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Lisa Dunsky
Director and Associate General Counsel
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OFFICE OF THE
SECRETARIAT

May 11, 2011

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20581

Re: Revisions to CME, CBOT and NYMEX Rule 902 (Clearing Membership Assignment Requirements) to eliminate CME Group share-assignment requirement for clearing purposes, and conforming amendments to Rule 913.B.

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), the Chicago Board of Trade, Inc. ("CBOT") and New York Mercantile Exchange, Inc. ("NYMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission that they will adopt revisions to Rule 902 ("Clearing Membership Assignment Requirements") and Rule 913.B that will become effective on May 13, 2011. The text of the rule amendments is attached, with additions underlined and deletions lined through.

CME, CBOT and NYMEX Rule 902.A. currently requires the following CME Group shares to be assigned for clearing membership purposes:¹

Type Of Clearing Member:	CME Group Shares
One exchange only	6,000
Two exchanges	9,000
Three exchanges	12,000

In a clearing member default situation, CME Clearing would have the right to utilize any assets which the defaulting firm has pledged, including CME Group shares, memberships/trading rights, performance bonds and guaranty-fund deposits. Prior to demutualization, the financial-safeguards package was structured so that memberships and shares provided a significant portion of the assets available to CME Clearing. More recently, however, enhancements to the financial-safeguards package have significantly increased the amount of guaranty-fund deposits.

Relative to the entire financial-safeguards package, CME Group shares now comprise a very small portion of the assets available to CME Clearing. Assuming a market value of approximately \$300 per share, the assigned shares of a particular firm are worth approximately \$1.8 million to \$3.6 million (depending upon the number of Exchange clearing memberships the firm has). In light of these changed factual circumstances, CME, CBOT and NYMEX have decided to eliminate the CME Group share-assignment requirement for clearing purposes.

¹ COMEX does not require CME Group shares for clearing membership.

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The Exchanges certify that these changes comply with the Commodity Exchange Act and regulations thereunder. If you require any additional information regarding this action, please contact Anne Bagan, Managing Director, Audits, at 312-930-3140, or via email at Anne.Bagan@cmegroup.com. Please reference our CME/CBOT/NYMEX Submission No. 11-190 in any related correspondence.

Sincerely,

/s/ Lisa Dunsky

Attachments

**CME Rule 902 (Clearing Membership Assignment Requirements)
(Strikeout Version)**

902.A. Assignment Requirement

Subject to exemptions granted by Exchange staff, each CME clearing member shall have at least: two CME memberships, two IMM memberships, two IOM memberships, and one GEM membership and ~~6,000 CME Group Class A Shares assigned to the Clearing House. A clearing member which was an IMM Class A clearing member on or prior to May 6, 1987, shall have at least one CME membership, three IMM memberships, two IOM memberships and, one GEM membership and 6,000 CME Group Class A Shares assigned to the Clearing House. A higher Division membership may be substituted for a lower Division membership to satisfy these requirements.~~

~~A CME clearing member shall at all times have assigned to it at least 9,000 CME Group Class A Shares if it is also either: (a) a NYMEX clearing member or NYMEX Rule 106.J. member firm or (b) a CBOT clearing member or CBOT member firm that has an 6,000 share requirement (including a CBOT clearing member or CBOT member firm with a grandfathered share requirement of 4,725). If the CBOT member firm has a 1,750 share requirement, the combined share requirement will be 7,750.~~

~~A CME clearing member shall at all times have assigned to it at least 12,000 CME Group Class A Shares if it is also both: (a) a NYMEX clearing member or NYMEX Rule 106.J. member firm and (b) a CBOT clearing member or CBOT member firm that has an 6,000 share requirement (including a CBOT clearing member or CBOT member firm with a grandfathered share requirement of 4,725). If the CBOT member firm has a 1,750 share requirement, the combined share requirement will be 10,750.~~

~~Assigned CME Group Class A Shares may not be sold, pledged, hypothecated, lent, reregistered or otherwise transferred without the prior approval of the Exchange. Each clearing member assigning CME Group Class A Shares to the Clearing House hereby acknowledges that the Clearing House has control over such Class A Shares and further agrees to comply with any policies or procedures established by the Clearing House to affect control over CME Group Class A shares.~~

~~At least one CME, one IMM, one IOM and one GEM membership and 50% of the CME Group Class A Shares required for clearing membership pursuant to this Rule must be owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member. One CME, one IMM, and one IOM membership and 50% of the CME Group Class A Shares required for clearing membership may be independently assigned.~~

~~Upon default of a clearing member in meeting its obligations to the Clearing House or upon the Clearing House Risk Committee's determination that a clearing member's financial position jeopardizes the financial integrity of the Clearing House, the Clearing House may direct the sale of any or all of the clearing member's assigned CME memberships and CME Group Class A Shares. The proceeds from the sale of the CME memberships shall be used to satisfy Rule 110 obligations.~~

902.B. [Reserved]

Reserved

902.C. Assignment Process

~~A membership and/or CME Group Class A Shares may be assigned upon the completion of an Exchange-approved form. A membership and CME Group Class A Shares may be assigned on behalf of only one clearing member and may not be subject to any Rule 110 claims at the time of assignment. Upon submitting an assignment form to the Membership Services Department, the membership shall be notified of the assignment. Parties will have ten days after the notification of the assignment to submit any Rule 110 claims against the membership being assigned. After all Rule 110 claims have been resolved to the satisfaction of the Exchange, the membership shall be assigned.~~

902.D. Assignment Substitutions

A clearing member may substitute a membership and/or ~~CME Group Class A Shares~~ for an assigned membership and/or ~~CME Group Class A Shares~~ provided that the clearing member continues to meet the assignment requirements of this Rule.

In the event a clearing member has a valid claim against a member that it qualifies and the member's membership is assigned to another clearing member, the clearing member utilizing the membership for assignment shall have 10 business days to substitute another membership to fulfill the assignment requirements of this Rule.

902.E. Assignment Withdrawal Disputes

In the event a member wants to withdraw his assigned membership over the objection of the clearing member to which the membership is assigned, such member must request permission to do so from Clearing House staff. The request must be in writing with a copy delivered to the clearing member to which the membership is assigned.

902.F. Lien on Memberships and ~~CME Group Class A Shares~~

Each clearing member hereby grants to the Clearing House a first priority and unencumbered lien against all memberships and any ~~CME Group Class A Shares~~ required for clearing membership by the Exchange.

**CME Rule 913.B
(Strikeout Version)**

913.B. Release of Guaranty Fund Deposit, Membership and ~~Class B Share Proceeds and Assignments~~

When a clearing member withdraws from clearing membership (whether voluntarily or involuntarily), its guaranty fund deposit the proceeds from the sale of its memberships and its ~~Class A Shares~~ assigned for clearing qualification or any other deposits required by the Clearing House, and any remaining assets available to the Exchange including, but not limited to, memberships and ~~Class A Shares~~ will be released when Exchange staff determines that the following has occurred: (1) all contracts and obligations with the Exchange have been settled and paid, (2) all sums owing to the Exchange have been paid, (3) all obligations to other members and customers arising out of claims directly related to futures transactions cleared on the Exchange have been paid or otherwise provided for, and (4) all obligations to other members and customers arising out of other arbitration claims filed pursuant to Chapter 6 have been paid or otherwise provided for and (5) the requisite liquidity providers for the Exchange have released the security interest in such clearing member's "Assets" contemplated by Rule 817 in accordance with the terms of the liquidity facility contemplated thereby; provided, however, that in the event that Exchange staff determines that all of the foregoing other than (4) have occurred, the Clearing House Risk Committee may in its discretion authorize the release of such property.

Generally, no such property shall be released prior to the 60th day following the effective date of the clearing member's withdrawal from membership in the Clearing House. Notwithstanding the above, Exchange staff may grant an exemption to the above restriction for good cause shown. Further, for purposes of the paragraph above, all obligations of the withdrawing clearing member to the Exchange, of whatever nature or kind, shall be accelerated and become due and payable upon the effective date provided for in the Clearing House Risk Committee decision to approve the withdrawal.

**CBOT Rule 902 (Clearing Membership Assignment Requirements)
(Strikeout Version)**

902.A. Assignment Requirement

Subject to exemptions granted by Exchange staff, a CBOT clearing member which is registered as an FCM shall have at least two Series B-1 (Full) memberships assigned to the Clearing House, and all other CBOT clearing members shall have at least one Series B-1 (Full) membership assigned to the Clearing House.

~~Subject to exemptions granted by Exchange staff, each CBOT clearing member shall at all times have 6,000 CME Group Class A shares assigned to the Clearing House. CBOT clearing members that are not registered as FCMs and held clearing member status as of July 12, 2007 shall have a grandfathered share requirement of 4,725 CME Group Class A Shares.~~

~~A CBOT clearing member shall at all times have assigned at least 9,000 CME Group Class A Shares if it is also either: (a) a CME clearing member or CME Rule 106.J. equity member firm or (b) a NYMEX clearing member or NYMEX Rule 106.J. member firm.~~

~~A CBOT clearing member shall at all times have assigned at least 12,000 CME Group Class A Shares if it is also both: (a) a CME clearing member or CME Rule 106.J. equity member firm and (b) a NYMEX clearing member or NYMEX Rule 106.J. member firm.~~

~~Assigned CME Group Class A Shares may not be sold, pledged, hypothecated, lent, reregistered or otherwise transferred without the prior approval of the Exchange. Each clearing member assigning CME Group Class A Shares to the Clearing House hereby acknowledges that the Clearing House has control over such CME Group Class A Shares and further agrees to comply with any policies or procedures established by the Clearing House to affect control over CME Group Class A shares.~~

~~At least one Series B-1 (Full) membership and at least 50% of the CME Group Class A Shares required for clearing membership pursuant to this Rule must be owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member, if such clearing member was approved for membership after November 29, 2007. If two Series B-1 (Full) memberships are required for clearing membership, one of those memberships may be independently assigned. The remaining 50% of the CME Group Class A shares required for clearing membership may also be independently assigned.~~

~~A clearing member approved for membership on or before November 29, 2007, may continue to maintain the same number of independent membership assignments and the same ratio of independent CME Group Class A Share assignments as the clearing member held on November 29, 2007. If a clearing member approved on or before November 29, 2007, or a person with an acceptable proprietary interest in the clearing member, subsequently purchases a membership or CME Group Class A Shares and substitutes such asset for one which was previously an independent assignment, such membership or CME Group Class A Shares must thereafter be owned by the clearing member or a person with an acceptable proprietary interest if necessary to meet the minimum requirements of the previous paragraph. Upon default of a clearing member in meeting its obligations to the Clearing House or upon the Clearing House Risk Committee's determination that a clearing member's financial position jeopardizes the financial integrity of the Clearing House, the Clearing House may direct the sale of any or all of the clearing member's assigned CBOT memberships and CME Group Class A Shares. The proceeds from the sale of the CBOT memberships shall be used to satisfy Rule 110 obligations.~~

902.B. [Reserved]

[Reserved]

902.C. Assignment Process

A membership and/or ~~CME Group Class A Shares~~ may be assigned upon the completion of an Exchange-approved form. A membership and ~~CME Group Class A Shares~~ may be assigned on behalf of only one clearing member and may not be subject to any Rule 110 claims at the time of assignment. Upon submitting an assignment form to the Membership Services Department, the membership shall be notified of the assignment. Parties will have ten days after the notification of the assignment to submit any Rule 110 claims against the membership being assigned. After all Rule 110 claims have been resolved to the satisfaction of the Exchange, the membership shall be assigned.

902.D. Assignment Substitutions

A clearing member may substitute a membership and/or ~~CME Group Class A Shares~~ for an assigned membership and/or ~~CME Group Class A Shares~~ provided that the clearing member continues to meet the assignment requirements of this Rule.

In the event a clearing member has a valid claim against a member that it qualifies and the member's membership is assigned to another clearing member, the clearing member utilizing the membership for assignment shall have 10 business days to substitute another membership to fulfill the assignment requirements of this Rule.

902.E. Assignment Withdrawal Disputes

In the event a member wants to withdraw his assigned membership over the objection of the clearing member to which the membership is assigned, such member must request permission to do so from Clearing House staff. The request must be in writing with a copy delivered to the clearing member to which the membership is assigned.

902.F. Lien on Memberships and ~~CME Group Class A Shares~~

Each clearing member hereby grants to the Clearing House a first priority and unencumbered lien against all memberships and any ~~CME Group Class A shares~~ required for clearing membership by the Exchange.

**CBOT Rule 913.B
(Strikeout Version)**

913.B. Release of Security Deposit, Membership and ~~Class B Share Proceeds and Assignments~~

When a clearing member withdraws from clearing membership (whether voluntarily or involuntarily), its guaranty fund deposit the proceeds from the sale of its memberships and its ~~Class A Shares~~ assigned for clearing qualification or any other deposits required by the Clearing House, and any remaining assets available to the Exchange including, but not limited to, memberships and ~~Class A Shares~~ will be released when Exchange staff determines that the following has occurred: (1) all contracts and obligations with the Exchange have been settled and paid, (2) all sums owing to the Exchange have been paid, (3) all obligations to other members and customers arising out of claims directly related to futures transactions cleared on the Exchange have been paid or otherwise provided for, and (4) all obligations to other members and customers arising out of other arbitration claims filed pursuant to Chapter 6 have been paid or otherwise provided for and (5) the requisite liquidity providers for the Exchange have released the security interest in such clearing member's "Assets" contemplated by Rule 817 in accordance with the terms of the liquidity facility contemplated thereby; provided, however, that in the event that Exchange staff determines that all of the foregoing other than (4) have occurred, the Clearing House Risk Committee may in its discretion authorize the release of such property. Generally, no such property shall be released prior to the 60th day following the effective date of the clearing member's withdrawal from membership in the Clearing House. Notwithstanding the above, Exchange staff may grant an exemption to the above restriction for good cause shown. Further, for purposes of the paragraph above, all obligations of the withdrawing clearing member to the Exchange, of whatever nature or kind, shall be accelerated and become due and payable upon the effective date provided for in the Clearing House Risk Committee decision to approve the withdrawal.

**NYMEX Rule 902 (Clearing Membership Assignment Requirements)
(Strikeout Version)**

902.A. Assignment Requirement

Subject to exemptions granted by Exchange staff, each clearing member shall have at least two Exchange memberships in each Division in which it desires clearing member privileges assigned to the Clearing House. In addition, each NYMEX Division Clearing Member shall at all times have assigned to it at least 6,000 CME Group Class A Shares.

A NYMEX Division Clearing Member shall at all times have assigned to it at least 9,000 CME Group Class A Shares if it is also either: (a) a CME clearing member or CME Rule 106.J. equity member firm or (b) a CBOT clearing member or CBOT member firm that has an 6,000 share requirement (including a CBOT clearing member or CBOT member firm with a grandfathered share requirement of 4,725). If the CBOT member firm has a 1,750 share requirement, the combined share requirement will be 7,750.

A NYMEX Division Clearing Member shall at all times have assigned to it at least 12,000 CME Group Class A Shares if it is also both: (a) a CME clearing member or CME Rule 106.J. equity member firm and (b) a CBOT clearing member or CBOT member firm that has an 6,000 share requirement (including a CBOT clearing member or CBOT member firm with a grandfathered share requirement of 4,725). If the CBOT member firm has a 1,750 share requirement, the combined share requirement will be 10,750.

Assigned CME Group Class A Shares may not be sold, pledged, hypothecated, lent, reregistered or otherwise transferred without the prior approval of the Exchange. Each clearing member assigning CME Group Class A Shares to the Clearing House hereby acknowledges that the Clearing House has control over such CME Group Class A Shares and further agrees to comply with any policies or procedures established by the Clearing House to affect control over CME Group Class A Shares.

At least one membership and 50% of the CME Group Class A Shares required for clearing membership pursuant to this rule must be owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member, if such clearing member was approved for membership after July 1, 2009. The second membership and the remaining 50% of the CME Group Class A Shares may be independently assigned.

A clearing member approved for membership on or before July 1, 2009, may continue to maintain the same number of independent membership assignments and the same ratio of independent CME Group Class A Share assignments as the clearing member held on July 1, 2009. If a clearing member approved on or before July 1, 2009, or a person with an acceptable proprietary interest in the clearing member, subsequently purchases a membership or CME Group Class A Shares and substitutes such asset for one which was previously an independent assignment, such membership or CME Group Class A Shares must thereafter be owned by the clearing member or a person with an acceptable proprietary interest if necessary to meet the minimum requirements of the previous paragraph.

Upon default of a clearing member in meeting its obligations to the Clearing House or upon the Clearing House Risk Committee's determination that a clearing member's financial position jeopardizes the financial integrity of the Clearing House, the Clearing House may direct the sale of any or all of the clearing member's assigned memberships and CME Group Class A Shares. The proceeds from the sale of the memberships shall be used to satisfy Rule 110 obligations.

902.B. [Reserved]

902.C. Assignment Process

A membership and/or CME Group Class A Shares may be assigned upon the completion of an Exchange-approved form. A membership and CME Group Class A Shares may be assigned on behalf of only one clearing member and may not be subject to any Rule 110 claims at the time of assignment. Upon submitting an assignment form to the Membership Services Department, the membership shall be notified of the assignment. Parties will have ten days after the notification of

the assignment to submit any Rule 110 claims against the membership being assigned. After all Rule 110 claims have been resolved to the satisfaction of the Exchange, the membership shall be assigned.

902.D. Assignment Substitutions

A clearing member may substitute a membership ~~and/or CME Group Class A Shares~~ for an assigned membership ~~and/or CME Group Class A Shares~~ provided that the clearing member continues to meet the assignment requirements of this Rule.

In the event a clearing member has a valid claim against a member that it qualifies and the member's membership is assigned to another clearing member, the clearing member utilizing the membership for assignment shall have 10 business days to substitute another membership to fulfill the assignment requirements of this Rule.

902.E. Assignment Withdrawal Disputes

In the event a member wants to withdraw his assigned membership over the objection of the clearing member to which the membership is assigned, such member must request permission to do so from Clearing House staff. The request must be in writing with a copy delivered to the clearing member to which the membership is assigned.

902.F. Lien on Memberships and ~~CME Group Class A Shares~~

Each Clearing Member hereby grants to the Clearing House a first priority and unencumbered lien against all memberships ~~and any CME Group Class A shares~~ required for clearing membership by the Exchange.

**NYMEX Rule 913.B
(Strikeout Version)**

913.B. Release of Guaranty Fund Deposit, Membership and ~~Class A Share Proceeds and Assignments~~

When a clearing member withdraws from clearing membership (whether voluntarily or involuntarily), its guaranty fund deposit and, the proceeds from the sale of its memberships ~~and its Class A Shares~~ assigned for clearing qualification or any other deposits required by the Clearing House, and any remaining assets available to the Exchange and the Clearing House including, but not limited to, memberships ~~and Class A Shares~~ will be released when Exchange and Clearing House staff determine that the following has occurred: (1) all contracts and obligations with the Exchange and the Clearing House have been settled and paid, (2) all sums owing to the Exchange have been paid, (3) all obligations to other members and customers arising out of claims directly related to futures transactions cleared on the Exchange have been paid or otherwise provided for, and (4) all obligations to other members and customers arising out of other arbitration claims filed pursuant to Chapter 6A have been paid or otherwise provided for and (5) the requisite liquidity providers for the Exchange have released the security interest in such clearing member's "Assets" contemplated by Rule 817 in accordance with the terms of the liquidity facility contemplated thereby; provided, however, that in the event that Exchange and Clearing House staff determine that all of the foregoing other than (4) have occurred, the Clearing House Risk Committee may in its discretion authorize the release of such property

Generally, no such property shall be released prior to the 60th day following the effective date of the clearing member's withdrawal from membership in the Clearing House. Notwithstanding the above, Exchange and Clearing House staff may grant an exemption to the above restriction for good cause shown. Further, for purposes of the paragraph above, all obligations of the withdrawing clearing member to the Exchange or the Clearing House, of whatever nature or kind, shall be accelerated and become due and payable upon the effective date provided for in the Clearing House Risk Committee decision to approve the withdrawal.