



20 South Wacker Drive  
Chicago, IL 60606-7499  
www.cme.com

312/930.1000 *tel*  
312/466.4410 *fax*

January 30, 2006

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

RE: SUPPLEMENT to Petition to Comingle Customer Funds Used  
to Margin Contracts Executed in OTC Markets, and Cleared by CME,  
with Other Funds Held in Segregated Accounts.  
CME Submission #06-06.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "the Exchange") certified various Rule amendments enabling a "Substitution" facility or process ("SUB") and "futures-to-the-date" trading in Eurodollar and currency futures per CME Submission #05-103 dated November 21, 2005. The Exchange further petitioned the Commission for relief per Section 4d of the Commodity Exchange Act ("Act") in its CME Submission #05-104 dated November 21, 2005.

Specifically, the Exchange petitioned the Commission for an Order per Section 4d(a)(2) of the Act which would prescribe terms and conditions for the commingling of customer funds associated with certain transactions cleared through the CME and its Clearing House ("CH"). This Order would permit the commingling of customer funds in segregated accounts regardless of whether the transaction was created as a "traded and cleared" futures contract or as a "cleared only" futures contract subject to various terms, conditions and representations. (Note that a precedent in this regard had been established by the CFTC with respect to activities on NYMEX's Clearport platform.<sup>1</sup>)

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<sup>1</sup> See Order of the Commodity Futures Trading Commission dated May 30, 2002 regarding "Treatment of Funds Held in Connection with the Clearing of Over-the-Counter Products by The New York Mercantile Exchange." The Order of May 30, 2002 was further extended to additional markets by Order of the Commodity Futures Trading Commission dated February 10, 2004.

**Ms. Jean A. Webb**  
**January 30, 2006**  
**Page 2 of 2**

In response to further discussions with, and inquiries from, Commission staff in this regard, the Exchange offers the following supplementary representations in furtherance of its petition.

1. CME will, as part of its risk management review process, take appropriate steps to confirm that its clearing members trading in “cleared only” futures “to the date” have the appropriate operational capabilities to manage their resulting positions in the event of a customer default. In particular, clearing members carrying “cleared only” futures “to the date” must meet the trading eligibility requirements set forth in CME Rule 537, SUBSTITUTION OF FUTURES FOR FORWARDS (SUB), by qualifying as an eligible contract participant.
2. CME will take appropriate steps to monitor relevant OTC markets for continued liquidity.
3. CME Clearing Members and omnibus firms will submit large trader information for “cleared only” futures “to the date” in the same manner and formats currently employed to submit large trader information for other futures positions. Note that futures to the date created through the SUB process will thereupon be regarded, managed and reported in the same manner as any other futures booked with the CME Clearing House.

If you require any additional information regarding this matter, please do not hesitate to contact me at 312-466-7469 or via e-mail at [jlabor@cme.com](mailto:jlabor@cme.com). Please reference our CME Submission #06-06 on all future correspondence regarding this notification.

Sincerely,



John W. Labuszewski, Managing Director  
Research & Product Development

CC: Messrs. John Lawton & Robert B. Wasserman, CFTC