



U.S. COMMODITY FUTURES TRADING COMMISSION

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Commodity Futures
Trading Commission

September 27, 2013

Paul Cusenza
Chief Executive Officer
Nodal Exchange, LLC
8056 Leesburg Pike, 3rd Floor
Vienna, VA 22182

Re: Request for the transfer to Nodal Exchange, LLC designated contract market of all associated existing open interest in futures contracts currently trading on the Nodal Exchange, LLC exempt commercial market trading platform.

Dear Mr. Cusenza:

By the submission dated September 23, 2013, Nodal Exchange, LLC (“Nodal” or “Exchange”) has requested that the Commodity Futures Trading Commission (“Commission”) order the transfer of all positions comprising existing open interest in the contracts traded on Nodal’s exempt commercial market (“ECM”) platform to Nodal’s designated contract market (“DCM”), effective September 30, 2013, in conjunction with (1) Nodal’s designation as a contract market pursuant to sections 5(d) and 6(a) of the Commodity Exchange Act (“CEA” or “Act”) as amended by Section 735 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and Part 38 of the Commission’s regulations; and (2) Nodal’s certification of those contracts pursuant to § 5c(c)(1) of the Act and Commission Regulation 40.2.

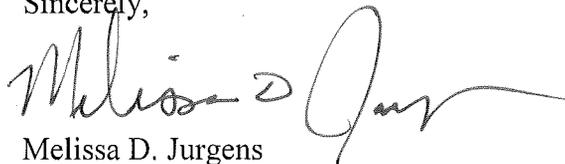
The Commission has reviewed Nodal’s request and has determined to order the transfer of this open interest, concurrent with Nodal’s first date of operation as a DCM and Nodal’s certification of the contracts. The contracts traded on Nodal’s ECM are cleared by LCH.Clearnet Limited (“LCH”) pursuant to a clearing agreement between Nodal and LCH.¹ Nodal and LCH

¹ As you know, LCH is not permitted, under its current DCO registration orders, to clear Nodal Contracts once Nodal begins operating as a DCM. Thus, LCH submitted a draft application for an amended DCO registration order that would permit it to clear, among other things, all futures and options on futures, including Nodal Contracts. LCH and Nodal also requested, by letter dated September 19, 2013, that the Division of Market Oversight and the Division of Clearing and Risk (“Divisions”) grant no-action relief in order to permit LCH to clear Nodal Contracts until the Commission approves or denies LCH’s application for an amended DCO registration order. The Divisions are granting such relief, subject to conditions, by letter dated September 27, 2013. This relief shall expire on the earlier of: (i) March 31, 2014 or (ii) the date upon which the Commission approves or denies LCH’s application for an amended DCO registration order to permit it to clear all futures and options on futures, including Nodal Contracts.

have represented to the Commission that on the same day as designation and certification of the contracts, (a) all open Nodal contract positions will be transferred as required by the accompanying transfer order and represent equivalent open interest; (b) all such existing positions and new positions established thereafter will be cleared by LCH; and (c) as of the transfer and thereafter, all customer funds held by LCH in connection with contract positions on Nodal's DCM will be held in segregated customer accounts in accordance with Section 4d(a) of the Act.

As established by the accompanying order, Nodal must continue to comply with all applicable provisions of the Act, including the requirements of the core principles for contract market designation under § 5(d), and the Commission regulations thereunder. In ordering the transfer of open interest, the Commission is not approving the agreements covering services between Nodal and third parties, including but not limited to agreements between Nodal and LCH. Finally, the Commission notes that Nodal must inform the Commission of any material modification to the operation of the Exchange, including the clearing and settlement agreements with LCH.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa D. Jurgens", with a long horizontal flourish extending to the right.

Melissa D. Jurgens
Secretary of the Commission

Attachment