity, members making the trade may choose to resolve the discrepancy by electing either of the two quantities in question, if they agree that the trade was executed in that quantity.

If any outtrade between locals involves a quantity discrepancy and these members cannot agree on the quantity that was executed, the higher quantity shall be used to clear the trade.

A broker may assign the opposite side of any excess quantity on his order, which he believes that he has executed, to his error account, pursuant to Regulation 350.04, and he may agree to the clearing of the transaction according to the quantity recorded by the other member, whether the other member was a broker or a local.

C. Bona Fide Contract Month, Strike, Put vs. Call and Side of Market (Buy vs. Buy or Sell vs. Sell) Outtrades

When an outtrade exists due to a discrepancy as to the contract month, strike price, whether an option trade involved a put or a call, or side of the market, and any party who executed a customer order believes that the order has been executed in accordance with its instructions, the outtrade may be resolved in any one of the following ways:

1. The trade may be busted. If a broker re-executes his order, any losses incurred by the customer as a result of the delay in execution must be adjusted by check. If the order is executed at a more favorable price, the customer is entitled to the better price.
2. The members making the trades(s) may agree that either trade or both trades may be cleared in accordance with the members' recorded trade data.
3. A broker may assign the opposite side of his own order to his error account, pursuant to Regulation 350.04, and he may agree to the clearing of the transaction according to the terms of the other member's recorded trade data, whether the other member was a broker or a local.
4. If both members were brokers, they may both assign their respective trades to their error accounts, pursuant to Regulation 350.04.

A customer shall not be entitled to any portion of any profits realized by a local who was on the opposite side of an outtrade between the local and the customer's broker, as a result of the local's liquidation of his position. Such profits belong to the local, and may be retained or disbursed to whomever he chooses, in his discretion. If the local chooses to disburse any portion of such profits to the broker, and the broker's customer has received a fill in accordance with the broker's recorded trade data, the broker is not obligated to offer such profits to this customer.

It shall be an offense against the Exchange for members to prearrange a trade to reconcile an outtrade.

Nothing herein shall in any way limit a member's right to submit an outtrade to Exchange arbitration if an outtrade cannot be resolved by agreement. (04/01/05)

352.01 Spreading Transactions - A spread transaction involving options, or the purchase and sale of different futures, at a price or yield difference or simultaneously at a separate price for each side of the spread is permitted on this Exchange subject to the following conditions:

1. Each side of the spread (the purchase of one future and the sale of another future) must be for the same account, or in the case of spreads in options, all sides must be for the same account. Provided that, when an order has been executed in the wrong month, wrong strike price or wrong commodity, and the erroneous transaction has been placed in the broker's or firm's error account, the error may be corrected by a spread transaction in which one leg of the spread offsets the position in the error account and the other leg is the correct execution of the order, in accordance with Regulation 350.04.
2. All sides of the spread must be priced at prices within the daily trading limits specified in Regulation 1008.01, if any.
3. The spread must be offered by open auction in the pit assigned to the commodity(ies) or option(s) involved, or on e-cbot, as permitted.
4. The transaction shall be reported, recorded and publicized as a spread in the ratio in which it was executed.
5. When such transactions are executed simultaneously on the Floor of the Exchange, the executing member on each side of the transaction shall designate each part of the trade as a spread on his written or electronic record of the transaction by an appropriate word or symbol clearly identifying each part of such transaction.
6. Spreads involving options must conform to one of the following definitions, any multiple or combination of these strategies, or any generally accepted relationship between options and the underlying futures, including but not limited to:
 - a. Vertical and Horizontal Spreads. Short one call (put) and long another call (put) with a different strike price and/or expiration month.
 - b. Straddles. Short (long) puts and calls in a generally accepted spread ratio.
 - c. Conversions and Reverse Conversions. Short (long) calls, long (short) puts, and long (short) futures in a generally accepted spread ratio.
 - d. Butterflies. Two vertical spreads which share one common strike price.
 - e. Boxes. Long a call and short a put at one strike price and short a call and long a put at another strike price.
 - f. Synthetic Straddles. Long (short) futures and short (long) calls or long (short) puts in a generally accepted spread ratio.
 - g. Ratio Spreads. Long calls (puts) and short calls (puts) in a generally accepted spread

- ratio.
- h. Ratio Writes. Short calls (puts) and long (short) futures in a generally accepted spread ratio.
 - i. Ratio Purchases. Long calls (puts) and short (long) futures in a generally accepted spread ratio.
 - j. Synthetic Futures. Long calls (puts) and short puts (calls) in a generally accepted spread ratio.
7. In executing a ratio spread on the Floor of the Exchange, a member shall bid or offer by open auction either both the spread portion at a price difference and the remaining portion (i.e., the "tails") at a specific price for each, or the entire ratio spread at a separate price for each side of the transaction. A ratio spread that is executed on the Floor, and if applicable, each part of it, must be executed competitively by open auction in accordance with this regulation and Rule 332.00. A bid or offer for a ratio spread is subject to partial acceptance in ratioed units in accordance with Rule 336.00.
8. For spread transactions at a yield difference the following conditions must be met:
- a. One side of the spread must be a yield-based futures contract, i.e., where the final contract settlement price is calculated by subtracting a yield measurement from 100.
 - b. The sides must be priced at the price spread implied by the yield spread.
 - c. The prices for Short, Medium, and Long Term U.S. Treasury Note and U.S. Treasury Bond futures are those implied by the system of conversion factors for standardized delivery invoicing, as calculated and published by the Exchange.
 - d. The prices for the yield-based futures contracts are calculated by subtracting the yield from 100.
 - e. The yields are quoted in increments no smaller than one half basis point.
 - f. The Exchange has designated the spread for trading on a yield basis.

Brokers may not couple separate orders and execute them as a spread, nor may a broker take one part of a spread for his own account and give the other part to a customer on an order, except as provided in paragraph 1 of this Regulation. (08/01/00)

352.01A Unacceptable Spread Orders - Certain orders that involve the trading of different contracts, when the contracts involved are traded in different designated trading pits and when the resulting positions do not offset to reduce economic risk, do not represent legitimate spreading transactions and are specifically deemed to be unacceptable orders. Such transactions must be executed on separate orders in the respective designated trading areas. The foregoing provisions apply to, but are not limited to, the following examples:

There are separate trading pits for options and futures. An order to buy a put (or sell a call) and sell the underlying future establishes a short position only, and therefore there is no offsetting feature. An order to sell a put (or buy a call) and buy the underlying future establishes a long

position only, and therefore there is no offsetting feature. These orders are unacceptable as spread orders. (08/01/94)

360.01 Supervisory and Enforcement Authority of the Pit Committees - In conjunction with the Floor Conduct Committee, it shall be the function and duty of the Pit Committees to supervise and enforce decorum within their respective trading pits.

1. Supervision and Enforcement of Pit Decorum.

Each Pit Committee shall have the authority over its respective pit to issue a decorum ticket to any individual who has committed a decorum offense within the pit. This authority is in addition to the authority given to the Floor Conduct Committee in Regulation 519.01. A ticket may be initiated by any member of the Pit Committee in accordance with the Pit Committee member's duty to enforce decorum standards within the pit. Additionally, any Exchange member may request that a ticket be initiated for an alleged decorum offense that occurs within a trading pit by requesting that a Pit Committee member in that pit issue a ticket. Non-members may request that a ticket be initiated for alleged decorum violations involving physical abuse or harassment.

For decorum offenses that do not involve a physical altercation, disorderly conduct or harassment, the ticket will reflect a warning or summary fine in accordance with Ruling 520.00A. The recipient of a summary fine may pay the summary fine or request a hearing before the Floor Conduct Committee. Tickets involving a physical altercation, disorderly conduct or harassment will be referred to the Floor Conduct Committee, which will hold a hearing. The initiator of the ticket, the recipient of the ticket and any party involved in the decorum incident may be required to appear at the hearing held before the Floor Conduct Committee. Failure to comply with a request to appear before the Floor Conduct Committee may be deemed an act detrimental to the welfare of the Exchange.

Each ticket issued by a Pit Committee shall be signed by two Pit Committee members, including at least one Pit Committee officer. Tickets shall be submitted to designated Exchange staff who shall give the individual written notification of the ticket, including any summary fine or requirement to appear before the Floor Conduct Committee.

It shall be the function and duty of the Pit Committees to supervise and enforce trading etiquette within their respective trading pits.

2. Supervision and Enforcement of Pit Etiquette Standards

Each pit, by and through its Pit Committee, shall be responsible for determining the nature and extent of its pit etiquette standards, subject to the approval of the Floor Governors Committee. A pit etiquette ticket may be initiated by any member of the Pit Committee in accordance with the Pit Committee member's duty to enforce etiquette standards within the pit. Additionally, any Exchange member may request that a member of the Pit Committee issue an etiquette ticket to any member who has[d] allegedly violated the pit's etiquette standards. Each etiquette ticket must, however, be signed by an officer of the Pit Committee to be valid. An officer who initiates a ticket cannot also authorize the ticket.

The issuance of an authorized etiquette ticket does not, in itself, constitute a violation of an Exchange Rule or Regulation. However, the Pit Committee can, at any time, choose to refer an egregious etiquette violation, or a pattern of etiquette violations, to the Floor Governors Committee. Prior to making such a referral, the recipient of the ticket will be required to

appear before the Pit Committee. A simple majority of a Pit Committee quorum shall be required to refer an etiquette matter to the Floor Governors Committee.

Tickets referred to the Floor Governors Committee will serve as the basis of OIA's investigation, and the tickets may be submitted as evidence in support of OIA's case before the Floor Governors Committee. However, OIA will conduct its own distinct investigation of the matter. The Floor Governors Committee may impose disciplinary action pursuant to the general provisions of Exchange Rule 500.00 (Inequitable Proceedings) and/or Rule 504.00 (Acts Detrimental to the Welfare of the Exchange). (04/01/05)

Additions are underlined; Deletions are ~~struck through~~.

444.01 Transfer Trades - (Sec 331.06)

~~Transfer trades, or office trades, may be made upon the books of a futures commission merchant, solely for the purposes of:~~

~~(a) transferring existing trades from one account to another carried by the same futures commission merchant where no change in ownership is involved;~~

~~(b) transferring existing trades from an account carried by one futures commission merchant to an account carried by another futures commission merchant where no change in ownership is involved, provided that no such transfer may be made for the purpose of evading and avoiding delivery on such trades and provided further that if such transfer is made after receipt from the Clearing Services Provider of a notice of intention to deliver applicable to such trades, then the notice of intention to deliver must be passed through the Clearing Services Provider along with the trades so transferred and the Clearing Services Provider shall thereupon pass the notice of intention to deliver to the futures commission merchant carrying the account to which such transfer has been made and delivery shall be taken by such futures commission merchant. All such transfer trades shall be designated as such and must be cleared through the Exchange's Clearing Services Provider in the manner provided by the Clearing Services Provider;~~

~~(c) exchanging futures for, or in connection with, cash commodities, swap transactions, or over-the-counter derivative transactions, as specified in Regulation 444.04;~~

~~(d) to establish the prices of cash commodities;~~

~~(e) correcting errors on cleared trades, provided that the original trade record confirms the error, and such transfers are identified in the manner required by the Exchange's Clearing Services Provider; or~~

~~(f) transferring trades executed on behalf of another futures commission merchant from the account of the executing futures commission merchant to the account of the other futures commission merchant or its customer where no change of ownership is involved ("give up transactions"), provided that such give up transactions are identified in the manner required by the Clearing Services Provider.~~

~~The Business Conduct Committee ("BCC"), or designated staff pursuant to delegated authority, may, in its discretion, upon written request, exempt a transfer trade from the requirements of this Regulation provided that the transfer trade is made for the purpose of combining the positions held by two or more commodity pools which are operated by the same commodity pool operator and traded by the same commodity trading advisor, pursuant to the same strategy, into a single account so long as the transfer does not result in the liquidation of any open positions, and the pro rata allocation of interests in the consolidating account does not result in more than a de minimis change in the value of the interest of any pool participant. Additionally, the BCC, or designated staff pursuant to delegated authority, in its discretion, upon written request, may exempt such other transfers in connection with or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.~~

~~Transfer trades must be made at the same price or prices which appear on the books of the transferring futures commission merchant, and the transfer must also show the date when such trade or trades were originally made. However, the BCC, or designated staff pursuant to delegated authority, in its discretion, upon written request, may permit the transfer of positions at settlement price if such transfer is made as a result of, or in connection with, a merger, asset purchase, consolidation or similar non-recurring transaction where the entity to which the positions are transferred becomes a successor in interest to the entity from which the transfer originated. All such transfers shall retain the original trade date of the positions. Additionally, those transfers involving a debtor, as defined by and in accordance with Regulation 272.02, shall retain the original trade date for purposes of delivery but shall be entered on the books of the transferee at the settlement price on the day of the transfer.~~

~~The parties to transfer trade transactions shall provide to the Clearing Services Provider all information with respect to such transactions as shall be required by the Clearing Services Provider, in the form and manner required by the Clearing Services Provider. (01/01/06)~~

444.02 Transfer Trades for Purpose of Offsetting DJIAsm Futures - (See 331.07)

~~With the consent of the account controller, a clearing member may:~~

~~Offset and liquidate long mini-sized Dow (\$5 Multiplier) futures positions against short DJIA Index futures positions, or short mini-sized Dow (\$5 Multiplier) futures positions against long DJIA Index futures positions, held in the same contract month and year and in the same account in a ratio of 2 (two) mini-sized Dow (\$5 Multiplier) contracts to 1 (one) DJIA Index contract.~~

~~Offset and liquidate long mini-sized Dow (\$5 Multiplier) futures positions against short DJIA Index (\$25 Multiplier) futures positions, or short mini-sized Dow (\$5 Multiplier) futures positions against long DJIA Index (\$25 Multiplier) futures positions, held in the same contract month and year and in the same account in a ratio of 5 (five) mini-sized Dow (\$5 Multiplier) contracts to 1 (one) DJIA Index (\$25 Multiplier) contract.~~

~~Offset and liquidate long DJIA Index futures positions against short DJIA Index (\$25 Multiplier) futures positions or short DJIA Index futures positions against long DJIA Index (\$25 Multiplier) futures positions, held in the same contract month and year and in the same account in a ratio of 5 (five) DJIA Index contracts to 2 (two) DJIA Index (\$25 Multiplier) contracts.~~

~~The clearing member shall notify the Clearing Services Provider of offsetting positions by submitting reports to the Clearing Services Provider in such form and manner as the Clearing Services Provider shall specify. The positions being offset shall be transferred to a holding account at the Clearing Services Provider and long and short positions in the same contract month in the holding account will be netted, thus reducing the number of open positions in such contract. (03/20/06)~~

444.03 Give-Up Transactions - (See 331.10)

~~The futures commission merchant ("executing FCM") executing a trade on behalf of another futures commission merchant (the "carrying FCM") (including such carrying FCM's customers) must submit the trade to the Clearing Services Provider for clearing, and remains responsible for the clearing and settlement of such trade as prescribed by the Clearing Services Provider. Executing FCMs and carrying FCMs must utilize an automated invoicing system for commission~~

payment resulting from give up transactions, as determined by the Exchange. Notwithstanding the foregoing, the executing FCM, carrying FCM and, as applicable, the customer on the account at the carrying FCM for which the trade is executed, may by agreement set out their respective obligations and financial responsibility to one another relating to the transfer of the trade. (01/01/06)

444.04 Exchange of Futures for Related Transactions - (See 331.08)

(a) ~~The following transactions may be executed outside of the Exchange's central markets, in accordance with the requirements of this Regulation.~~

~~(i) Exchanges of futures for, or in connection with, cash commodities ("Exchange for Physical Transactions" or "EFPs"). EFPs may be executed in all CBOT futures contracts.~~

~~(ii) Exchanges of futures for, or in connection with, swap transactions ("Exchange for Swap Transactions" or "EFSs"). EFSs may be executed only in U.S. Treasury Bond futures; Long Term, Medium Term, and Short Term U.S. Treasury Note Futures; Dow Jones AIG Commodity Indexsm Futures; and 10 Year and 5 Year Interest Rate Swap Futures; and~~

~~(iii) Exchanges of futures for, or in connection with, over the counter derivatives ("OTC") transactions ("Exchange for Risk Transactions" or "EFRs"). EFRs may be executed only in CBOT agricultural commodity futures and in U.S. Treasury Bond Futures; Long Term, Medium Term, and Short Term U.S. Treasury Note Futures; Dow AIG Commodity Indexsm Futures; 30 Day Fed Fund Futures and 10 Year and 5 Year Interest Rate Swap Futures. The OTC component of an EFR must comply with any applicable regulatory requirements prescribed by the Commodity Futures Trading Commission.~~

~~(iv) Options on futures are not a permissible component of an EFP, EFS or EFR.~~

For purposes of this Regulation, all EFPs, EFSs and EFRs shall be referred to as Exchanges of Futures for Related Positions.

(b) ~~The Related Position (cash, swap, or OTC derivative) must involve the commodity underlying the futures contract, or must be a derivative, by product or related product of such commodity that has a reasonable degree of price correlation to the commodity underlying the futures contract.~~

(c) ~~An Exchange of Futures for a Related Position consists of two discrete, but related simultaneous transactions. One party must be the buyer of (or have the long market exposure associated with) the Related Position and the seller of the corresponding futures, and the other party must be the seller of (or have the short market exposure associated with) the Related Position and the buyer of the corresponding futures. However, a member firm may facilitate, as principal, the Related Position on behalf of a customer, provided that the member firm can demonstrate that the Related Position was passed through to the customer that received the futures position as part of the Exchange of Futures for Related Position transaction.~~

- ~~(d) The accounts involved on each side of an Exchange of Futures for a Related Position: (a) must have different beneficial ownership; or (b) must be under separate control; or (c) must involve separate legal entities.~~
- ~~(e) The quantity covered by the Related Position must be approximately equivalent to the quantity covered by the futures contracts.~~
- ~~(f) Exchanges of Futures for Related Positions may be entered into in accordance with the applicable trading increments set forth in the rules governing such futures contracts, at such prices as are mutually agreed upon by the two parties to the transaction.~~
- ~~(g) Clearing firms on opposite sides of an Exchange of Futures for a Related Position must subsequently approve the terms of the transaction, including the clearing firm (division), price, quantity, commodity, contract month and date prior to submitting the transaction to the Clearing Services Provider. All Exchanges of Futures for Related Positions must be submitted to the Clearing Services Provider by a clearing firm acting on its own behalf or for the beneficial account of a customer who is a party to the transaction.~~
- ~~(h) Each Exchange of Futures for a Related Position shall be designated as such, and cleared through the Exchange's Clearing Services Provider as if it were a transaction executed in the Exchange's central markets. The transaction shall be submitted to the Clearing Services Provider within the time period and in the manner specified by the Clearing Services Provider.~~
- ~~(i) The time of execution of an Exchange of Futures for a Related Position must be recorded on the futures order ticket, and on the record submitted to the Exchange's Clearing Services Provider.~~
- ~~(j) Parties to any Exchange of Futures for a Related Position must maintain all documents relevant to the futures and the cash, swap, or OTC transactions, including all documents customarily generated in accordance with cash or other relevant market practices and any documents reflecting payment and transfer of title, and must provide such documents to the Exchange upon its request. (01/01/06)~~

444.05 Transfer Trades and Exchanges of Futures for Related Positions in a Delivery Month - (See 331.09)

~~During the delivery month and 2 business days prior to the first delivery day, transfer trades, or Exchanges of Futures for Related Positions, as described in Regulation 444.04, for the purpose of offsetting existing positions where no change of ownership is involved, are prohibited when the date of execution of the position being transferred, or the futures component of the Exchange of Futures for Related Position, is not the same as the transfer or Exchange of Futures for Related Position trade date. Positions carried at the same or different futures commission merchants for the same owner 2 business days prior to a delivery month and thereafter are required to be offset through open auction or on e-bot, as applicable, or fulfilled through the normal delivery process. Where the positions are carried at different futures commission merchants, the receiving firm has the responsibility to assure compliance with this regulation (01/01/06)~~

922.00 Holidays - The following days are declared to be holidays: New Year's Day (January 1), Martin Luther King, Jr. Day (3rd Monday in January), Washington's Birthday (3rd Monday in February), Good Friday, Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (1st Monday in September), Thanksgiving Day (4th Thursday in November) and Christmas Day (December 25).

When any such holidays fall on Sunday, the following Monday shall be considered such holiday. When any such holidays fall on Saturday, the immediately preceding Friday shall be considered such holiday.

~~Any day declared to be a holiday by Regulation or Resolution adopted by the Board of Directors of this Exchange. 22 (04/01/05)~~