

June 28, 2006

**Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581**

BY E-MAIL AND FACSIMILE

**SUBJECT: Proposed Amendment to Supplements for Licensed for Precious Metals:
New Facility for Licensed Warehouse, Scotia Mocatta Depository (SMD)**

Submission No. 06-69.

Dear Ms. Webb:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act (the "Act") and CFTC Rule 40.5 ("Voluntary Submission of Rules for Commission Review and Approval"), the New York Mercantile Exchange Inc. ("NYMEX" or the "Exchange") hereby requests on a voluntary basis CFTC approval for proposed amendments that add a new facility for an existing exchange-licensed depository to the following supplements:

- (1) Gold Supplement No. 2, "Licensed Depositories and Weighmasters for Gold" (gold deliverable against the COMEX Gold Futures Contract).
- (2) Silver Supplement No. 2, "Licensed Depositories and Weighmasters for Silver" (silver deliverable against the COMEX Silver Futures Contract).
- (3) Platinum Supplement No. 1, "Licensed Depositories and Weighmasters for Platinum" (platinum deliverable against the NYMEX Platinum Futures Contract).
- (4) Palladium Supplement No. 1, "Licensed Depositories and Weighmasters for Palladium" (palladium deliverable against the NYMEX Palladium Futures Contract).

The proposed amendment and a complete explanation of its operation, purpose and effect are attached. **Upon approval by the Commission, and satisfaction of the conditions precedent discussed below, the Exchange will announce an effective date.**

If you have any questions concerning this submission, please contact the undersigned at 212-299-2930 or Jay Gottlieb at 212-299-2607.

Sincerely,

Robert A. Levin
Senior Vice President

cc: Richard Shilts, Division of Market Oversight
Allen Cooper, Eastern Region

I. EXPLANATION AND CONDITIONS PRECEDENT

The Bank of Nova Scotia's Scotia Mocatta Depository (SMD) is an Exchange-licensed depository for Gold, Silver, Platinum and Palladium. SMD has submitted applications, requesting that a new facility, located at International Airport Center, 230-59 International Airport Center Boulevard, Building C, Suite 120, Jamaica, New York, be approved for the storage of gold and silver deliverable against the COMEX Gold and Silver Futures Contracts, and for the storage of platinum and palladium against the NYMEX Platinum and Palladium futures contracts.

These applications meet the requirements of the Exchange and have been approved by the Board of Directors at its June 7, 2006 meeting, **pending satisfaction of the conditions precedent as discussed below.**

Corporate Structure and Ownership: Scotia Mocatta Depository (SMD) is a division, not a subsidiary, of The Bank of Nova Scotia. Its financial information is therefore reported as that of The Bank of Nova Scotia.

History: The Bank of Nova Scotia, doing business as SMD, is an Exchange Licensed Depository for the storage of gold, silver, platinum, and palladium, and its current facility is located in Manhattan at 26 Broadway. SMD was previously known as Iron Mountain Depository (IMD), its name was changed when it was acquired by the Bank of Nova Scotia in 1997. The IMD/SMD facility has been a COMEX licensed delivery point since 1975. SMD has planned to develop a new facility since the terrorist attacks upon the World Trade Center, which destroyed SMD's facility at 4 WTC. SM subsequently returned to its existing and former facility as an intermediate measure while the new facility was designed and built.

In evaluating this application, SMD's performance in the wake of the terrorist attacks on the World Trade Center must be noted. SMD's Licensed Depository was located in a sub-basement of the WTC at the time of the attacks. When the material in this facility was trapped within the debris, SMD acted swiftly, offering to purchase any and all of the warranted material that was buried at the request of any holder of warrants to this material. Scotia further prepared to make replacement material stored in Canada available to offset any potential supply shortage that the destruction of its WTC facility might have caused.

Tangible Net Worth & Financials: All financial quantities discussed here are in Canadian dollars (CAD). The tangible common equity in SMD as of October 31, 2005 was \$15.3 billion (CAD). As of October 31, 2005, The Bank of Nova Scotia's net capital cash resources totaled \$73.5 billion. The Bank's total assets reached \$314 billion. These figures are document in their FY2005 Annual Report as well as the financial statements of the Bank for the first quarter of 2006 showing growth in these assets which were submitted as part of the application.

Insurance: The Bank of Nova Scotia (in its operation as SMD) currently carries \$500 million insurance with Lloyd's as per the Memorandum of Insurance they submitted. In addition, SMD is prepared to augment and refine its applicable insurance protection in the event Exchange staff

so require, and the maintenance of satisfactory insurance has been identified herein as a condition of approval of the new facility.

CONDITIONS PRECEDENT: Conditions precedent to becoming an Exchange Licensed Depository for Gold and Silver will be (1) the execution of a Delivery Point Agreement with the Exchange, (2) a review of the facility by Exchange staff once fully operational, including confirmation of the installation of a scale capable of weighing in the increments of the Gold Futures Contract, to establish the facility's ability to properly secure and warrant precious metal along with representation and warrant that the security system of the new vault facility meets all the requirements of the Bank of Nova Scotia for the deposit of precious metals, and (3) Exchange approval of the insurance policy terms and conditions.

II. PROPOSED AMENDMENTS

Proposed Amendment. Underlining indicates additions.

Gold Supplement
No. 2

COMMODITY EXCHANGE, INC.
LICENSED DEPOSITORIES AND WEIGHMASTERS FOR GOLD

<u>Depository</u>	<u>Facilities</u>	<u>Computer Code</u>
<u>NEW YORK</u>		
SCOTIAMOCATTA DEPOSITORY, A DIVISION OF THE BANK OF NOVA SCOTIA 26 Broadway New York, NY 10004 (Orders: (212) 912-8530)	26 Broadway New York, NY <u>230-59 International Airport Center 3002 Blvd. Building C, Suite 120 Jamaica, New York</u>	3001
HSBC Bank USA 1 West 39th Street, SC 2 Level New York, NY 10018 (Orders: (212) 525-6439)	1 West 39th Street, SC 2 Level New York, NY	5001
BRINK'S Incorporated Suite 400 580 5 th Avenue New York, New York 10036 (Orders: (718) 949-2186)	652 Kent Avenue Brooklyn, NY	4001
Manfra, Tordella & Brookes, Inc. 90 Broad Street New York, New York 10004 (Orders: (212) 981-4516)	90 Broad Street Sub-Basement New York, New York	7001

ADDITIONAL LICENSED WEIGHMASTERS FOR GOLD

Ledoux & Company
359 Alfred Avenue
Teaneck, NJ 07666

(Orders: NJ (201) 837-7160)

Proposed Amendment. Underlining indicates additions.

Silver Supplement
No. 2

COMMODITY EXCHANGE, INC.
LICENSED DEPOSITORIES AND WEIGHMASTERS FOR SILVER

<u>Depository</u>	<u>Facilities</u>	<u>Computer Code</u>
<u>NEW YORK</u>		
SCOTIAMOCATTA DEPOSITORY, A DIVISION OF THE BANK OF NOVA SCOTIA 26 Broadway New York, NY 10004 Orders: (212) 912-8530	26 Broadway New York, NY	3001
	<u>230-59 International Airport Center Blvd. Building C, Suite 120 Jamaica, New York</u>	<u>3002</u>
HSBC Bank USA 1 West 39 th Street, SC 2 Level New York, NY 10018 Orders: (212) 525-6439	1 West 39 th Street, SC 2 Level New York, NY	5001
	425 Sawmill River Road Ardsley, New York	5002
BRINK'S Incorporated Suite 400 580 5 th Avenue New York, New York 10036 Orders: (718) 949-2186	652 Kent Avenue Brooklyn, New York	4001
<u>DELAWARE</u>		
Delaware Depository Service Company, LLC 3601 North Market Street Wilmington, Delaware 19802 Orders: (302) 765-3884	3601 North Market Street Wilmington, Delaware	6001
	4200 Governor Printz Blvd. Wilmington, Delaware	6002

ADDITIONAL LICENSED WEIGHMASTERS FOR SILVER

Ledoux & Company
359 Alfred Avenue
Teaneck, NJ 07666
Orders: NJ (201) 837-7160

HSBC Bank USA
1 West 39th Street, SC 2 Level
New York, New York 10018
Orders: (212) 525-6439

Proposed Amendment. Underlining indicates additions.

PLATINUM FUTURES CONTRACT

Supplement No. 1

OFFICIAL LIST OF APPROVED DEPOSITORIES

Depository	Facility at	Computer Code
NEW YORK		
SCOTIAMOCATTA DEPOSITORY, A DIVISION OF THE BANK OF NOVA SCOTIA	26 Broadway New York, NY 10004 212-912-8530	3001
	<u>230-59 International Airport Center Blvd. Building C, Suite 120 Jamaica, New York</u>	<u>3002</u>
HSBC Bank USA	1 West 39th Street SC 2 Level New York, NY 10018 212-525-6439	5001
BRINK's INC.	652 Kent Avenue Brooklyn, NY 11211 718-949-2186	4001
Manfra, Tordella & Brookes, Inc.	90 Broad Street Sub-Basement New York, New York 212-981-4516	7001
DELAWARE		
DELAWARE DEPOSITORY SERVICE COMPANY, LLC	3601 North Market Street Wilmington, DE 19802 302-765-3889	6001

Proposed Amendment. Underlining indicates additions.

PALLADIUM FUTURES CONTRACT

Supplement No. 1

OFFICIAL LIST OF APPROVED DEPOSITORIES

Depository	Facility at	Computer Code
NEW YORK		
SCOTIAMOCATTA DEPOSITORY, A DIVISION OF THE BANK OF NOVA SCOTIA	26 Broadway New York, NY 10004 212-912-8530	3001
	<u>230-59 International</u> <u>Airport Center Blvd.</u> <u>Building C, Suite 120</u> <u>Jamaica, New York</u>	<u>3002</u>
HSBC Bank USA	1 West 39th Street SC 2 Level New York, NY 10018 212-525-6439	5001
BRINK's INC.	652 Kent Avenue Brooklyn, NY 11211 718-949-2186	4001
Manfra, Tordella & Brookes, Inc.	90 Broad Street Sub-Basement New York, New York 212-981-4516	7001
DELAWARE		
DELAWARE DEPOSITORY SERVICE COMPANY, LLC	3601 North Market Street Wilmington, DE 19802 302-765-3889	6001