



World Financial Center

One North End Avenue

New York, New York 10282

BY ELECTRONIC TRANSMISSION

07-3

January 25, 2007

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Chapter 27, Floor Trading Rules 4.04 – 4.08, 4.16 and 4.28, Coffee “C” Rule 8.11(b)(3) and Cocoa Rule 9.05(b)(ii) - Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6;
Cotton Rule 10.14(a)(i) - Submission Pursuant to Section 5c(c)(2) of the Act and Regulation 40.4(b)(3)(8)**

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. (“Exchange”) submits, by written certification, new Chapter 27 (Rules 27.00, et seq.), attached as Exhibit A, and amendments to Rules 2.38, 4.04-4.08, 4.16, 4.28, 8.11(b)(3) and 9.05(b)(ii), attached as Exhibit B. Further, in accordance with Section 5c(c)(2) of the Commodity Exchange Act, as amended, and Regulation 40.4(b)(8), the Exchange submits an amendment to Rules 10.14(a)(i) attached as Exhibit B. The new rules and amendments provide for electronic trading of Exchange Commodity Contracts on the ICE electronic trading platform.

Chapter 27

Chapter 27 contains all of the provisions applicable to the electronic trading of Exchange Commodity Contracts, including access to the ICE electronic trading system (“ETS”), the submission and execution of electronic orders and the Exchange’s Error Trade Policy. Consistent with other US futures exchanges, the Exchange will allow all Clearing Members direct access to ETS upon the execution of the proper documents and will allow the Clearing Member to grant direct access to their customers (non-clearing members and non-members) upon the execution of a guaranty agreement by the Clearing Member for such customer.

The Rules prohibit trading against customer orders (Rule 27.20) and pre-execution communications (Rule 27.22), contain cross trade procedures to prevent users from taking the

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opposite side of a customers' orders and wash trading (Rule 27.21) and contain procedures for the handling of errors and omissions (Rules 27.29, 27.30 and Appendix I Error Trade Policy).

The Rules are similar to the electronic rules and procedures of other US futures exchanges and ICE Futures.

Rule 2.38

The amendment to Rule 2.38 authorizes NYBOT Permit Holders to trade all of the Exchange's Commodity Contracts electronically from the trading floor.

Floor Trading Rules 4.04-4.08, 4.16 and 4.28

The amendments to the Floor Trading Rules conform various floor trading procedures to electronic trading procedures so that side-by-side electronic and floor trading can easily take place.

The amendments to Rule 4.04 change the opening call procedures for Cocoa, Coffee "C"[®], Cotton No. 2SM, FCOJ, Sugar No. 11SM and Sugar No. 14SM. Instead of a month to month rotation, the first three (3) delivery months will open one month at a time in sequence beginning with the spot month. Once opened, a delivery month will continue to trade while the next month is being called. The opening call for the spot month shall last no longer than two (2) minutes, and the call for the next two (2) months shall last one (1) minute. After all three (3) months are open, the remaining months will open simultaneously, and the opening range will be based on the prices traded during the first minute of trading. It should be noted that all of the Commodity Contracts will have been trading electronically prior to the open on the trading floor.

The amendments to Rule 4.05 change the opening call for Cocoa, Coffee "C", FCOJ and Sugar No. 11 Option Contracts so that, as each underlying futures month is called, the related option month is called.

The amendments to Rule 4.06 changes the closing procedure for Sugar No. 14 so that it will close at the specific time of 12:30 pm as listed in amended Rule 4.07. Rule 4.07 also was amended to reflect the times the matching of average price orders will take place prior to the open for the new contracts that will have average price procedures.

The amendments to Rule 4.08 provide for average pricing of Cocoa, Coffee "C" and Sugar No. 11 opening orders, and the shortening of the pre-open match time for FCOJ and NFC from fifteen (15) to ten (10) minutes.

The amendments to Rule 4.16 parallel Rule 27.23 in that it prohibits a floor broker from buying (selling) an order for himself while holding an executable customer order in either the open outcry or ETS market.

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The amendment to Rule 4.28 defines the prices, bids and offers to be used to determine the settlement price to include prices, bids and offers made in both the open outcry and ETS markets.

Rules 8.11(b)(3), 9.05(b)(ii) and 10.14(a)(i)

Rules 8.11(b)(3), 9.05(b)(ii) and 10.14(a)(i) provide a specific time for submitting delivery notices to the Clearing Organization, i.e., no later than 5:00 pm of the day before notice day. With the hours of electronic trading contemplated to be from 8:00 at night until 6:00 the next night, the 5:00 pm time cannot be used as clearing members will not know their open positions until after 6:00 pm. The amendment to all of the Rules changes the 5:00 pm time to a time specified by the Clearing Organization. Rule 10.14 is being submitted in accordance with Regulation 40.4(8) as the Exchange deems the amendment to be non-material change.

The Exchange certifies that the new rules and rule amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The new rules and rule amendments were approved by the Exchange's Board of Directors on January 24, 2007. No substantive opposing views were expressed by members or others with respect to the new rules and rules amendments. Chapter 27 and the amendments to Rule 2.38, 4.16, 4.28, 8.11(b)(3) and 9.05(b)(ii) will be made effective on February 2, 2007; the amendments to Rules 4.04-4.08 will be made effective January 30, 2007; and the amendment to Rule 10.14(a)(i) will be made effective February 5, 2007, ten (10) days following this submission.

If you have any questions or need further information, please contact me at (212)748-4084 or jfassler@nybot.com.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
Jane Croessman

CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

NYBOT ELECTRONIC TRADING RULES

Rule 27.00. Scope of Chapter

The Rules contained in this Chapter govern the trading of Exchange Futures and Options Contracts utilizing the ICE electronic trading system (“ETS”). To the extent that any Rule contained in this Chapter conflicts with any Rule or provision thereof contained in any other Chapter of the Rules, this Chapter shall supersede such other Rules. Transactions executed through ETS are subject to the Rules unless specifically excluded therefrom.

Rule 27.01. Products Traded on ETS

The Exchange shall determine the Exchange Futures and Options Contracts which shall be listed for electronic trading and the hours during which such trading shall be permitted.

Rule 27.02. Definitions

As used in this Chapter the following terms shall have the meanings indicated:

(i) “Anchor Price” shall mean the price set by the Exchange based on the front delivery or expiration month from which Reasonability Limits and No Cancellation Ranges are determined. The price may be the prior day’s settlement price, the price of the Opening Match or the last traded price of the front delivery or expiration month as determined by the Exchange. The Anchor Price of each successive expiration or delivery month is determined by applying spread differentials against the Anchor Price.

(ii) “Direct Access” shall mean a direct connection to the ICE electronic trading system to trade Exchange Futures and Options Contracts.

(iii) “eBadge” shall mean the number(s) assigned by the Exchange to a Clearing Member or User with Direct Access which identifies such Person... The eBadge for a User who is a Floor Broker shall be the same as the numeric of the Floor Trading badge issued to such Floor Broker.

(iv) “Market Supervision” shall mean the Department of the Exchange responsible for overseeing electronic trading.

(v) “No Cancellation Range” shall mean the price range above and below the Anchor Price for each Exchange Commodity Contract within which a Trade alleged as an error Trade may not be cancelled.

(vi) “Reasonability Limits” shall mean the amount by which the price of an Exchange Commodity Contract may increase or decrease in one trading sequence from the last traded price of that delivery or expiration month or the amount the price may change from a price determined by an ETS algorithm. Orders entered with prices above or below the Reasonability Limits will not be permitted to result in a Trade.

(vii) “Responsible Individual” shall mean an individual who is registered with the Exchange as the individual with authority to modify or withdraw any order submitted under any of the eBadge(s) with respect to which such individual is registered, and who is able to immediately identify the source of any

EXHIBIT A

order submitted under such eBadge, satisfy himself of the competence, fitness and suitability of any Person conducting business under such eBadge(s) and ensure that all business conducted under such eBadge(s) is conducted in accordance with the Rules.

(viii) Trading Algorithms

(A) “Price/Time Matching Algorithm” is generally used during an ETS trading session. When used, it matches orders on the basis of a price and time priority algorithm. The “best” price order always has the highest priority, for buy orders that means those orders that have the highest price and for sell orders that means those orders that have the lowest price. If more than one order is in the market at a specific price, the highest priority is given to the order that arrived at ETS first.

(B) “Uncrossing Algorithm” is generally used during the Pre-Trading Session in accordance with Rules 27.15 and 27.16. It cycles through all orders submitted during the Pre-Trading Session identifying the best bid and best offer and produces matches where there is price crossing. All orders that are traded, whether fully or partially, as part of the Uncrossing Algorithm, trade at the same trade price.

(ix) “Trading Session” shall mean the hours of trading for one (1) trading day calculated from the Open to the Close.

(x) “User” shall mean any Person other than a Clearing Member who utilizes ETS.

Rule 27.03. Direct Access

(a) All Clearing Members are eligible for a direct connection to the ICE ETS upon execution of an Electronic User Agreement with the Exchange.

(b) A Clearing Member may authorize Direct Access to Users who are non-Clearing Members and non-member Customers. Such authorization shall be submitted by the Clearing Member in writing to the Exchange, identifying the Users and such other information as the Exchange may require. The Clearing Member shall also execute a Clearing Member Guaranty Agreement, in the form prescribed by the Exchange, with respect to each such User.

(c) Each User so authorized by a Clearing Member shall furnish such information, register such personnel and execute such agreements as may be required by the Exchange.

(d) Clearing Members and Users with Direct Access may connect to the ETS by using the front end application provided by the Exchange, by using an application provided by an independent software vendor (“ISV”) which has been approved and authorized by the Exchange, or by developing their own application program interface (“API”) which has been approved and authorized by the Exchange.

Rule 27.04. Clearing Member Responsibilities

(a) The Clearing Member guarantees the financial obligations of each User for which it authorizes Direct Access with respect to all orders entered and Transactions executed under its Clearing Member Mnemonic and shall be a party to all disputes arising from such Transactions.

(b) Any Trades executed by a User with Direct Access that are not accepted by the Clearing Member to whom the User has allocated the Trades shall be cleared on the Trade date by the Clearing Member that executed the Guaranty Agreement referred to in Rule 27.03.

(c) With respect to each non-member User for whom the Clearing Member has authorized Direct Access, the Clearing Member shall:

(i) provide such User with information concerning the use of ETS and the Rules of the Exchange and obtain a written agreement from such non-member that the use of the ETS is governed by such Rules and that the non-member is subject to the jurisdiction of the Exchange;

(ii) take any and all actions requested or required by the Exchange with respect to such User, including, but not limited to, assisting the Exchange in any investigation into potential violations of Exchange Rules or of the Act, and requiring such User to produce documents, provide information, answer questions and/or to appear in connection with any investigation;

(iii) suspend or terminate the non-member's Direct Access if the Exchange determines that the actions of the User threaten the integrity or liquidity of any Exchange Contract, violate Exchange Rules or the Act, or if the non-member fails to cooperate in any investigation.

(d) If a Clearing Member has actual or constructive notice of a violation or potential violation of the Rules or the Act in connection with the use of ETS by a non-member for which it has authorized Direct Access and the Clearing Member fails to take appropriate action, the Clearing Member may be found to have violated Rule 2.29(e) and subject to disciplinary action under the Rules.

27.05. ETS Access From the Trading Floor

(a) A Floor Member may have Direct Access from the Trading Floor, provided that the Clearing Member Guarantor of such Floor Member executes a Clearing Member Guaranty with respect to electronic trading by such Floor Member. A Floor Member shall execute such documents, register personnel and furnish such other information as the Exchange may require in connection therewith.

(b) A Floor Broker may enter orders as follows: (i) for his proprietary accounts, order may be placed in all Exchange Commodity Contracts, and (ii) for Customer accounts, orders may be placed only in the Exchange Commodity Contracts authorized by the Trading Membership or Trading Permit held by the Floor Member.

(c) A non-member employee of a Member may enter orders on a non-discretionary basis in any Exchange Commodity Contracts for the account of his employer, but may enter orders for the accounts of others only in those Exchange Commodity Contracts for which the employer is authorized.

(d) All Trades entered by a Floor Broker and not accepted by the Clearing Member to whom the Floor Broker allocated the Trade shall be cleared on the Trade date by the Clearing Member Guarantor of such Floor Broker.

27.06. Revocation of Direct Access Authorization by Clearing Member

A Clearing Member that authorizes Direct Access for a User may revoke such authorization without prior notice to the User. Written notice of the revocation of such authorization shall be immediately provided to the Exchange, which shall thereby terminate Direct Access and cancel all orders of the User

in the system under the revoking Clearing Member's Mnemonic. If the revocation is by a Floor Broker's Clearing Member Guarantor, all Direct Access of the Floor Broker shall be terminated until another Clearing Member has designated itself as the Floor Broker's Clearing Member Guarantor and authorizes Direct Access in accordance with the Rules. Unless otherwise specified by the Clearing Member revoking authorization, a Floor Broker whose Direct Access has been terminated shall not automatically be denied access to the Trading Floor for open outcry transactions.

Rule 27.07. eBadges and Responsible Individuals

(a) Each Clearing Member and User with Direct Access (other than a Floor Broker) that has Direct Access shall request one (1) or more eBadges as it deems necessary to accommodate the nature and volume of its business.

(b) At least one (1) Responsible Individual must be registered with the Exchange for each eBadge issued. The Exchange, in its sole discretion, may limit the number of, or require additional, eBadges and Responsible Individuals. Whenever a Responsible Individual is absent and therefore not able to be contacted, a Backup Responsible Individual must be registered with the Exchange to fulfill the role of a Responsible Individual.

(c) A Responsible Individual or, in his absence, a Backup Responsible Individual, must be reachable via telephone by the Exchange at all times that any of the eBadges as to which he is registered with the Exchange are in use.

(d) A Responsible Individual may be a trader or supervisor of other individuals who are traders.

(e) A Clearing Member that authorizes Direct Access to a User must ensure that orders are submitted under an eBadge assigned to the Responsible Individual(s) and under the supervision of such Responsible Individual(s).

27.08. Effect of Termination or Suspension of Clearing Member

If a Clearing Member terminates its Clearing Membership with the Exchange or has its Clearing Member privileges terminated or suspended by the Exchange or the Clearing Organization, the Direct Access authorized by such Clearing Member to any User shall automatically terminate on the effective date of the termination or suspension of such clearing privileges.

27.09. Required Identifications

(a) All Clearing Members and Users with Direct Access must have unique log-in identifications ("Log-In IDs") assigned by the Exchange to the individuals utilizing ETS on their behalf. Each individual assigned a Log-In ID shall be referred to as a "Registered Operator".

(b) A Registered Operator who is a Customer of a Clearing Member and who enters orders via the Clearing Member's ISV interface or API must also have a unique order-routing identification ("Order Routing ID").

(c) Each Clearing Member and User with Direct Access shall ensure the accuracy of the registration information on file with the Exchange regarding its Registered Operators.

(d) Each order entered through an eBadge must contain a Log-In ID and, if applicable, an Order Routing ID that identifies the Registered Operator who entered the order. Each Registered Operator must

utilize a client application that automatically populates the Log-In ID and, if applicable, the Order Routing ID, for every order.

(e) A Registered Operator shall be subject to the Rules, including, but not limited to, the Rules of this Chapter and Rules relating to order handling, trade practices and disciplinary proceedings. It shall be the duty of the Person who employs the Registered Operator to supervise the Registered Operator's compliance with the Rules, and any violation thereof by such Registered Operator may be considered a violation by the employer.

27.10. Customer Disclosure Statement

No Clearing Member or Member who is an FCM or introducing broker shall accept an order from, or on behalf of, a Customer for entry into ETS, unless such Customer is first provided with the Uniform Electronic Trading and Order Routing System Disclosure Statement required by the National Futures Association.

27.11. Acceptable Orders

(a) An ETS order shall be in one of the following order types:

(i) "Market orders" – Market orders are executed at the best price or prices available in the order book at the time the order is received by ETS until the order has been filled in its entirety. However, a market order will not trade outside of the Reasonability Limits and any residual volume from an incomplete market order is canceled. Market orders are rejected if the market is not open.

(ii) "Limit orders" – Limit orders are orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day unless it is withdrawn or executed.

(iii) "Calendar Spread orders" – Calendar Spread orders are orders to purchase one (1) or more Exchange Futures Contracts and sell an equal number of Exchange Futures Contracts in the same Commodity at a stated price difference. For the purposes of ETS Calendar Spread orders, the buy spread is defined as purchasing the near month and selling the far month, and the sell spread is defined as selling the near month and purchasing the far month. Calendar Spread orders may either trade against other matching Calendar Spread orders or may be traded against outright contracts. When traded against outright contracts, the outright contract prices are always used for each of the legs of the Calendar Spread order. When traded against another Calendar Spread order, the prices of the legs of such Transactions will be generated by a Calendar Spread algorithm determined by the Exchange.

(b) An ETS order may contain one (1) of the following functionalities:

(i) "Reserve Quantity orders" - An ETS order may specify a maximum disclosure volume to be shown to the market for an order enabling the order to be released gradually without revealing the full size. The unrevealed part of the order is released only when the first part of such order is completely filled. When each portion of the order is released, it is placed in its entirety at the end of the order priority queue.

(ii) "Good After Logout orders" – Good After Logout ("GAL") orders remain in the ETS market even after the trader has logged out or the connection to the ETS platform is lost. However, all

orders, including GAL orders, will be deleted when the system closes at the end of the trading session.

27.12. Order Entry

(a) A Registered Operator who is registered with the CFTC as a Floor Broker, associated person or in a comparable capacity under applicable law may enter discretionary or non-discretionary orders on behalf of any account of a Clearing Member with the prior approval of the Clearing Member. A Registered Operator who is registered as a Floor Broker may enter discretionary or non-discretionary orders on behalf of any account of a Customer with the prior approval of such Customer.

(b) A Registered Operator who is not registered as a Floor Broker or an associated person, or in a comparable capacity under applicable law, may enter non-discretionary orders on behalf of Customers. Such Registered Operator may enter discretionary or non-discretionary orders for the account of his employer or for his own account if he is authorized by his employer to do so and does not enter or handle Customer orders.

(c) Non-member employees of a Floor Broker, who are authorized by such Floor Broker and are not registered as associated persons with the CFTC, may enter orders on a non-discretionary basis from trading terminals located in the Floor Broker's booth on the Trading Floor using the Floor Broker's eBadge, Log-In ID and, if applicable, Order Routing ID.

(d) It shall be the duty of each Registered Operator to:

(i) submit orders that include his Log-In ID and, if applicable, Order Routing ID; and

(ii) input the price, quantity, Exchange Commodity Contract, expiration month, correct CTI code and appropriate account designation for each order.

(e) The account designation must be an account number, account name or other identifying notation that is uniquely tied to a specific account owner for whom the order is placed.

(i) A Floor Broker may utilize a suspense account at the time of order entry for bunched orders that are eligible for post-trade allocation and are made, time-stamped and executed pursuant to and, in accordance with, Rule 6.08 and CFTC Regulation 1.35(a-1) (5), provided that the appropriate account designation is entered into TIPS by the end of the trading day.

(f) A Floor Broker receiving an order for electronic execution on the Trading Floor shall immediately upon receipt thereof prepare a written record of such order in non-erasable ink, including the account identification, order number, the notation "ETS", and shall record thereon, by time-stamp or other timing device, the date and time, to the nearest minute, the order is received on the Trading Floor, except that such written record shall not be required if, and to the extent that, such order is in the form of a written record containing all information (except for the time of report of execution) specified herein. Corrections or additions to the information recorded on the written record of the order shall be made in a manner that does not obliterate or otherwise make illegible the originally recorded information.

(g) With respect to orders received by a Registered Operator who is not a Floor Broker, which are immediately entered in ETS and for which a suspense account is not utilized, no separate record need be made. However, if a Registered Operator receives an order that is not immediately entered into ETS, an order ticket which includes the order instructions, account designation, date, time of receipt and any other

information that is required by the Exchange must be made in accordance with Rule 6.08. The order must be entered into ETS when it becomes executable.

27.13. Revising Orders

The price or volume of an ETS order that has not fully traded may be revised. If the volume is reduced, the time priority originally assigned to the order does not change. Revising the price or increasing the volume will change the order's time priority in the queue to the time ETS receives the revision.

27.14. Deactivating and Deleting Orders

When a Registered Operator logs off, all of his ETS orders are deactivated except for orders designated as GAL. If for any reason the connection to ETS is lost, all orders entered from that location are deactivated except for orders designated as GAL.

27.15. Pre-Trading Session

(a) Prior to the opening of a trading session for an Exchange Commodity Contract, there will be a Pre-Trading Session designated by the Exchange during which time only Limit orders may be entered.

(b) Throughout the Pre-Trading Session, an Uncrossing Algorithm will run at one (1) minute intervals and will provide indicative opening prices to all Registered Operators logged on at that time.

27.16. Opening Match

(a) The period of time after the termination of the Pre-Trading Session and prior to the Open of trading, shall be referred to as the "Opening Match". During the Opening Match, all outright Limit orders entered and designated as active during the Pre-Trading Session may be matched, as appropriate, resulting in executed Trades at the Opening Match price.

(b) The price level and quantity of contracts traded during the Opening Match will be determined by an Uncrossing Algorithm determined by the Exchange. No new orders may be submitted during the Opening Match.

27.17. Open and Close of Electronic Trading Session

(a) The Open of an ETS Trading Session will be indicated by the display of the "open" indicator on ETS.

(b) The Close of an ETS Trading Session will be indicated by the display of the "closed" indicator on ETS.

27.18. Trading Hours

(a) Unless otherwise specified, the ETS trading hours of the Exchange shall be as follows:

(i) Agriculture Contracts ETS Trading Hours

CONTRACT	PRE-OPEN TRADING SESSION	OPEN	CLOSE
Cocoa Futures	6:45 – 7:00 AM	7:00 AM	3:15 PM
Coffee "C" Futures	6:45 – 7:00 AM	7:00 AM	3:15 PM

Cotton No. 2 Futures	6:45 – 7:00 AM	7:00 AM	3:15 PM
FCOJ Futures	6:45 – 7:00 AM	7:00 AM	3:15 PM
Sugar No. 11 Futures	6:45 – 7:00 AM	7:00 AM	3:15 PM
Sugar No. 14 Futures	6:45 – 7:00 AM	7:00 AM	3:15 PM

(b) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end at the same time as the Floor Trading Session ends as detailed in Rule 4.07.

27.19. Order Execution

(a) A Trade is executed in ETS when the following conditions occur:

- (i) one order is a bid and the other is an offer;
- (ii) the two orders are for the same Exchange Commodity Contract and delivery or expiration month;
- (iii) the price of the bid (offer) equals or is greater (less) than the price of the offer (bid).

(b) All orders entered and activated are queued by the time of entry or amendment and matched on a first-in-first-out price and time priority basis.

(c) Details of each Trade made on ETS will be recorded by the Exchange, and confirmation of the Trade will be displayed on ETS for each Registered Operator who is a party to the Trade.

(d) Each matched Trade shall be transmitted to TIPS at which time executing Floor Brokers and Clearing Members will be able to view their matched Trades.

(i) A Trade allocated to a Clearing Member will be deemed accepted by such Clearing Member unless such Trade has been challenged by the end of the trading day the Trade was submitted for clearance.

(ii) A Trade submitted to ETS by a Floor Broker or User with Direct Access will automatically clear to the account of the Floor Broker's or User's Clearing Member Guarantor at the end of the trading day unless such Trade is otherwise accepted for clearance by another Clearing Member on such trading day.

(iii) All mechanical adjustments shall be made through TIPS. Any Registered Operator submitting a mechanical adjustment shall include all information required by TIPS to process such mechanical adjustment.

(e) Failure of ETS to broadcast any message in respect of a Trade made in ETS, an order book, order or any part thereof, shall not invalidate any Trade recorded by the Exchange.

(f) In the event that ETS or any part of ETS fails, the Exchange's determination that a Trade has or has not been made on ETS shall be conclusive and binding. Such determination shall be made by Market Supervision.

27.20. Trading Against Customer Orders

(a) During an ETS Trading Session, a Registered Operator shall not knowingly enter into, or cause to be entered into, a Transaction in which the Registered Operator takes the opposite side of a Customer order for the Registered Operator's own account, an account the Registered Operator either controls or has an interest in, an account of an Associated Broker, an account controlled by an Associated Broker or his employer's proprietary account unless the Customer Order has been entered immediately upon receipt and has first been exposed on ETS for a minimum of five (5) seconds. Any Transaction that is consummated without the knowledge of the Registered Operator shall not be considered to have violated this Rule.

(b) A Registered Operator, who has entered an order into ETS which results in him having, either immediately or subsequently, the highest bid or lowest offer for a particular Exchange Futures Contract resting in ETS for his own account or for any account in which he has a direct or indirect interest, shall disclose the facts of the resting order to a Customer prior to accepting from such order for the opposite purchase or sale of the same contract.

27.21. Cross Trades

(a) Independently initiated orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay provided that the orders did not involve pre-execution communications as defined in Rule 27.22.

(b) Orders on opposite sides of the market for different beneficial accounts that are simultaneously placed by a Person with discretion over both accounts may be entered by the Registered User provided that one (1) order is exposed on ETS for a minimum of five (5) seconds.

(c) An order allowing for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order entered by the same entity only if the second order has been entered immediately upon receipt and has been exposed on ETS for a minimum of five (5) seconds.

27.22. Pre-Execution Communications Prohibited

(a) For the purposes of this Chapter, pre-execution communications shall mean communications between two (2) market participants for the purpose of discerning interest in the execution of a Transaction prior to the entry of an order on ETS.

(b) Pre-execution communications and Transactions arising from such communications are prohibited in all Exchange Commodity Contracts.

27.23. Dual Trading

(a) Prohibited Purchases. A Floor Broker may not purchase, either on ETS or in the open outcry market, any Exchange Commodity Contract for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the purchase of an Exchange Commodity Contract, which is executable at the market price or at the price at

which such purchase can be made for the Floor Broker's own account or for the account in which he has an interest.

(b) Prohibited Sales. A Floor Broker may not sell, either on ETS or in the open outcry market, any Exchange Commodity Contract for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the sale of an Exchange Commodity Contract, which is executable at the market price or at the price at which such sale can be made for the Floor Broker's own account or for the account in which he has an interest.

27.24. Good Faith Bids and Offers

A Registered Operator shall not knowingly enter, or cause to be entered, bids or offers into ETS other than in good faith for the purpose of executing *bona fide* Transactions.

27.25. Priority of Execution

Orders received by a Registered Operator shall be entered into ETS in the sequence received. Orders that, by their terms, cannot be immediately entered into ETS must be so entered when the orders become executable in the sequence in which the orders were received.

27.26. Execution of Customer Orders When Electronic and Open Outcry Markets Are Both Open

(a) When the open outcry and ETS markets are open for trading at the same time, Members, Clearing Members and Registered Operators must exercise due diligence in the handling and execution of Customer orders.

(b) A Customer should choose to designate in which market, open outcry or ETS, his order should be executed. If the Customer gives the Floor Member, Clearing Member or Registered Operator discretion in designating the market in which the order should be executed, the Floor Member, Clearing Member or Registered Operator must use due diligence in making such determination.

(c) Prices traded on ETS do not elect open outcry orders, and Floor Brokers shall not be held to prices that are only available in the ETS market.

27.27. Settlement Prices

All Settlement Prices shall be determined in accordance with Floor Trading Rule 4.28.

27.28. Invalid Trades

Notwithstanding the Reasonability Limits, where applicable, a Trade made or purported to be made on ETS may be declared invalid by the Exchange in the following circumstances:

(a) Unrepresentative Price

(i) If the Exchange determines that a Trade has taken place at an unrepresentative price, the Exchange, at its absolute discretion, may declare such Trade invalid. The Exchange may take into account such information as it deems appropriate when determining whether to invalidate a Trade, including, without limitation, the following:

(A) price movement in other delivery or expiration months of the same Exchange Commodity Contract;

(B) current market conditions, including levels of activity and volatility;

(C) time period between different quotes and between quoted and traded prices;

(D) market or other information regarding price movement in related Commodity Contracts;

(E) manifest error;

(F) proximity of the Trade to the close of the ETS trading session.

(b) Breach of Regulations and/or Rules

(i) If the Exchange determines that a Trade has been made in breach of CFTC Regulations or the Rules, the Exchange may declare the Trade invalid.

(c) Cancellation of a Trade

(i) An invalid Trade will be removed from TIPS, may be removed from the trading server and may be displayed on ETS as a cancelled Trade.

(d) Notification

(i) When a Trade is declared invalid by the Exchange and is removed from TIPS, the parties to the Trade will be notified by Market Supervision of that fact and a message will be broadcast on ETS announcing the Exchange Commodity Contract, delivery or expiration month and price level of the invalid Trade.

27.29. Error Trades

In order to ensure fair and orderly market conditions, the Exchange may cancel any order and may cancel any Trade executed in ETS pursuant to the Error Trade Policy contained in Appendix 1 to this Chapter.

27.30. Errors and Omissions in Handling Orders

(a) If a Registered Operator who inadvertently, through error or omission, fails to execute an order in ETS at the time it should have been executed, and the order cannot be executed at a price which is better than or equal to that which the order should have received, the Registered Operator may, upon discovery of such error or omission, execute such order at the best obtainable price in either ETS or the open outcry market. Such order should be executed in the next available Exchange Trading Session for the applicable listed Exchange Commodity Contract, but, in any event, no later than the close of the next ETS Trading Session and shall be reported to the Customer at the price at which the order was actually executed.

(b) If the Registered Operator is a Floor Broker, the Floor Broker may handle his error or omission in accordance with Rule 4.30.

(c) In no case may a Customer receive a price which is worse than that which the Customer should have received had the error not occurred. If such price is to the advantage of the Customer, the Customer

shall receive the benefit thereof, if not, the Customer shall receive such monetary adjustment as will afford the Customer the equivalent of the price at which such order should and could have been executed.

27.31. Disciplinary Procedures

All access denials, suspensions, expulsions and other restrictions imposed upon a Member or Registered Operator by the Exchange pursuant to disciplinary proceedings contained in Chapter 21 of the Rules shall restrict with equal force and effect access to, and use of, ETS.

27.32. Misuse of ETS

Misuse of ETS is strictly prohibited. It shall be a violation of the Rules for any Person to willfully or negligently engage in unauthorized access to ETS, to assist any Person in obtaining unauthorized access to ETS, to trade on ETS without the authorization of a Clearing Member, to alter the equipment associated with ETS, to interfere with the operation of ETS, to use or configure a component of ETS in a manner which does not conform to the Rules, to intercept or interfere with information provided on or through ETS, or in any way to use ETS in a manner contrary to the Rules.

27.33. Termination of ETS Connection

The Exchange, at its sole discretion, shall have the right to summarily terminate the connection of any Clearing Member or User, or the access of any eBadge. Additionally, the Exchange, at its sole discretion, shall have the right to direct a Clearing Member, User or Responsible Individual with Direct Access to immediately terminate the access to ETS of any User.

27.34. Exculpation; Limitation of Liability

(a) THE ELECTRONIC TRADING PLATFORM, THE PLATFORM SOFTWARE, RELATED DOCUMENTATION, ACCESS TO ANY INTERFACE AND ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT ANY SUCH ELECTRONIC TRADING PLATFORM, PLATFORM SOFTWARE, RELATED DOCUMENTATION, AND ACCESS TO ANY INTERFACE AND ANY NYBOT SERVICES OR FACILITIES USED TO SUPPORT THE SAME ARE PROVIDED "AS IS". EXCEPT AS SPECIFICALLY PROVIDED IN THIS RULE, THE EXCHANGE, THE CLEARING ORGANIZATION, ICE, AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS AND LICENSORS OF NYBOT, THE CLEARING ORGANIZATION AND ICE (THE "DISCLAIMING PARTIES"), MAKE NO, AND HEREBY DISCLAIM ALL, WARRANTIES, CONDITIONS, UNDERTAKINGS, TERMS OR REPRESENTATIONS, EXPRESSED OR IMPLIED BY STATUTE, COMMON LAW OR OTHERWISE, IN RELATION TO THE ELECTRONIC TRADING PLATFORM, PLATFORM SOFTWARE, RELATED DOCUMENTATION, AND ACCESS TO ANY INTERFACE AND ANY NYBOT SERVICES OR FACILITIES USED TO SUPPORT THE SAME. THE DISCLAIMING PARTIES SPECIFICALLY DISCLAIM ALL EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT (EXCEPT AS OTHERWISE PROVIDED HEREIN). THE DISCLAIMING PARTIES FURTHER DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, RELATING TO ANY THIRD PARTY MATERIALS (EXCEPT AS OTHERWISE PROVIDED HEREIN). NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY NYBOT SHALL CREATE A WARRANTY AND THE MEMBER MAY NOT RELY UPON SUCH INFORMATION OR ADVICE EXCEPT TO THE EXTENT SPECIFIED IN THIS AGREEMENT.

(b) NONE OF THE DISCLAIMING PARTIES SHALL BE LIABLE IN ANY WAY TO THE MEMBER OR TO ANY OTHER PERSON OR ENTITY FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES, LOSS OF PROFITS, GOODWILL, LOSS OF USE OR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF THEY WERE FORESEEN, FORESEEABLE, KNOWN OR OTHERWISE, INCLUDING BUT NOT LIMITED TO:

(i) ANY FAULTS WITH THE PLATFORM OR PLATFORM SOFTWARE, HOWEVER, THOSE FAULTS MAY ARISE;

(ii) THE SUSPENSION, TERMINATION OR INABILITY TO ACCESS OR USE THE PLATFORM OR PLATFORM SOFTWARE OR ANY INACCURACIES OR OMISSIONS IN ANY INFORMATION PROVIDED, HOWEVER SUCH SUSPENSION, TERMINATION, INABILITY TO ACCESS, INACCURACY OR OMISSION MAY ARISE;

(iii) ANY FAILURE OR DELAY SUFFERED BY THE MEMBER OR ANY RESPONSIBLE INDIVIDUAL THAT RECEIVES ACCESS TO THE PLATFORM THROUGH THE MEMBER'S INTERFACE OR THE ICE INTERFACE;

(iv) ANY OTHER CAUSE IN CONNECTION WITH THE FURNISHING, PERFORMANCE, MAINTENANCE OR USE OF OR INABILITY TO USE ALL OR ANY PART OF THE PLATFORM OR PLATFORM SOFTWARE;

(v) ANY LOSSES RESULTING FROM UNAUTHORIZED ACCESS, ALTERATION OR ANY OTHER MISUSE OF THE PLATFORM SOFTWARE OR THE PLATFORM; OR

(vi) ANY INJURIOUS ACT, DEFAULT OR OMISSION, UNLESS SUCH ACT, DEFAULT OR OMISSION WAS THE RESULT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF THE DISCLAIMING PARTY OR PARTIES SOUGHT TO BE HELD LIABLE THEREOF.

THE FOREGOING PROVISIONS OF THIS PARAGRAPH (b) SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. THE FOREGOING SHALL NOT LIMIT THE LIABILITY OF ANY SHAREHOLDER, MEMBER, MEMBER FIRM, OR CLEARING MEMBER, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS FOR ANY ACT, INCIDENT OR OCCURRENCE WITHIN THEIR CONTROL.

APPENDIX I

ERROR TRADE POLICY

1. Regulatory Considerations

The Exchange considers appropriate systems and controls to be important in reducing the likelihood of orders being entered in error, preventing the execution of trades at unrepresentative prices and reducing the market impact of such trades. Such systems and controls should be present at both the Exchange level (on the trading system itself and within the Exchange Regulations) and at the Clearing Member level. These include:

1. ETS configuration facilities:

- i. price reasonability limits, set by the Exchange, which prevent the execution of trades outside of these limits;
- ii. volume reasonability limits, set by the Exchange, which prevent volumes above a certain level to be either designated for trading or traded;

- iii. optional pre-confirmation messages which appear before the execution of all orders; and
 - iv. an option to designate the quantity that a user may wish to expose to the market at one time rather than trading the total quantity that is available to be traded at a specified price.
2. The Rules which provide the Exchange with absolute discretion to delete orders, cancel trades or suspend the market in the interests of maintaining a fair and orderly market.

2. Main Components of Policy

A. In normal circumstances, the Exchange will only cancel trades on the basis that the price traded is not representative of market value. Any trade where the only error is the number of contracts traded and not the price at which they are traded, will not be subject to cancellation. The Exchange will make the final decision on whether a trade is cancelled or is allowed to stand. In determining whether a trade has taken place at an unrepresentative price, certain factors will be taken into account. They may include, but not be limited to:

- ◆ price movement in other delivery months of the same contract;
- ◆ current market conditions, including levels of activity and volatility;
- ◆ time period between different quotes and between quoted and traded prices;
- ◆ information regarding price movement in related contracts, the release of economic data or other relevant news just before or during electronic trading hours;
- ◆ manifest error;
- ◆ whether there is any indication that the trade in question triggered stops or resulted in the execution of spread trades;
- ◆ whether another market user or client relied on the price;
- ◆ any other factor which the Exchange, in its sole discretion, may deem relevant.

It should be noted that the Exchange has the unilateral right to cancel any trade clearly executed in error where there has been no request from a market user, in the interest of maintaining a fair and orderly market. The Exchange aims to exercise this right promptly after the trade has been identified. The decision of the Exchange will be final.

B. The Exchange sets and may vary price reasonability limits within the system for each Contract beyond which the ETS will not execute limit or market orders. These limits necessarily are flexible to take account of prevailing market conditions. The ETS incorporates price reasonability limits to prevent 'fat finger' type errors that cap the amount the price may change in one trading sequence from the anchor price. These limits are set by the Exchange and may be varied without notice according to market conditions. Beyond these limits, the ETS will not execute orders unless the market moves to bring them within the reasonability limit.

Orders entered with prices outside the upper and lower price reasonability limits will not trade. Orders to sell at prices below the lower reasonability limit and orders to buy at prices above the upper reasonability limit will not be accepted by the ETS.

Any trade executed at a price outside of the no cancellation range but within the price reasonability limits, if identified to the Exchange within the designated time period, may be considered an alleged error trade.

The reasonability limits applicable to each product traded on the ETS is listed in the table in Section 4.

Any trade which is alleged as an error trade and subsequently is cancelled due to the determination that it has been executed at an unrepresentative price, may be investigated by the Exchange.

C. There is a defined no-cancellation range for each Contract. Trades executed within this price range will not, under normal circumstances, be cancelled. A component of market integrity is the assurance that once executed, except in exceptional circumstances, a trade will stand and not be subject to cancellation. Any trades that do not have an adverse effect on the market should not be able to be cancelled, even if executed in error.

The Exchange determines parameters above or below an Exchange set anchor price for each Contract within which a trade alleged as an error trade may not be cancelled. Such parameters are known as a 'no cancellation range'. The no cancellation range applicable to each product traded on the ETS is listed in the table in Section 4.

The anchor price is set by the Exchange and is based on the front contract month. The anchor price may be the previous night's settlement price, the opening call price or the last traded price. The anchor price of the second contract month and successive months onward is achieved by applying spread differentials against the front month anchor price.

If a trade takes place within the no cancellation range and is alleged as an error, the trade will not be cancelled.

D. Trades executed within the price reasonability limits but outside of the defined no- cancellation range may be reported to or considered by the Exchange as an error.

E. Market users have 5 minutes from the time of the original trade in which to allege a trade as having been executed in error.

F. The Exchange Market Supervision Official will notify the market immediately via an ETS broadcast message that an error has been alleged, giving details of the trade including contract month, price and volume. The Exchange will then notify users by the broadcast message facility whether the trade is cancelled or stands. The Exchange will then contact those parties involved in the trade to explain the Exchange's decision.

G. In order to assist the Exchange in determining whether the trade alleged as an error has taken place at an unrepresentative price, the Exchange may contact/consult Users and other market participants. The Exchange will not disclose to the parties to the alleged error trade the identity of their counterparty. The identities of the counterparties to the alleged error trade will not be disclosed to any market user the Exchange may consult with. The Exchange will take into account a variety of market factors in its determination, including whether consequential trades have resulted. Each error situation will be assessed on its individual circumstances. The Exchange will determine whether or not the trade will be cancelled.

H. Where consequential trades based on the price of the alleged error trade are executed after the Market Supervision official has notified the market of the alleged error trade, and where the Exchange, after consultation, subsequently determines that the alleged error trade is cancelled, these consequential trades may stand or may be cancelled at the discretion of the Exchange. The decision of the Exchange will be final. One of the factors taken into consideration by the Exchange will be whether the alleged error trade triggered contingent orders or resulted in the execution of spread trades or whether another market user or client relied on the price to execute consequential trades.

When resolving a situation involving consequential trades, the Exchange will consider these on a case by case basis, evaluating each situation on its individual circumstances and merits. When considering its approach, the Exchange will consider those consequential trades directly related to the error trade and consider reasonably any trades (specifically spread trades) which have been derived from the error itself and those executed as a result of it.

In circumstances where trades are executed as a consequence of the alleged error trade after the NYBOT Market Supervision Official has notified the market of the alleged error trade, should the alleged error trade subsequently be cancelled, these consequential trades may stand or may be cancelled at the discretion of the Exchange. The decision of the Exchange will be final.

I. The Exchange will make every attempt to ensure that a decision on whether an alleged error trade will stand or be cancelled will be communicated to the market as soon as reasonably possible after the time of the original trade. The Exchange will endeavor to complete this process 15 minutes after the time of the original trade.

J. The Exchange has the unilateral right to cancel any order and cancel any trade which it considers to be at an unrepresentative price where there has been no referral or request from a market user. The Exchange reserves its right to consider each alleged error trade situation on its individual merits and may therefore amend these policies in light of the circumstances of each individual case. The decision of the Exchange is final.

3. NYBOT Market Supervision Official – Contact with Responsible Individuals/Users

All requests to cancel orders or Trades must be directed to the Market Supervisor (212 748-3949) via the Responsible Individual responsible for the order(s). Any request for the removal of orders made to the Market Supervision Official by the Responsible Individual will be acted upon on a best efforts basis by the Market Supervision Official.

4. NO CANCELLATION RANGE AND REASONABILITY LIMITS

Contract	Reasonability Limit	No cancellation range
	\$ Value	\$ Value
Cocoa Futures	\$99.00	\$15.00
Coffee Futures	\$.0299	\$.0060
Cotton #2 Futures	\$.0099	\$.0025
FCOJ Futures	\$.0299	\$.0100
Sugar # 11 Futures	\$.0075	\$.0010
Sugar # 14 Futures	\$.0075	\$.0010

Please note:

The price reasonability limits for each Contract necessarily are flexible to take account of prevailing market conditions. It remains at the discretion of the Exchange to determine when such conditions apply. The Exchange reserves its right to consider each alleged error trade situation on its individual merits and may therefore amend these price reasonability limits in light of the circumstances of each individual case and prevailing market conditions.

Reasonability Limits

The ETS maintains reasonability limits to prevent 'fat finger' type errors. These are hard limits above or below an Exchange set anchor price. Bids above the reasonability limit and offers below the limit are not accepted. Offers above and bids below the reasonability limit are accepted but are not tradable unless the market moves to bring them within the reasonability limit.

No Cancellation Range

The Exchange determines parameters above or below an Exchange set anchor price for each Contract within which a trade alleged as an error trade may not be cancelled. Such parameters are known as a no cancellation range.

Trades within the no cancellation range will not, under most circumstances, be cancelled by the Exchange, whether as a result of error or otherwise, in order that market users can have confidence that traded levels will stand.

Anchor Price

The anchor price is set by the Exchange and is based on the front contract month. The price may be the previous night's settlement price, the opening call price or the last traded price. The anchor price of the second contract month and successive months onward is achieved by applying spread differentials against the front month anchor price.

The Exchange reserves the right to consider all alleged error trade situations on their individual merits and may therefore amend these policies in light of the circumstances of each case.

In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

Rule 2.38. NYBOT Trading Permits

* * *

(7) Electronic Trading

Notwithstanding paragraphs (1) and (2) of this Rule, all NYBOT Permit Holders may trade from the Trading Floor for their proprietary account, all Exchange Commodity Contracts via the electronic trading system ("ETS").

Rule 4.04. Opening Call for Exchange Futures Contracts

(a) There shall be one (1) opening call for each Exchange Futures Contract at the opening of trading on all Business Days. ~~[With respect to Sugar No. 14SM, upon the completion of the opening call, trading in Sugar No. 14 Futures Contracts shall not recommence until completion of the Sugar No. 11SM opening call. With respect to Ethanol, upon the completion of the opening call, trading in Ethanol Futures Contracts shall not recommence until the completion of the Sugar No. 11 opening call.]~~ There may be additional calls for such contracts on any Business Day in which trading has been suspended pursuant to the Rules.

(b) With respect to Cocoa, Coffee "C", Cotton No. 2SM, FCOJ, Sugar No. 11SM and Sugar No. 14SM Futures Contracts, the opening call shall be conducted in sequence for the first three (3) delivery months, one (1) delivery month at a time in sequence beginning with the then current delivery month. Once opened, a delivery month will remain open for trading even though another delivery month has yet to open. The opening call for the current delivery month shall be no more than two (2) minutes. The opening call for the next two (2) delivery months shall be one (1) minute. After the first three (3) delivery months have opened, all of the remaining listed delivery months shall open simultaneously and commence trading. The opening range for such remaining listed delivery months shall be the prices traded during the first minute of trading.

~~(bc)(i) Except for the Financial, Index and Mini Coffee "C"~~ With respect to Ethanol, NFC and Pulp Futures Contracts, all calls for Exchange Futures Contracts the opening call shall be conducted in sequence by months, one (1) delivery month at a time in sequence beginning with the then current delivery month and continuing through the list of months then open for trading.

~~(id)~~ With respect to the Financial, Index and Mini Coffee "C" Futures Contracts, the first minute of trading shall be deemed the opening period, and all expiration months shall begin trading simultaneously.

(ee) Bids and offers made in any delivery or expiration month during a call for an Exchange Futures Contract shall remain valid throughout the call provided, however, that (i) Transactions at a price above the previous bid vacate all previous bids and Transactions at a price below the previous offer vacate all previous offers; (ii) a bid shall be deemed withdrawn where any Floor Broker makes a subsequent bid above the previous bid and an offer shall be deemed withdrawn where any Floor Broker makes a subsequent offer below the previous offer; or (iii) the bid or offer is audibly withdrawn.

EXHIBIT B

Rule 4.05. Opening Call for Exchange Options Contracts

(a) Cocoa, Coffee "C", Cotton No. 2, FCOJ and Sugar No. 11

(i) As each underlying futures month is called, the related Option Month shall be called.

~~(ab) Cocoa, Coffee "C"SM, Ethanol, and Pulp and Sugar No. 11~~

(i) The Options Committee may, in its sole discretion, determine whether and in what manner there shall be an opening call or period for any of the above listed Options. In the event the Options Committee determines that an opening call shall be conducted for any Option, additional calls may be made on any Business Day in which trading has been suspended.

~~(b) Cotton No. 2SM~~

~~(i) As each futures month is called, the related Option Month shall be promptly called.~~

~~(ii) Trading in any Option Month that has been called may continue during the calls of subsequent Option Months.~~

(c) ~~FCOJ and NFC~~

(i) Options trading may begin immediately after the completion of the futures call.

(d) Financial and Index

(i) Options trading shall begin at the same time and in the same manner as futures trading.

Rule 4.06. Closing Call for Exchange Futures and Options Contracts

(a) Cocoa, Coffee "C", Ethanol, Pulp, Sugar No. 11 and Sugar No. 14 Contracts

(i) The two (2) minute period prior to the close of trading shall be deemed the closing period for Coffee "C", Ethanol, Pulp, ~~and~~ Sugar No. 11 and Sugar No. 14 Futures and Options Contracts.

~~(ii) During the two (2) minute closing period for Sugar No. 11 Futures and Options Contracts, trading in Sugar No. 14 Futures Contracts shall be suspended. The closing period for Sugar No. 14 will commence no earlier than noon and no later than 12:10 PM as determined by the Caller at 12:30 pm each day.~~

~~(iii) In the case of Cocoa Futures and Options contracts,~~

~~(iv) No Member may accept an order for the contracts referred to in paragraph (a)~~

[REMAINDER OF RULE UNCHANGED]

Rule 4.07. Open Outcry Trading Hours

(a) Unless otherwise directed by the Board, the open outcry trading hours of the Exchange shall be as follows:

(i) Agriculture Contracts Trading Hours

CONTRACT	OPEN	CLOSE
Cocoa Futures and Options	8:00 AM <u>Pre-Open commences at 7:50</u>	11:50 AM Closing period commences at 11:45 AM
Coffee "C" Futures and Options	9:15 AM <u>Pre-Open commences at 9:05</u>	12:30 PM Closing period commences at 12:28 PM
Mini Coffee "C" Futures	9:15 AM	12:30 PM Closing period commences at 12:28 PM

Cotton No. 2 Futures and Options	10:30 AM Pre-Open commences at 10:20 AM	2:15 PM Closing period commences at 2:14 PM Pre-Close commences at 2:00 PM
Ethanol Futures and Options	8:50 AM	12:10 PM Closing period commences at 12:08 PM
FCOJ Futures and Options	10:00 AM Pre-Open commences at 9:[45]50 AM	1:30 PM Closing period commences at 1:29 PM Pre-Close commences at 1:15 PM
FCOJ Spot	12:45 PM	1:15 PM
NFC Futures and Options	10:00 AM Pre-Open commences at 9:[45]50 AM	1:30 PM Closing period commences at 1:29 PM Pre-Close commences at 1:15 PM
Pulp Futures and Options	7:55 AM	8:55 AM Closing period commences 8:53 AM
Sugar No. 11 Futures and Options	9:00 AM Pre-Open commences at 8:50	12:00 PM Closing period commences at 11:58 AM
Sugar No. 14 Futures	8:40 AM	Suspended at 11:58 AM, with a closing call commencing at 12:00PM. In the case of a delayed closing call, as may be determined by the Caller, the Closing Call shall commence at 12:10 PM. 12:30 PM Closing period commences at 12:28 PM

[REMAINDER OF RULE UNCHANGED]

Rule 4.08. Average Price Orders

(a) Orders to buy or sell Cocoa, Coffee “C” and Cotton No. 2, FCOJ, NFC and Sugar No. 11 Futures Contracts at prices to be determined by the respective price (or respective average price) on an opening call may be executed not earlier than ten (10) minutes prior to such opening call, ~~and orders to buy or sell Cotton No. 2, FCOJ and NFC Futures or Options Contracts~~ at prices to be determined later by the respective Settlement Price on a close may be executed not earlier than fifteen (15) minutes prior to such close.

~~(b) [Orders to buy or sell FCOJ and NFC Futures Contracts at prices to be determined by the respective price (or respective average price) on an opening call may be executed not earlier than fifteen (15) minutes prior to such opening call, and orders to buy or sell FCOJ and NFC Futures or Options Contracts at prices to be determined later by the respective Settlement Price on a close may be executed not earlier than fifteen (15) minutes prior to the close.~~

~~(c)~~ (e) Orders to buy or sell Financial Futures Contracts at prices to be determined by the respective price (or respective average price)

~~(d)~~ (c) The prices to be applied to orders so executed prior to the opening shall be the average of the opening, for futures, or for orders so executed prior to the close, the respective Settlement Price of the Exchange Futures or Options Contract involved.

~~(e)~~ (d) For purposes of this Rule, the average of any contract is determined by

~~(f)~~ (e) Such orders shall be known as Average Price Orders and be so identified in the records pertaining thereto. . . .

~~(g)~~ (f)(i) All orders to buy or sell Cocoa, Coffee “C”, Cotton No. 2, FCOJ, NFC, Sugar No.11 and Financial Futures Contracts on an opening call, or Cotton No. 2, FCOJ, NFC and Financial Futures or Options Contracts on a close shall be regarded as permissive Average Price Orders unless otherwise specified by the Customer and may be executed as such. Unless otherwise instructed by the Customer, orders to buy or sell contracts which are limited as to price and which are received in time for execution

on an opening call for futures may be executed in the manner prescribed for Average Price Orders in this Rule, provided the price limit of any such limited order is reached or bettered on such opening, and the execution shall be at such price limit or at the average price, whichever is better.

(ii) All orders executed pursuant to the provisions of this Rule shall be marked with an identifying symbol on the trading cards of the Floor Brokers executing such orders. Average Price Orders shall be offered for execution chronologically in the order received and any such orders which are unfilled at the expiration of the time periods specified in this Rule shall, in absence of instructions to the contrary, be executed at the best prices obtainable during the opening call for Cocoa, Coffee "C", Cotton No. 2, FCOJ, NFC, Sugar No. 11 and Financial Futures Contracts or close for Cotton No. 2, FCOJ, NFC and Financial Futures or Options Contracts, as the case may be.

([h]g) In the event that a Customer's market order is matched under this Rule with a limit order,

([i]h) A Floor Broker who has executed an average price Transaction for his own account

([j]i) Orders received for execution at the close shall be executed at prices within the range of those Transactions recorded during the last one (1) minute of trading before the close of the respective market.

Rule 4.16. Dual Trading

(a) Prohibited Purchases. A Floor Broker may not purchase, either on ETS or in the open outcry market, any Exchange Futures Contract or any Exchange Call Option or sell any Exchange Put Option for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the purchase of an Exchange Futures Contract or Exchange Call Option or sale of an Exchange Put Option, which is executable at the market price or at the price at which such purchase can be made for the Floor Broker's own account or for the account in which he has an interest.

(b) Prohibited Sales. A Floor Broker may not sell, either on ETS or in the open outcry market, any Exchange Futures Contract or any Exchange Call Option or buy any Exchange Put Option for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the sale of an Exchange Futures Contract or Exchange Call Option or purchase of an Exchange Put Option, which is executable at the market price or at the price at which such sale can be made for the Floor Broker's own account or for the account in which he has an interest.

Rule 4.28. Settlement Prices

Settlement Prices for all Exchange Futures Contracts, other than expiring Cotton No. 2, FCOJ, NFC, Financial and Index Futures Contracts on the Last Trading Day and the last trading day of every month for Russell 1000 Index and Russell 2000 Index Futures Contracts, shall be determined as follows:

(a) For the purposes of this Rule, all prices, bids and offers used to determine the Settlement Price shall be comprised of prices, bids and offers made by open outcry and ETS during the closing period and trading hours defined in Rules 4.06 and 4.07.

(ab) The Settlement Price of each delivery or expiration month for each Exchange Futures Contract shall be

(bc) If no Trades have been executed during the close in a delivery or expiration month:

* * *

(ed) In the event a contract delivery month for Cocoa, Coffee "C", Ethanol, Pulp, Sugar No. 11 and Sugar No. 14 trades for the first (1st) time on a given Business Day . . .

* * *

(de) On the last trading day of every month for the Russell 1000 Index and Russell 2000 Index Futures Contracts:

* * *

(ef) To determine the Settlement Price for an expiring Cocoa Futures Contract on the Last Trading Day,

* * *

(fg) On the Last Trading Day in the expiring Cotton No. 2 Futures Contract,

(gh) Notwithstanding paragraphs (a) through (f) of this Rule,

(hi) Notwithstanding the authority of the Settlement Price Committee as specified above,

Rule 8.11. Delivery Notices

* * *

(b) All Delivery Notices:

* * *

(3) shall be presented to the Clearing Organization by the Clearing Member making delivery not later than [~~5:00 P.M.~~] the time specified by the Clearing Organization on the Business Day preceding the date of issue;

[REMAINDER OF RULE UNCHANGED]

Rule 9.05. Notice of Delivery or Demand for Cocoa Issuance of Notice

* * *

(b) Every Delivery Notice:

* * *

(ii) Shall be presented to the Clearing Organization by the Clearing Member making delivery not later than [~~5:00 pm~~] the time specified by the Clearing Organization on the Business Day preceding the date of issue, or in the case of a partial Business Day, by 1:00 pm of such day;

[REMAINDER OF RULE UNCHANGED]

Rule 10.14. Delivery Notices

(a)(i) On or before [~~5:00 pm~~] the time specified by the Clearing Organization on the Business Day prior to the Notice Day, a Clearing Member with an open short Position wishing to make delivery of cotton under a Cotton No. 2 Futures Contract shall present to the Clearing Organization a Delivery Notice.

[REMAINDER OF RULE UNCHANGED]