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OFFICE OF THE SECRETARIAT

Ms. Eileen A. Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Reference File # 2700.01
Rule Certification

Dear Ms. Donovan:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **Amendments to Rules and Regulations 201.00, 221.00, 230.02, 230.07, 249.01, 251.01 and 252.00 per the attached texts (additions underlined; deletions struck through).**

The referenced amendments address various membership-related provisions as summarized below.

- Revised Rule 201.00 establishes a simplified membership application requirement for nominees on firm-owned memberships who will not trade on the Exchange Floor or exercise on the Chicago Board Options Exchange (CBOE);
- Revised Rule 221.00 clarifies the limits of lessors' claims liabilities with respect to Class A shares of CBOT Holdings, Inc. and CBOE Exercise Right Privileges;
- Revised Regulation 230.02 codifies that Class A shares of CBOT Holdings, Inc. must be maintained in an account with the Company's transfer agent in order to be registered for a member firm;
- Revised Regulation 249.01 codifies revised procedures for the processing of claims against membership sale proceeds in cases where claims are disputed and/or where claims exceed available proceeds; and
- Revised Rule 252.00 clarifies the scope of claims which are allowable against membership sale proceeds.

The amendments to Regulation 230.07 and 251.01 are non-substantive housekeeping changes.

July 20, 2006
Ms. Eileen A. Donovan
Page Two

The CBOT intends to implement these amendments one day after the Commission's receipt of this submission.

There were no opposing views concerning these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

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Additions underlined; Deletions ~~struck through~~.

201.00 Application for Membership - Each application for membership shall be in writing, on a form prescribed by the Exchange, and shall be filed with the Exchange. The Exchange may investigate ~~All applicants for membership shall be investigated~~ as to the representations contained in the application. Upon receipt of the application for membership, the Secretary shall, within fifteen days thereafter, make available to the membership the name of the applicant.

The Exchange may permit an individual to file a shortened membership application if he/she ~~Any individual who~~ wishes to acquire a membership for investment purposes only (and not for purposes of changing or influencing control of the CBOT or its affiliates), and will not engage in any trading activities on the Exchange. The Exchange may also permit an individual to file a shortened membership application if he/she will be a nominee with respect to a qualifying membership owned by a member firm pursuant to Rule 230.00, but only if he/she will not trade on the Floor of the Exchange, and will not apply to become a regular member of CBOE pursuant to Article Fifth(b) of CBOE's Certificate of Incorporation, as described in Rule 210.00, shall file an investor application as prescribed by the Exchange. An individual who is approved as an investor and who subsequently wishes to engage in trading activities on the Exchange will be subject to filing and approval of a long form membership application as prescribed by the Exchange. If a nominee, as described above, subsequently wishes to trade on the Floor of the Exchange, or to apply to become a regular member of CBOE pursuant to Article Fifth(b), such nominee must file a long form membership application.

221.00 Delegation

(c) (1) The member shall remain liable for an amount up to, but not in excess of, the value of the ~~member trading rights~~ Series B membership being delegated (and the lessor's shares of Class A common stock of CBOT Holdings if, and only to the extent that, such shares are registered for an ~~e-cbot member firm or a member firm affiliate under Rule 230.00 or Regulation 230.03~~) for the debts, acts and delinquencies of the delegate (or the ~~e-cbot member firm or member firm affiliate, if applicable~~) arising from the use by the delegate's use (or the member firm affiliate, if applicable) of the member trading rights ~~Series B membership~~. The member trading rights ~~Series B membership~~ so delegated (and the lessor's shares of Class A common stock of CBOT Holdings described above, if applicable), may be sold to satisfy any such liability in accordance with the Rules and Regulations of the Exchange. Delegation shall not relieve the member of any of his obligations or liabilities which he might otherwise have by virtue of being a member of the Exchange to other members of the Exchange;

(2) Upon the termination or expiration of the delegation agreement, the Exchange shall make notice thereof available to the membership. Thereafter, all members and delegates who may have claims against the delegate (or any ~~e-cbot member firm or member firm affiliate~~ for which the leased seat and, if applicable, the lessor's shares of Series A common stock of CBOT Holdings ~~has~~ been registered pursuant to

~~Rule 230.00 or~~ Regulation 230.03) may file claims pursuant to Regulation 249.01(g). The member entering into a delegation agreement shall be responsible for the payment of those claims allowed by the Exchange and not satisfied promptly by the delegate (or the ~~e-cbot member firm or~~ member firm affiliate, if applicable), but only to the extent of the value of the Series B membership so delegated (and the lessor's shares of Class A ~~c~~Common stock of CBOT Holdings if, and only to the extent that, such shares are registered for an ~~e-cbot member firm or a~~ the member firm affiliate under ~~Rule 230.00 or~~ Regulation 230.03-);

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230.02 Registration of Memberships and Class A Shares for a Member Firm

An individual desiring to register a membership and/or shares of Class A common stock of CBOT Holdings in order to qualify an eligible business organization as a member firm under Rule 230.00, and an eligible business organization seeking to qualify as a member firm, shall submit applications in the forms designated by the Exchange. The categories of member firms and the numbers of memberships and/or numbers of shares of Class A common stock of CBOT Holdings that must be registered on behalf of a member firm in each category are listed below. Only shares of Class A common stock that are maintained in an account with the CBOT Holdings transfer agent may be registered for a firm.

* * * *

230.07 Member Firm Status Upon Death or Withdrawal of Registered Member

- A member firm shall notify the Exchange in writing within five business days of the death or termination of employment of a nominee in whose name a firm-owned membership is registered. If such death or termination would result in failure of the member firm to meet the requirements of Rule 230.00 or 703.00, or Regulation 230.02, in its current category of membership, and the member firm desires to remain in such category of membership, it shall transfer such firm-owned membership into the name of another nominee, pursuant to Regulation 249.01(b), within thirty (30) days of such death or termination. The Exchange may, upon application of the member firm, grant the member firm an extension of privileges in such category of membership for such period and under such conditions as the Exchange may prescribe.

Upon the sale of shares of Class A common stock of CBOT Holdings that are registered on behalf of a member firm, where such sale would result in failure of the member firm to meet the requirements of Rule 230.00 or 703.00, or Regulation 230.02, in its current category of membership, the member firm shall immediately notify the Exchange of such sale, and member firm privileges in such category of membership shall terminate immediately upon such sale. Failure to comply with the provisions of this Regulation may be referred to the Business Conduct Committee, for possible disciplinary action.

249.01 Purchase and Sale or Transfer of Membership - Memberships may not be purchased, sold or transferred except as authorized by the Exchange.

* * * *

(f) Transfer to a Trust -

- (i) A member or a member's personal representative (including his or her agent under a durable power of attorney) may transfer his or her membership to a trust of which the member is a grantor, pursuant to procedures and conditions established by the Exchange, if: (1) while the member is living and competent, the member is the sole trustee of the trust, (2) the member retains the right to revoke the trust during his or her life, and (3) all beneficiaries of the trust are members of the grantor's family who would be eligible for a family transfer from the grantor pursuant to section (cē) of this regulation.

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(g) Notice of Membership Sale or Transfer and Filing Claims –

- (i) The Exchange shall make available to the membership a notice listing the following claims events: each sale, transfer or exchange of a membership; each termination or expiration of a delegation agreement; each revocation of a temporary family transfer; each termination of the nomination of an individual to exercise the rights and privileges of a membership that is owned by a member firm; and each termination of registration of a membership on behalf of a member firm, whether individually-owned or firm-owned, that occurred during the period beginning on the preceding notice day and ending on the business day preceding the current notice day.
- (ii) A member or member firm, to establish his or its claim and to become entitled to his or its rights under Rule 252.00 to share in the proceeds of a membership and any associated shares of Class A common stock of CBOT Holdings as provided therein, must file a statement of claim with the Member Services Department within 20 days after the Exchange makes notice available to the membership of the relevant claims event. However, the Board may determine to extend this period, in its discretion, based upon the circumstances of a particular claims event. The Exchange shall hold the proceeds from the sale, transfer or other disposition of a membership and any associated shares of Class A common stock of CBOT Holdings until such time as the relevant claims period has run and/or any disputed claims have been resolved. Members and member firms may not assert claims against such proceeds to the extent that such claims result from conduct that occurred subsequent to the sale, transfer or other disposition of the membership and any associated shares of Class A common stock of CBOT Holdings.
- (iii) When a claim has been filed, the Exchange will forward a copy of the claim to the selling or transferring member who will be given the opportunity to file a written response to the claim. If the selling or transferring member disputes the claim, his written response will be forwarded to the claimant who will be given an opportunity to reply.
- (iv) Only in those instances where the total amount of the claims exceed the amount of the proceeds, each claimant will be given the names of the other

claimants and, upon request, will be informed of the amounts of the other claims, the general basis for such claims, and whether or not the selling or transferring member has disputed such claims. However, a claimant will not be given access to copies of the claims of other claimants or the written responses thereto of the selling or transferring member. In such instances, a claimant will be permitted to file written information relevant to the claims of other claimants, which will be forwarded to the selling or transferring member and the relevant other claimants who will be given an opportunity to respond.

(v) The Board shall review all written documentation submitted in support of, or in response to, a disputed claim, and shall determine whether to allow such claim under Rule 252.00. Neither a claimant nor the selling or transferring member will have a right to personally appear before the Board in connection with the Board's consideration of a disputed claim. However, the Board may, in its discretion, refer any such dispute to the Arbitration Committee without regard to the member to member statute of limitations set forth in Regulation 600.01.

251.01 Member Under Investigation - No member may transfer his membership by intra-family transfer under Regulation 249.01(c) and no member firm may transfer a firm-owned membership from one ~~member-employee~~nominee to another ~~employee~~nominee under Regulation 249.01(b), unless the approval of the Regulatory Compliance Committee is first secured, when the member is under investigation by the Exchange or when disciplinary charges have been filed against him or when he is under suspension for causes other than default, insolvency, or non-payment of assessments or dues.

252.00 Proceeds of Membership and Class A Common Stock

(a) GRANT OF SECURITY INTEREST. Each member of the Exchange grants to the Exchange for the benefit of the Exchange, the Clearing Services Provider, such member's Primary Clearing Member, all other Clearing Members and all other members of the Exchange, a security interest in the shares of Class A common stock of CBOT Holdings associated with each of such member's memberships in the Exchange, which, for purposes of this Rule 252.00, includes ~~(1) all restricted shares of Class A common stock of CBOT Holdings associated with each of such member's memberships (regardless of holder)~~ all shares of Class A common stock, Series A-2 and Class A common stock, Series A-3 of CBOT Holdings associated with each of such member's memberships (regardless of holder); and (2) ~~and~~ all restricted and unrestricted shares of Class A common stock of CBOT Holdings registered on behalf of, or which qualify, CBOT Clearing Members, member firms, member firm affiliates and designated passive investor entities under Rule 230.00 or Regulation 230.02 or 230.03, and the proceeds thereof for the purpose of securing such member's-, member firm's-, member firm affiliates' or designated passive investor entities' obligations, whether direct or indirect, absolute or contingent, under the Certificate of Incorporation, Bylaws and Rules and Regulations of the Exchange, including, without limitation, this Rule 252.00.

(b) **ORDER OF DISTRIBUTION.** This Rule applies to each sale, transfer or other disposition of a membership and all shares of Class A common stock of CBOT Holdings associated with such membership, whether made by a member voluntarily or at the direction of the Exchange. In connection with any such sale, transfer or other disposition, the proceeds of the membership and the associated shares of Class A common stock of CBOT Holdings shall be applied to the following purposes and in the following order of priority prior to the payment of any proceeds to the member:

(1) **FIRST**, the payment of all debts owed to the Clearing Services Provider, if the membership transferred was registered for a Clearing Member in order to qualify the Clearing Member for clearing status pursuant to Rule 703.00, by the member whose membership is transferred. With respect to any other membership, the Exchange shall have the first priority for the debts described in paragraph (2) below, and the Clearing Services Provider shall have the second priority.

(2) **SECOND**, the payment of all debts owed to the Exchange by such member, including, but not limited to, dues, assessments, service fees and fines.

(3) **THIRD**, the payment to such member's Primary Clearing Member or Members, as specified in Regulation 207.01, of all claims filed under Regulation 249.01(g) for trading losses of such member arising out of transactions on the Exchange, and which claims have been allowed by the Exchange. Any such indebtedness shall be paid first to the Primary Clearing Member who most recently qualified the member prior to the transfer, and any such indebtedness owed to former Primary Clearing Members shall be paid in reverse chronological order of the revocation of authorization pursuant to Regulation 207.01(c) (most recent debt first). However, any such indebtedness which was incurred prior to April 26, 2006 shall be paid in chronological order of the revocation of authorization (oldest debt first).

(4) **FOURTH**, the payment to other Clearing Members of all claims filed under Regulation 249.01(g) for trading losses of such member arising out of transactions on the Exchange, and which claims have been allowed by the Exchange.

(5) **FIFTH**, the payment to members and member firms of all claims filed under Regulation 249.01(g) for money owed on loans which had been made to the member whose membership was transferred, exclusively for the purpose of financing the purchase of such membership, and which claims have been allowed by the Exchange.

(6) **SIXTH**, the payment to members and member firms of all claims filed under Regulation 249.01(g) otherwise arising from transactions or business on the Exchange, or in connection with membership in the Exchange transactions on the Exchange or debts related to the conduct of business on the Exchange as a broker, trader or futures commission merchant, and which claims have been allowed by the Exchange.