Part 4. Trading.

401. Business Day Periods Error! Bookmark not defined..

Trading shall occur on such days and during such hours as the Exchange shall determine. Business Day Periods may vary according to the Contract traded. Each Business Day**Error! Bookmark not defined.** is composed of the following periods:

(a) **Pre-Trading Period** Prior to the commencement or resumption of futures and options trading, orders and quotes may, until the time set by the Exchange, be entered into the Trading System (the "Pre-Trading Period").

(b) **Opening Period** Futures and options trading begins with the determination of an opening price for each futures Delivery Month and each series of options (the "Opening Period"). The Exchange does not guarantee the execution of any order or quote at the opening price. The Opening Period is comprised of:

(i) Pre-Opening Period. For the purpose of determining a particular opening price, additional orders and quotes may be entered until a time established by the Exchange (the "Pre-Opening Period"), and a preliminary opening price will be displayed continuously during this period. During the Pre-Opening Period orders and quotes may be cancelled or amended only on a Contract by Contract basis; a Member may not change, cancel or withdraw orders and quotes as a group.

(ii) Transition. Directly before the transition from the Pre-Opening Period to the netting process, the Exchange may, in order to ensure an orderly netting process, suspend the entry of additional orders and quotes or change or cancel previously entered orders and quotes. During the netting process, orders and quotes will be netted to determine a final opening price of each futures Delivery Month and series of options in a manner that will lead to the maximum matching of volume.

(iii) End of Opening Period. The Opening Period with respect to a Contract shall end as soon as the netting process has been completed for each futures Delivery Month and series of options. If no market orders exist that can be matched with quotes or limit orders for any futures Delivery Months or series of options and matching between limit orders or limit orders and quotes is not possible, the Opening Period shall end without the determination of an opening price.

(c) **Trading Period**

(i) After the close of the Opening Period, the relevant Contracts will be traded on a continuous basis until a time established by the Exchange (the "Trading Period").

(ii) Transactions under Rules 415 (Block Trading Facility**Error! Bookmark not defined.**)~~,~~ and 416 (EFP/EFS Facility**Error! Bookmark not defined.**), ~~and 416 (Volatility (Vola) Trading Facility)~~ may be effected only through the relevant electronic trading facility during the Trading Period.

(d) **Closing Auction** The Exchange may decide to establish a Closing Auction, which will be governed by the following:

(i) For Futures Contracts in commodities that the Exchange in its discretion shall specify, a Closing Auction shall follow the Trading Period. During the Closing Auction, which will last for three minutes or such other period of time determined by the Exchange, quotes and orders may be entered into the system but will not be matched. Instead, the orders will be cumulated.

(ii) "Immediate-or-cancel" ~~and "Fill-or-kill"~~ orders may not be entered during the Closing Auction. "Stop Orders" will not be triggered by the Closing Auction. Leg orders, but not spread orders, from the continuous trading session**Error! Bookmark not defined.** will be available for inclusion in the closing auction. An indicative closing price will be calculated and broadcast during the period, but no quantities associated with the orders or depth of the Order Book will be shown.

(iii) The Closing Auction will terminate with the netting of orders to a single closing price in a manner that will lead to the maximum matching of volume; provided, however, the execution of orders and quotes entered during the Closing Auction is not guaranteed by the Exchange.

(iv) The provisions of Rule 408 do not apply to the Closing Auction and the Exchange shall not cancel any transaction effected under this Paragraph (d) in response to a claim of erroneous entry of an order or quote by a Member.

(v) Notwithstanding the other provisions of this Paragraph (d), ~~Market Supervision~~Operations, in its sole discretion, may decide not to conduct a Closing Auction or may suspend its conduct if it determines that there is insufficient liquidity in a contract month or that a Closing Auction in a contract month would not serve the best interests of the market.

(e) **Post-Trading Period** After the end of the Trading Period, or as applicable the Closing Auction, there shall be a Post-Trading Period, divided into a Post-Trading Full Period and a Post-Trading Restricted Period.

(i) Post-Trading Full Period. During the Post-Trading Full Period the Trading System is available to members for data requests as well as input of data changes.

(ii) Post-Trading Restricted Period. During the Post-Trading Restricted Period, the Trading System is available to Members only for data requests and the deletion of orders and quotes.

402. Contracts.

The Exchange shall determine the Contracts to be listed for trading through the Trading System and decide upon changes thereto.

403. Orders.

(a) **In General.**

(i) Except as otherwise expressly provided in these Rules, all transactions of any type in or involving Contracts must be bid, offered and executed through the Trading System.

(ii) Orders may be entered into the Trading System only:

(A) In such form and during such times as the Exchange shall prescribe;

(B) By an Authorized Trader; and

(C) (1) For ~~market~~ orders in an amount not ~~equal to or~~ exceeding ~~2,000~~ the following number of contracts per order: ~~; or~~

Contract	Maximum Order Size
Russell 1000 Futures	2000
Russell 2000 Futures	2000
Binary Event Futures	2000

(2) ~~For limit orders, in an amount not exceeding 9,999 contracts and within the price parameters for any size limit order that the Exchange may specify.~~

(iii) Orders may contain such limitations and shall have such effect as determined and published by the Exchange.

(iv) Each order entered into the Trading System must be in the form and contain the information the Exchange requires. Any order not complying with Exchange requirements shall not be accepted.

(v) All orders entered into the Trading System shall remain open in the Trading System until executed or cancelled or until the expiration time, if any, specified in the order. Such open orders constitute the Order Book. Orders entered into the Trading System may be changed by the Member entering the order, but any change in the price or increase in quantity shall be treated as a new order for the purpose of time priority.

(vi) Once the Exchange receives notice from the Clearing Organization that a Clearing Member's clearing authorization has been terminated, any order or quote in the Trading System's Order Book for that Clearing Member or for a Trading Member**Error! Bookmark not defined.** guaranteed by that Clearing Member is no longer in compliance with Exchange requirements and shall be cancelled by the Exchange.

(b) **Type of Orders**.

(i) In General. The following orders may be entered by a Member into the Trading System:

(A) market orders;

(B) limit orders;

(C) combination orders; and

(D) for futures, stop orders.

(ii) **Market Orders**.

(A) A market order is an order to buy or sell a stated number of contracts to be executed at the best price obtainable when the order is entered in to the Trading System. Market orders relating to products subject to matching under price/time priority are valid only until the end of the Trading Period on the trading day on which they are entered. Provided, however, their validity may be made subject to one of the following conditions:

(1) "Good-till-cancelled" (valid until withdrawn); and

(2) "Good-till-date" (valid until the expiration of a period.)

A market order subject to one of the above conditions which is not executed at the end of a trading day shall remain in the Order Book and will be available for execution during the next trading day.

(B) Market orders relating to products subject to Pro Rata Matching must be entered as an IOC (immediate-or-cancel) order. Any unexecuted portion of such an order shall not be entered into the Order Book and shall be deleted.

(iii) **Limit Orders**. A limit order is an order to buy or sell a stated number of contracts that are to be executed at the price stated in the order or better.

(A) Unrestricted Limit Orders. Unrestricted limit orders that are not executed immediately, or any unexecuted portion of such an order, shall be entered in the Order Book. The validity of unrestricted limit orders must be subject to one of the following conditions:

(1) "Good-for-Day" (valid until end of Trading Period);

(2) "Good-till-cancelled" (valid until withdrawn); or

(3) "Good-till-date" (valid for a certain period.)

Unless otherwise specified, all unrestricted limit orders shall be entered in the Order Book as "Good-for-Day" orders.

(B) Restricted Limit Orders. Restricted limit orders may be entered only during the Trading Period. Restricted limit orders ~~for Futures Contracts~~ must be subject to the "immediate-or-cancel" (immediate execution of the order to the extent possible and cancellation of the unexecuted part) limitation on execution; they shall not be entered in the Order Book. ~~Restricted limit orders for Options Contracts must be subject to one of the following limitations on execution:~~

~~(1) "Fill-or-kill" (immediate execution in full or cancellation of the order); or~~

~~(2) "Immediate-or-cancel" (immediate execution of the order to the extent possible and cancellation of the unexecuted part).~~

~~(iv) Combination Orders and Combination Quotes for Options. Combination orders for Option Contracts consist of two individual orders, and combination quotes are two individual quotes entered simultaneously for a sale (purchase) of an identical number of contracts for the same product whereby the execution of the combination orders or buy and/or sell orders or the quotes are dependent on one another; such orders may have different expiration days or exercise prices or be of different types ("Call/Put").~~

(A) ~~The Exchange shall specify the combination orders and combination quotes that are possible in the Trading System, if any, and whether the Exchange will maintain a Combination Order and Combination Quote Book in respect of any combination orders and combination quotes. Combination quotes shall be recorded only in the corresponding Combination Quote Book and shall be automatically withdrawn from trading at the end of the Post-Trading Period.~~

(B) ~~When entering a combination order for which an Options Combination Quote Book is kept in the Trading System, it must state whether the combination order is to be executed with the combination quotes in the Options Combination Quote Book or with the orders and quotes in the standard Order Books of both sides of the combination.~~

(C) ~~Combination orders and combination quotes must specify a price that corresponds either to the spread between the buy/sell prices or the sum of the buy or sell prices of the two individual orders or quotes, as appropriate.~~

(D) ~~Combination orders may be subject to either the "immediate-or-cancel" or the "fill-or-kill" limitation on execution. Both parts of "immediate-or-cancel" orders shall, so far as possible, be~~

~~executed to the same extent and within the specified price spread or price sum; parts not executed shall be cancelled. If both parts of "fill or kill" orders cannot be executed in their entirety and within the specified price spread or sum, the entire order shall be cancelled.~~

(v) Combination Orders and Combination Quotes for Futures. Combination orders and combination quotes for Futures Contracts consist of two individual orders or quotes entered simultaneously the execution of which are dependent on one another, for a sale and/or purchase of an identical number of contracts for the same product, differing only with respect to their expiration day ("Calendar Time Spread"). The Exchange shall specify the combination orders that are possible in the Trading System.

(A) Combination orders and combination quotes must specify a price that corresponds to the spread between the buy and sell price of the two individual orders. They will be executed in a manner such that both parts are affected to the same extent. If combination orders or quotes are not executed or are only partially executed, they shall be entered in a special order book and may be matched with any new incoming orders and quotes or combination orders and combination quotes. Unexecuted combination orders that have been made subject to a validity condition under subsection (ii)(A) of this rule and combination quotes of an Exchange day shall be automatically withdrawn from trading after the end of the Post-Trading Period.

(B) Combination orders and combination quotes shall be held in the Exchange's Trading System but will become inactive at the end of the Trading Period and must be returned to trading in order to re-activate them during any succeeding Trading Period~~or cancelled promptly by the Member during the next day's Trading Period. Combination quotes will not be held in the Trading System and must be re-entered~~.

(C) Combination orders or combination quotes may be entered only during the Trading Period.

(vi) Stop Orders for Futures Contracts. Stop orders are buy (sell) orders that at the time of entry into the Trading System specify a price, the ("trigger price,") at which, if in the course of trading in the Futures Contract the price is touched or exceeded (falls below), the orders are converted into market orders.

(A) Stop orders ~~will be entered into a separate order book and~~ may be entered only for products subject to price/time matching priority (including the market maker allocation algorithm) and not for products subject to pro-rata matching.

(B) Stop orders that have been converted into market orders will be executed in the order of their conversion into market orders along with any other incoming market orders, in accordance with paragraph (ii) of this rule.

~~(vii) Orders and Quotes with respect to Inter Product Spreads. Orders or quotes for Inter Product Spreads are orders to buy a specific number of contracts of a product and to sell simultaneously a specific number of contracts of another product.~~

(A) ~~The Exchange shall specify the product combinations and the number of contracts of each product tradable as an Inter Product Spread.~~

(B) ~~Orders or quotes for an Inter Product Spread can only be executed against orders or quotes entered in the same Inter Product Spread and may not be executed against orders or quotes with respect to one of the products forming the Inter Product Spread.~~

(C) ~~The following types of orders with respect to Inter Product Spreads are admissible:~~

~~(1) market orders;~~

~~(2) limit orders; and~~

~~(3) stop orders.~~

(D) ~~Orders or quotes for Inter Product Spreads may be entered or changed only during the Trading Period, although orders also may be cancelled during the Pre-Trading and Post-Trading Full Period.~~

~~(viii) Orders and Quotes with respect to Delta Neutral Products. Orders or quotes for Delta Neutral Products are orders or quotes to buy a specific number of Options Contracts and to sell simultaneously a specific number of Futures Contracts on the same Underlying Commodity or on Futures Contracts that are the underlying of the options, in an amount of Futures Contracts derived from the delta of the Options Contract at the price of the Futures Contract determined by the Exchange.~~

(A) ~~The Exchange shall specify the combinations of futures and options that may be traded as a Delta Neutral Product, and the applicable futures price that serves as the reference price for pricing the Options Contracts. When, as a result of price movements in the market price of the futures the futures reference price changes, all orders based on the former futures reference price will be deleted from the Trading System.~~

(B) ~~Orders or quotes for Delta Neutral Products can only be executed against orders or quotes for the same Delta Neutral Products.~~

(C) ~~Market orders and limit orders are admissible with respect to Delta Neutral Products.~~

(D) ~~Orders or quotes for Delta Neutral Products may be entered or changed only during the Trading Period. All orders or quotes with respect to Delta Neutral Products shall be deleted prior to each price adjustment of the Futures Contract and after the end of the Trading Period.~~

(c) **Strategy Board Trading**. Strategy orders or quotes are orders or quotes to buy and/or sell simultaneously various combinations of options or options and futures contracts traded on the Trading System.

(i) Members may cause the Trading System to open a separate order book for a strategy by creating a user-defined strategy from a list of available strategies. Once an order book for a particular strategy has been opened, the particular strategy may not be modified. To change the strategy, a new order book must be opened. All strategies shall be deleted at the end of the trading day.

(ii) Strategies may include a futures component, but may not consist entirely of futures components. The price entered for the underlying futures component of an Options Volatility Strategy will be rejected as invalid if it differs from the contract's last traded price by a percentage greater than that which the Exchange may specify.

(iii) Orders for strategy trades may be entered or modified only when each of the products comprising the strategy is in a trading period. Only limit orders and quotes for strategies are admissible. Such orders may be subject to the following restrictions:

(A) (Immediate-or-cancel (IOC); ~~or~~

(B) ~~Fill-or-kill (FOK); and~~

(iv) Strategy orders will only be matched against orders for the same strategy, independent from regular Option, Futures and ~~Options Combinations Quotes~~ Other Strategy Inside Market~~, and only for entire units of the respective strategy. Partial executions will yield entire strategy positions, although in fewer than the quantity desired~~.

(v) Strategy orders will be matched based on the principle of price-time priority. Following a match, each contract that is a component of the strategy shall be posted individually at the virtual prices at which all legs of the strategy would have matched.

(d) **Bunched Orders**. Each Customer order entered into the Trading System shall be for one account, except that orders may be for more than one account if placed by or on instructions from a Person with trading discretion over such accounts and in a manner that complies with Commission rules.

(e) **Average Price Trades.** If an order or series of orders is executed in one or more transactions at different prices in a single Trading Session, a Member may confirm to its Customer an average price for such transactions, provided that:

(i) The confirming of such average prices is in accordance with the then current requirements of the Commission;

(ii) Each such transaction is for the same account or group of accounts and for the same Contract;

(iii) The average price in each case shall be computed by multiplying the price of each Contract by the number of Contracts executed at that price, adding the results together and dividing the total by the aggregate number of Contracts executed; and in the case of a series of orders, the average price may be computed based on the average price of each Contract in the series; and

(iv) Any confirmation of an average price must indicate on the confirmation and in any monthly statement furnished to the Customer that the price is an average price and not an execution price.

404. Execution of Transactions.

Transactions shall be executed in accordance with procedures established by the Exchange. When the Trading System matches valid bids and offers, such matches shall constitute a valid transaction binding the Members entering the bid and offer. Orders entered into the Trading System shall be executed in accordance with ~~either~~ (1) a price time priority algorithm; ~~or~~ (2) a price pro-rata priority algorithm; or (3) a market maker allocation algorithm as determined by the Exchange on a Contract by Contract basis. The price time priority algorithm gives first priority to orders at the best prices, and then gives priority among orders at the same price based on time of entry into the Trading System. The price pro-rata algorithm assigns first priority on the basis of price and fills orders at the same price on a pro-rata basis. The market maker allocation algorithm gives first priority to market orders, second priority (at the Exchange's discretion and by notice to the marketplace) to any order that improves the best price of the Contract, third priority to market maker allocated eligible orders at the best price, and fourth priority to any limit orders at the best price based on time of entry into the Trading System.

405. Confirmations and Objections.

The Exchange shall immediately notify a Member of the matching of bids and offers through the Trading System. This confirmation shall include all material details of the transaction. Objections to the contents of transaction confirmations must be submitted to the Exchange, in writing, promptly upon receipt, but no later than the beginning of trading for the relevant Contract on the next Business Day.

Objections to the contents of settlement assignments must be submitted to the Clearing Organization, in writing, promptly upon receipt, in accordance with any relevant requirements of the Clearing Organization, but no later than the beginning of trading for the relevant Contract on the next Business Day.

406. Cross Trades.

Except in the case of transactions effected pursuant to Rules 415 – 418, no Member shall enter into a Cross-Trade**Error! Bookmark not defined.**, except where:

(a) In the case of a Customer order, the Customer has given consent thereto (which may be in the form of a blanket consent);

(b) During pre-negotiations and in executing Cross-Trades for a Customer, the Member ensures that:

(i) it acts with due skill, care and diligence; and

(ii) the Customer's interests are not prejudiced.

(c) If a Customer's order is one side of the Cross-Trade, then the Customer order is submitted first to the Trading System.

(d) Both parties agree to execute the Cross-Trade above the existing bid price and below the existing offer price, in which case the Cross-Trade may be executed immediately. In the absence of both a bid and an offer price in the relevant Contract month, then the Member seeking to execute a Cross-Trade must:

(i) Enter a RFQ**Error! Bookmark not defined.** for the relevant Contract month(s) or an order into the Trading System;

(ii) Wait 5 seconds in the case of Futures Contracts or 15 seconds in the case of Option Contracts; and

(iii) After waiting the period as prescribed in (ii) above, then the Member may immediately enter either the opposite order if the period was initiated by an order or both orders if the period was initiated by an RFQ.

(iv) If a response is received to the RFQ within the waiting period as prescribed in (ii) above, and the response provides a bid and/or offer that meets or improves upon the price at which the parties had intended to execute the Cross-Trade, then the parties will be prohibited from executing the Cross-Trade and, if a Customer's order is one side of the proposed Cross-Trade, then the Member must abide by its duties to the Customer as referenced in (b) above. If the response to the RFQ only partially fills or meets the intended order size, then the Member must re-enter a RFQ or an order for the remaining amount into the Trading System and wait the required period of time prior to executing a cross-trade.

(e) A Member must not enter a bid and/or an offer into the Trading System in an attempt to circumvent Rule 406(d).

407. Trade Invalidation Upon Revocation of Clearing Authorization

Once the Exchange has received notice from the Clearing Organization that a Clearing Member's authorization has been terminated, any trade subsequently matched by the

Trading System for that Clearing Member or for a Trading Member guaranteed by that Clearing Member shall be considered to be invalid by the Exchange. The Exchange shall cancel any transaction under this Rule by entering a counter-transaction into the Trading System at the price at which the cancelled transaction was effected.

408. Cancellation of Transactions.

(a) In order to balance the expectation that executed transactions will not be cancelled with the Exchange's duty to ensure orderly and fair market conditions, the Exchange, in its discretion, may cancel a transaction *ex officio* if, in the judgment of the Exchange, the price of the transaction effected on the Trading System deviates significantly from its Fair Market Price**Error! Bookmark not defined.**; provided, however, that the Exchange shall not cancel any transaction under this Paragraph (a) where the transaction price falls within the applicable range specified in Paragraph (b)(ii) of this Rule unless the Exchange determines that failure to cancel the trade may have a material, adverse effect on the integrity of the market;

(b) The Exchange shall cancel a transaction executed on the Trading System which results from the erroneous entry of an order or a quote ("mistrade") in order to ensure orderly and fair market conditions if:

(i) The Member which entered the erroneous order or quote into the Trading System informs the Exchange by telephone within 15 minutes of the execution of the transaction by the Trading System that the transaction was the result of an order or quote that was mistakenly entered into the Trading System; and

(ii) The price of the transaction effected by the erroneous entry of the order or quote is outside the following range as applicable:

Contract	Ticks Away From the Fair Market Price
Russell 1000 Futures	30
Russell 2000 Futures	30
Binary Event Futures	None*

*All trades will stand unless the Exchange determines that failure to cancel may have a material, adverse effect on the integrity of the market

(c) If a transaction is cancelled subject to paragraphs (a) or (b) of this Rule, the Exchange shall also cancel any and all trades that were executed outside the applicable range enumerated in paragraph (b)(ii) of this Rule resulting from contingent orders having been selected for execution because of the cancelled transaction.

(d) (i) If the mistrade forms part of a futures spread transaction, the Exchange shall determine whether one leg is, or both legs are, outside of the applicable range in paragraph (b)(ii) by determining the price of each leg of the spread separately, and shall cancel only the leg of the spread that is outside of the applicable range in paragraph (b)(ii).

(ii) If the Member entering the initial futures spread order would suffer a loss from cancellation of one of the transaction's legs, the Exchange shall make the Member entering the erroneous order or quote a party to the leg of the spread transaction that was not cancelled.

(iii) Notwithstanding subparagraphs (d)(i) and (ii) of this rule, if the mistrade was for a ~~spread~~ transaction executed through the Strategy Board Trading functionality~~an Option Combination Quote Book~~, then the legs of the transaction shall not be separately priced, the Fair Market Price shall be determined under the procedure of paragraph (j)(ii) of this rule and, if the price of the Strategy Board trade ~~spread~~ is outside of the applicable range enumerated in the following table ~~paragraph (b)(ii) of this rule~~, all legs forming the transaction or strategy shall be cancelled.

Number of Legs	**Applicable Range - % of Respective Contract Mistrade Range**
2	100%
3	125%
4	150%

(e) The Exchange may charge the Member who caused the erroneous entry a handling fee reflecting expenses incurred by the Exchange. Provided, however, the fee charged shall be not less than $500 nor more than $1500 for futures and not less than $150 nor more than $450 for options per occurrence. The Exchange shall refund exchange fees for the initial and canceling transaction.

(f) Cancellation of a transaction by the Exchange pursuant to this rule shall be effected promptly by means of entering a counter-transaction into the Trading System at the price at which the cancelled transaction was effected.

(g) The Exchange shall promptly notify all Members of any Member's initial notification of a mistrade and any subsequent action taken by the Exchange and shall publish all necessary price corrections in a manner to be determined by the Exchange. The Exchange shall notify the concerned parties that it has cancelled the relevant transaction(s) within ten minutes of first receiving notice of the mistrade unless impractical to do so within that period.

(h) The Exchange shall cancel any transaction under Rules 415 and~~,~~ 416~~, 417, and 418~~ upon notice to the Exchange of a mistrade by the parties to the transaction and their agreement to its cancellation. The fees and refunds provided for under paragraph (e) of this rule shall apply to both parties to the cancelled transaction.

(i) Cancellation of a transaction under this rule by the Exchange does not preclude the Exchange from instigating disciplinary proceedings under Part 6 of these Rules in the event that the cancelled transaction is subsequently found not to have been executed in accordance with the Rules of the Exchange.

(j) Fair Market Price.

(i) The Fair Market Price within the meaning of ~~paragraphs (a) and (b) of~~ this Rule shall be the last traded price before the trade to be cancelled was matched by the Trading System. Provided, however, that ~~for options~~, if the last traded price cannot be determined or, if in the Exchange's discretion, the last traded price does not correspond to fair market conditions, then the Exchange shall compute the Fair Market Price ~~using the implicit option valuation based upon the price of the underlying futures~~ based upon generally accepted pricing methods and models and market conditions at the time the trade to be canceled was matched by the Trading System.

(ii) If the Fair Market Price cannot be determined pursuant to the procedures in paragraph (j)(i) and the Exchange, in its discretion, determines that the price so determined does not correspond to fair market conditions, or if any Member which is a party to the transaction to be cancelled objects to its cancellation, the Exchange shall determine the Fair Market Price by:

(A) ~~In the case of Contracts on Treasury instruments,~~ Selecting ~~three~~ at least two competent Authorized Traders ("Traders") whose Member does not have an interest in the transaction, and requesting that each Trader calculate a Fair Market Price for the transaction concerned. The Fair Market Price shall be the average of the prices determined by these Traders. If ~~three~~ such Traders cannot be identified or cannot calculate a Fair Market Price, then the Exchange in its discretion shall establish the Fair Market Price;

(B) ~~In the case of Futures Contracts on Russell Indexes during Core Trading hours as defined in Rules 920(h) and 921(h), employing the procedures set forth in subparagraph (A) above;~~

(C) ~~In the case of Futures Contracts on Russell Indexes when outside of the Core Trading hours as defined in Rules 920(h) and 921(h), referring to index valuation information for other indexes and market indicators which the Exchange in its sole discretion determines to be highly correlated with the respective Russell Index.~~

(iii) The Fair Market Price determined under this paragraph shall not be subject to appeal.

409. Volatility Interruption.

If the last effected price of a Futures Contract traded on the Trading System is outside a price range with respect to specific time frames within the lead Delivery Month, or within the lead and next to deliver trading months, determined in the discretion of the

Exchange, the trading period in all Delivery Months for that Futures Contract shall be interrupted. Immediately thereafter, trading in that Futures Contract on the Trading System shall be resumed with a Pre-Trading Period and an Opening Period pursuant to Rule 401. Orders and quotes pending in the Trading System for that Futures Contract at the time of the interruption shall continue to be open for trading in the Order Book; provided however, futures ~~calendar~~ spread orders shall be deactivated upon interruption of the trading period pursuant to this rule and, to be active, must be resubmitted by Members when continuous trading resumes.

410. Transfer of Positions.

(a) Contracts may be transferred from one account carried by a Member to another account carried by that Member or to an account carried by any other Member, but only if the transfer would not result in:

(i) The offset of long and short positions and a reduction of the open interest in any Contract during the Delivery Month for such Contract; or

(ii) A change in the beneficial ownership in any Contract, unless the transfer is made:

(A) To correct an error in the original posting of the Contract;

(B) To reflect a change of ownership occurring by operation of law on the death or bankruptcy of a Person having an ownership interest in such Contract or occurring as a result of a merger, consolidation, disposition of a line of business, reorganization or similar event affecting such Person;

(C) To combine the positions held by two or more commodity pools operated by the same commodity pool operator and traded by the same commodity trading advisor pursuant to the same strategy, into a single consolidated account, so long as: (A) the transfers do not result in the liquidation of any open positions, and (B) the pro rata allocation of interests in the consolidated account does not result in more than a de minimis change in the value of the interest of any pool participant; or

(D) In accordance with Rules 415-418.

(b) Any Member transferring one or more Contracts shall give notice of the transfer to the Exchange in such form and containing such information as the Exchange may prescribe.

(c) Transfers of the individual positions of Clearing Members, Trading Members or Customers shall be made at the historic price at which they were traded; provided however, in the event of bulk transfers by a Clearing Member or a Trading Member of all of its, and/or its Customer's positions, the Exchange in its discretion may agree to permit such transfers at the settlement price[Error! Bookmark not defined.] on the day of transfer.

411. Settlement.

All trades shall be settled on a timely basis in accordance with the schedule of the Clearing Organization.

412. Position Limits.

(a) The Exchange may establish position limits for any Contract.

(b) Except as otherwise provided by the Rules, no Person, including a Member, may hold or control a position in excess of such position limits, and a Member may not maintain a position in excess of such position limits for a Customer if such Member knows, or with reasonable care should know, that such position will cause such Customer to exceed the applicable position limits.

(c) Position limits shall apply to: (i) all positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and (ii) positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by, or the trading of the positions were done by, a single Person.

413. Exemptions from Position Limits.

Any Person seeking an exemption from the position limits referred to in Rule 412 must file an application with the Exchange in the manner and within the time limits prescribed by the Exchange. The Exchange shall notify the applicant whether the exemption has been approved and whether the Exchange has imposed any limitations or conditions on the exemption. The decision of the Exchange shall be final.

414. Position Accountability.

(a) The Exchange may establish a Position Accountability level for any Contract. Any Person, including a Member, who owns or controls Contracts in excess of the applicable Position Accountability level shall provide to the Exchange at its request any information regarding the nature of the position, trading strategy, or hedging activities, if applicable, and if ordered by the Exchange, shall not increase the size of any such position.

(b) For purposes of this Rule, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this Rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by a single Person.

415. Block Trade Facility.

Block Trades between a Member's customers, between a Member (acting for itself or its Customers) and another Member, or between a Member and any Customer or between different profit centers of a Member having separate account numbers may be effected only through the electronic Block Trading Facility or by telephonic means as provided by the Exchange, rather than on the Trading System, in accordance with the provisions of this Rule.

(a) A Member may conduct Block Trades only if the Member is an ECP**Error! Bookmark not defined.**.

(b) A Member may not enter into a Block Trade with or on behalf of any Customer unless such Customer is:

(i) An ECP; or

(ii) Advised in connection with such Block Trade by a Person with total assets under management exceeding $25 million and who is either:

(A) Registered as an investment adviser with the Securities and Exchange Commission, registered as a commodity trading advisor with the Commission, or exempt from such registration; on the condition that any block trade executed upon the advice of such exempt adviser is suitable for the advisee-Customer; or

(B) A foreign Person performing a similar role or function and subject as such to foreign regulation.

(c) A Member may effect a Block Trade on behalf of a Customer only if the Member has received an order to do so from the Customer. Such order must be recorded and time-stamped with the time the order is placed and the time the order is executed.

(d) A Member may not take the opposite side of a Block Trade with a Customer without such Customer's prior consent, which may be in the form of a blanket consent to all transactions effected after such consent is given.

(e) Block Trades may be transacted only in Contracts authorized for that purpose by the Exchange. The minimum number of contracts to qualify as a block trade under this rule are as follows:

Contract	~~Minimum Number (7:20 am – 2:00 pm)~~	Minimum Number
Russell 1000 Futures	~~250~~	250
Russell 2000 Futures	~~250~~	250
Binary Event Futures		50

~~* See Rule 415(h) which requires a minimum of 2500 contracts (500 contracts for Jumbo 2 Year U.S. Treasury futures) if reported within 30 minutes.~~

(f) The transaction may be consummated at a price mutually agreed upon by the parties to the transaction; provided that,

(i) the price for the Futures Contract does not exceed the range of the day's overall high and low by more than the following values (The range of the day's high and low is determined by a validation matrix):

Contract	Range
Russell 1000 Futures	0.2 percent.

Contract	Range
Russell 2000 Futures	0.2 percent
Binary Event Futures	1.0 percent

416. Exchange of Futures for Physicals Facility (EFPs) and Exchange of Futures for Swaps Facility (EFSs) ~~for Non-Currency Futures.~~

Basis Trades**Error! Bookmark not defined.**, or EFPs, and EFSs ~~in non Currency Futures~~ may be arranged and executed by a Member through the electronic EFP/EFS Facility, the EFS Facility, respectively, or for both EFPs and EFSs by telephonic means as provided by the Exchange, in accordance with the provisions of this Rule.

(a) As used in this Rule a "Basis Trade" or "EFP" means a transaction consummated between two parties wherein one of the parties is the buyer of a Commodity and the seller of a Futures Contract, and the other party is the seller of the Commodity and the buyer of the Futures Contract. An "EFS" means a transaction consummated between two parties wherein one of the parties is the buyer of a Futures Contract and assumes the opposite market risk under a swap agreement, the other party is the seller of the Futures Contract and assumes the opposite market risk under the swap agreement, the parties exchange such Futures Contract for the swap agreement and the swap is excluded or exempt from regulation under the Act or Commission Regulations.

(b) (i) For EFPs under this rule the Commodity being exchanged must have a high degree of price correlation to the Underlying Commodity, so that the Futures Contract would serve as an appropriate hedge for that Commodity.

(ii) For EFSs, the fluctuations in the value of the swap must have a high degree of correlation to fluctuations in the price of the Underlying Commodity for the Futures Contract being exchanged, so that the Futures Contract would serve as an appropriate hedge for that swap.

(c) Taking into account any differences in the attributes of the Commodity or swap being exchanged (such as interest rates and maturity dates) and those of the Underlying Commodity and applying hedge ratios as and to the extent appropriate;

(i) For EFPs, the quantity of the Commodity being exchanged must correspond with the quantity of the Underlying Commodity of the Futures Contract being exchanged; or

(ii) For EFSs, the notional amount of the swap being exchanged must correspond approximately with the quantity of the Underlying Commodity of the Futures Contract(s) being exchanged.

(d) The purchase and sale of the Futures Contract shall be simultaneous with the sale and purchase of the corresponding Commodity or the transfer of the swap.

(e) The transaction may be consummated at a price mutually agreed upon by the parties to the transaction; provided, that the price of the futures leg does not exceed the range of the day's overall high and low by more than the following values (The range of the day's high and low is determined by a validation matrix):

Contract	Range
Russell 1000 Futures (FWR1)	0.2 percent ~~(approximately 5 ticks)~~
Russell 2000 Futures (FWR2)	0.2 percent ~~(approximately 5 ticks)~~

(f) Eligible Contracts:

(i) EFPs may be transacted under this rule with respect to the following Futures Contracts:

(ii) EFSs may be transacted under this rule with respect to the following Futures Contracts:

Contract
[Intentionally Left Blank]

(g) ~~Basis Trades in U.S. Treasury futures may be transacted with respect to a Delivery Month for a Futures Contract on any Business Day up to and including the fifth Business Day immediately preceding the last Business Day of that Delivery Month.~~ Basis Trades and EFSs ~~in other Contracts~~ under this rule ~~(including EFSs in U.S. Treasury futures)~~ may be transacted with respect to a Delivery Month on any Business Day up to and including the Last Trading Day until trading has ceased in that Delivery Month.

(h) Upon request by any employee of the Operations or Compliance Departments, Members must produce satisfactory evidence that the EFP or EFS was arranged in accordance with the Rules (including, but not limited to, full documentation relating to the cash leg of the EFP, master swap agreements and any supplements thereto in the case of an EFS and, if the transaction is in the name of an omnibus account or foreign broker, the name of the Customer).

~~417. Exchange of Currency Futures or Spot Equivalent Currency Futures for Physicals or for Swaps.~~

~~EFPs and EFSs in Spot Equivalent Currency Futures (defined as "Currency Futures" for the purpose of this Rule 417 only) may be arranged and executed by a Member through the facilities of the Clearing Organization in accordance with its procedures and the provisions of this Rule.~~

~~(a) As used in this Rule "EFP" means a transaction consummated between two parties wherein one of the parties is the buyer of a Commodity and the seller of a Currency Futures, and the other party is the seller of the Commodity and the buyer of the Currency Futures. "EFS" means a transaction consummated between two parties wherein one of the parties is the buyer of a Currency Futures and assumes the opposite market risk under a swap agreement, the other party is the seller of the Currency Futures and assumes the opposite market risk under the swap agreement, the parties exchange such Currency Futures for the swap agreement and the swap is excluded or exempt from regulation under the Act or Commission Regulations.~~

~~(b) EFPs in Currency Futures that are commonly referred to in the trade as "transitory EFPs" are permitted. A transitory EFP is an EFP in which the cash leg may partially or wholly offset a cash currency transaction; provided, however, that the execution of the EFP was not contingent on the execution of the cash currency transaction or that the cash currency transaction was not contingent on the execution of the EFP, the cash currency transaction was conducted in conformance with standard practices and documentation for the market in which the transaction occurred, and the EFP otherwise constitutes a bona fide transaction.~~

~~(c) (i) For EFPs under this rule the Commodity being exchanged must have a high degree of price correlation to the Underlying Commodity, so that the Futures Contract would serve as an appropriate hedge for that Commodity.~~

~~(ii) For EFSs, the fluctuations in the value of the swap must have a high degree of correlation to fluctuations in the price of the Underlying Commodity for the Futures Contract being exchanged, so that the Futures Contract would serve as an appropriate hedge for that swap.~~

~~(d) Taking into account any differences in the attributes of the Commodity or swap being exchanged (such as currency and maturity dates) and those of the Underlying Commodity and applying hedge ratios as and to the extent appropriate;~~

~~(i) For EFPs, the quantity of the Commodity being exchanged must correspond with the quantity of the Underlying Commodity of the Futures Contract being exchanged; or~~

~~(ii) For EFSs, the notional amount of the swap being exchanged must correspond approximately with the quantity of the Underlying Commodity of the Futures Contract(s) being exchanged.~~

~~(e) The purchase and sale of the Currency Futures shall be simultaneous with the sale and purchase of the corresponding currency or the transfer of the swap.~~

~~(f) The transaction may be consummated at a price mutually agreed upon by the parties to the transaction. If the price of the Currency Futures leg exceeds the range of the day's overall high and low, performance on the futures leg will be guaranteed by the Clearing Organization only in accordance with its procedures.~~

~~(g) Upon request by any employee of the Market Supervision or Compliance Departments, Members must produce satisfactory evidence that the EFP or EFS was arranged in accordance with the Rules (including, but not limited to, full documentation relating to the cash leg of the EFP, master swap agreements and any supplements thereto in the case of an EFS and, if the transaction is in the name of an omnibus account or foreign broker, the name of the Customer).~~

~~(h) Where a third party was responsible for executing the cash leg of a Basis Trade, any employee of the Market Supervision or Compliance Departments may require the Member to obtain and confirm the details of the cash leg of the trade and provide copies to the Exchange.~~

(i) ~~EFPs under this rule may be transacted with respect to a Delivery Month on any Business Day up to and including the Last Trading Day until 45 minutes after trading~~

~~has ceased in that Delivery Month or until such earlier time the Clearing Organization may direct in order to accommodate its processing schedule.~~

~~418. Volatility (Vola) Trading Facility – Exchange of Futures for Options.~~

~~Volatility Trades may be effected only through the electronic Vola Trading Facility or by telephonic means as provided by the Exchange, rather than on the Trading System, in accordance with the provisions of this Rule.~~

~~(a)~~ **~~Vola trade defined~~**~~. A vola trade is the entry by Members or by Customers into the Trading System of an option or options (either exchange-traded or OTC) and the contract on the underlying futures or commodity in either a simultaneous or sequential transaction.~~

~~(b)~~ **~~Vola trading facility~~**~~. Vola trades can only be entered into on the Vola Trading Facility under the following conditions:~~

~~(i) Vola trades may be transacted only with respect to the following Option Contracts and their underlying Futures Contract:~~

~~Contract~~
~~Option on Russell 1000 Futures~~
~~Option on Russell 2000 Futures~~

~~(ii) The number of Futures Contracts included in the futures leg of the transaction may not vary by more than 10 percent from the number necessary to be delta neutral;~~

~~(iii) The price for the futures leg does not exceed the range of the day's overall high and low by more than the following values (The range of the day's high and low is determined by a validation matrix):~~

~~Contract~~	**~~Range~~**
~~Option on Russell 1000 Futures~~	~~TBD~~
~~Option on Russell 2000 Futures~~	~~TBD~~

~~(iv) The parties enter the transaction into the Vola Trading Facility as specified.~~

~~(c) Upon request by any employee of the Market Supervision or Compliance Departments, Members must produce satisfactory evidence, including the name of the Customer if the transaction is in the name of an omnibus account or foreign broker, that the Vola Transaction was arranged in accordance with the Rules.~~

940. Specifications for Binary Event Futures.

Each binary futures contract on an event shall be a contract whereby the seller agrees to sell and the buyer agrees to buy the right to collect a fixed amount upon the occurrence or non-occurrence of the underlying event.

(a) Underlying Event/~~Payout~~ Settlement Criteria: The Exchange will list Binary Event Futures Contracts on the following Underlying Events:

Underlying Event	**~~Payout~~ Settlement Criteria**
CBOT-CME Combination "CBOT-CME Combination" is the merger or consolidation of CBOT Holdings, Inc. ("CBOT") (parent company of the Board of Trade of the City of Chicago, Inc. ("Chicago Board of Trade")) with Chicago Mercantile Exchange Holdings, Inc. ("CME"), the acquisition of majority control of CBOT by CME (or *vice versa*) or ~~the same~~ a substantially similar transaction, whether effected directly or through the use of wholly-owned Affiliates of either entity, at or before the close of the Trading Period.	The Exchange will determine whether or not an Underlying Event has occurred based on the Settlement Criteria. The primary Settlement Criterion is consummation of the CBOT-CME Combination. Consummation of the CBOT-CME Combination may be evidenced by, among other things: Filing with the ~~Delaware Secretary of State~~ relevant state officials or authorities of a certificate of merger, consolidation or share exchange providing for the CBOT-CME Combination and the transaction provided for in the certificate is effective; or Notice given to a depository, paying agent or exchange agent to accept shares of voting stock of CBOT for payment or exchange in connection with the CBOT-CME Combination; or Notice given to a depository, paying agent or exchange agent to accept shares of voting stock of CME for payment or exchange in connection with the CBOT-CME Combination. The Exchange may rely, among other things, on any of the following in making its determination: A filing with the Securities and Exchange Commission of a Schedule TO disclosing that CME has accepted ~~a sufficient number of~~ shares of voting stock of CBOT for payment or exchange; or A filing with the Securities and Exchange Commission of a Schedule TO disclosing that CBOT has accepted ~~a sufficient number~~

	~~of~~ shares of voting stock of CME for payment or exchange; or A filing by CBOT or CME with the Securities and Exchange Commission of a Current Report on Form 8-K, Quarterly Report on Form 10-Q or Annual Report on Form 10-K; or Issuance of a press release by CME, CBOT or both entities, a report by a third-party news wire service or any other form of notice or communication deemed reliable by the Exchange in its sole discretion that demonstrates the occurrence of the Underlying Event.

Underlying Event	**Payout Criteria**
CBOT-ICE Combination "CBOT-ICE Combination" is the merger or consolidation of CBOT Holdings, Inc. ("CBOT") (parent company of the Board of Trade of the City of Chicago, Inc. ("Chicago Board of Trade")) with IntercontinentalExchange, Inc. ("ICE"), the acquisition of majority control of CBOT by ICE (or *vice versa*) or ~~the same~~ a substantially similar transaction, whether effected directly or through the use of wholly-owned Affiliates of either entity, at or before the close of the Trading Period.	The Exchange will determine whether or not an Underlying Event has occurred based on the Payout Criteria. The primary Payout Criterion is consummation of the CBOT-ICE Combination. Consummation of the CBOT-ICE Combination may be evidenced by, among other things: Filing with the ~~Delaware Secretary of State~~ relevant state officials or authorities of a certificate of merger, consolidation or share exchange providing for the CBOT-ICE Combination and the transaction provided for in the certificate is effective; or Notice given to a depository, paying agent or exchange agent to accept shares of voting stock of CBOT for payment or exchange in connection with the CBOT-ICE Combination; or Notice given to a depository, paying agent or exchange agent to accept shares of voting stock of ICE for payment or exchange in connection with the CBOT-ICE Combination. The Exchange may rely, among other things, on any of the following in making its

	determination: A filing with the Securities and Exchange Commission of a Schedule TO disclosing that ICE has accepted ~~a sufficient number of~~ shares of voting stock of CBOT for payment or exchange; or A filing with the Securities and Exchange Commission of a Schedule TO disclosing that CBOT has accepted ~~a sufficient number of~~ shares of voting stock of ICE for payment or exchange; or A filing by CBOT or ICE with the Securities and Exchange Commission of a Current Report on Form 8-K, Quarterly Report on Form 10-Q or Annual Report on Form 10-K; or Issuance of a press release by ICE, CBOT or both entities, a report by a third-party news wire service or any other form of notice or communication deemed reliable by the Exchange in its sole discretion that demonstrates the occurrence of the Underlying Event.

(b) Trading Sessions: Trading shall take place at such hours as may be specified from time to time by the Exchange; provided that trading will cease at ~~2:00~~ 4:00 P.M. Chicago time on the Last Trading Day.

(c) Trading Period: Binary Event Futures will trade for the following time periods; unless the trading period shall earlier terminate under paragraph (d).~~provided, however, that the Trading Period shall cease at the end of the Trading Session of the day when the Underlying Event shall occur.~~

Underlying Event	Trading Period	Non-Occurrence of Underlying Event	Expiration Months
CBOT–CME Combination	Listing Date – 1st Business Day of Expiration Month	CBOT Combination with A Person Other Than CME	December 2007
CBOT-ICE Combination	Listing Date – 1st Business Day of Expiration Month	CBOT Combination with A Person Other Than ICE	December 2007

(d) Last Trading Day: The last day on which trading shall be permitted in Binary Event Futures shall be ~~the last Business Day of the Trading Period, or at the end of the Trading Session upon the occurrence of the Underlying Event~~ at the end of the last Trading Session on the Last Trading Day of the Trading Period. The Last Trading Day shall be the first to occur of: 1) the day that the Underlying Event occurs; 2) the day that the Non-Occurrence of the Underlying Event is declared by the Exchange; or 3) if the Underlying Event has not theretofore occurred, on the last Business Day of the Trading Period. If the Underlying Event occurs after the close of one Trading Session and before the opening of the subsequent Trading Session, a new Trading Session will not be opened.

(e) ~~Minimum~~ Price Ticks: ~~Minimum~~ Price ticks shall be as follows:

Underlying Event	~~Minimum~~ Price Ticks	~~Minimum~~ Tick Value
CBOT-CME Combination	0.5 probability points	$5.00
CBOT-ICE Combination	0.5 probability points	$5.00

(f) Fixed Payment Amount: A fixed payment will be due from the sellers and paid to the buyers upon the occurrence of the Underlying Event ~~in the following amounts: Payment shall be made~~ in accordance with the rules of the Clearing Organization. Fixed Payment Amounts will be as follows

Underlying Event	Fixed Payment Amount
CBOT-CME Combination	$1,000
CBOT-ICE Combination	$1,000

(g) Reportable Positions: The level for reportable positions in any single Binary Event Futures shall be as follows:

Underlying Event	Reportable Position Level
CBOT-CME Combination	25
CBOT-ICE Combination	25

(h) Position Accountability: A Person who owns or controls an aggregate position in Binary Event Futures greater than the levels set forth below shall be subject to the requirements of Rule 414 (Positions held in all Binary Event Futures based on related Underlying Events will be aggregated for purposes of this paragraph):

Underlying Event	**Position Level**
CBOT-CME Combination	20,000
CBOT-ICE Combination	20,000

(i) Daily Settlement: The Exchange will base its daily settlement price recommendations on trading conditions at 3:15 p.m. Chicago time unless the Exchange alters its Trading Session, in which event the Exchange may change the time for determining the settlement price.

(j) Final Settlement: On the Last Trading Day, the settlement price will be either ~~the Fixed Payment Amount~~ 100 or zero based on whether or not the Underlying Event occurs.

(k) Prohibition on Trading: Directors and employees of the Persons identified in these Contracts and any other Person with material nonpublic information in connection with the probability of the occurrence of the Underlying Event are prohibited from trading, directly or indirectly, in any of these Contracts ~~in which such Persons are the subject of such Contracts~~.

(l) Interpretation: Any question regarding the interpretation of terms utilized in these Contracts, including without limitation whether an Underlying Event has occurred or whether the Payout Criteria have been satisfied, shall be decided by a panel of three independent experts appointed by the Exchange's Chief of Compliance. The panel shall establish its own procedures. The majority decision of the panel shall be final and binding on all parties.

secretary

From: mlisle@usfe.com

Sent: Tuesday, May 01, 2007 5:32 PM

To: submissions; Adriance, Riva

Subject: Re-Submission 07-02

Attachments: Cover 07-02.doc; Part 4 Changes - BEF Launch - 4-07.pdf; Rule 940 -Event Futures 4-07 - CFTC Filing Final.pdf

Attached is a **corrected** Submission Cover Sheet for USFE filing 07-02 with attachments for reference. Please replace the original filing with the attached. Thank you.

Kind regards,

Matt Lisle
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