



141 West Jackson, Suite 1065  
Chicago, Illinois 60604

Via Electronic Mail

July 20, 2012

Mr. David Stawick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Revisions to OneChicago Chapter 7 Rules Involving Discipline and Enforcement

Dear Mr. Stawick:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and section 41.24 of the regulations promulgated by the Commission under the Act, submitted herewith is an amendment to OneChicago, LLC ("OneChicago") Chapter 7 Rules Discipline and Enforcement, Rule 701 General, Rule 712, Respondent Review of Evidence, Rule 713 Conducting Hearings of Disciplinary Proceedings, Rule 714, Decision of Disciplinary Panel, Rule 715, Sanctions, and Rule 716, Appeal from Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions. These revisions are intended to comply with Designated Contract Market Core Principle 13.

The proposed revisions are included as Attachment A. Deleted text is shown by a strikethrough (---) and new text is underlined (     ). These amendments will become effective on August 6, 2012.

The amendment supports Core Principle 13-Disciplinary Procedure ("CP 13").

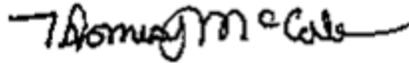
There is no new operational impact related to the amendments.

Comments on the OneChicago proposed rule change have not been solicited and none have been received. The Regulatory Oversight Committee has reviewed and approved these changes.

On behalf of OneChicago, I hereby certify that a notice of pending rule certification with the Commission and a copy of the submission has been posted on the OneChicago website at <http://www.onechicago.com/?p=12348>

On behalf of OneChicago, I hereby certify that the amendment complies with the Act and the regulations promulgated thereunder.

Respectfully submitted,

A handwritten signature in black ink that reads "Thomas G. McCabe". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Thomas G. McCabe  
Chief Operating Officer  
OneChicago, LLC

Encl: Attachment A

## Attachment A

### **701. General**

Paragraphs (a) through (c) unchanged.

Paragraphs (e) through (g) unchanged.

(d) Counsel may represent any Member or Access Person during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, and summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 7 provided that counsel may not be a member of the Board or disciplinary panel, any employee of the exchange or any person substantially related to the underlying investigation such as a material witness or respondent.

### **702. Respondent Review of Evidence**

Paragraphs (b) through (d) unchanged.

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of the Exchange that the Department will use to support the allegations and proposed sanctions in the notice of charges or which the chairman of the Disciplinary Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and the Exchange will have no obligation to disclose, any information protected by attorney-client privilege, any documents that were prepared by an Exchange employee but will not be entered into evidence in the disciplinary proceedings, any documents that may disclose techniques or guidelines used in examinations, investigations or enforcement proceedings or any documents that reveal a confidential source.

### **703. Conducting Hearings of Disciplinary Proceedings**

Paragraphs (a) through (f) unchanged.

Paragraph (h) unchanged.

(g) The Exchange will arrange for any hearing conducted in connection with disciplinary proceedings (or any appeal therefrom pursuant to Rule 716 below) to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription, which will become part of the

proceedings. If the respondent requests a copy of all or portions of the recording of a hearing, the chairman of the Disciplinary Panel may within his or her sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

#### **704. Decision of Disciplinary Panel**

Paragraphs (a) and (c) unchanged.

(b) The Exchange will serve a copy of the order of the disciplinary proceedings on the respondent and the Department. The order will include:

(c) The notice of charges or summary of the allegations;

(d) The answer, if any, or a summary of the answer;

(e) A brief summary of the evidence introduced at the hearing;

(i) Findings of fact and conclusions, and a complete explanation of the evidentiary and other basis for such findings and conclusions concerning each allegation, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated;

(ii) The imposition of sanctions, if any, and the effective date of each sanction; and

(iii) Notice of the respondent's right to appeal pursuant to Rule 716.

#### **705. Sanctions**

Paragraph (a) and (b) unchanged.

Paragraph (c) added.

(c) The sanctions must be sufficient to deter recidivism or similar violations by other market participants and must take into account the respondent's disciplinary history. In the event of demonstrated customer harm, any disciplinary sanction must also include full customer restitution, except where the amount of restitution, or to whom it should be provided, cannot be reasonably determined.

**706. Appeal from Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions**

Paragraphs (b) through (h) unchanged.  
Paragraph (j) unchanged.

(a) Each respondent found by the Disciplinary Panel to have violated a Rule of the Exchange, a provision of Applicable Law, or who is subject to any summary fine imposed pursuant to Rule 717 or any summary action imposed pursuant to Rule 718 may appeal the decision within 20 days of receiving the order of the disciplinary action or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Regulatory Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended, except as provided in Rule 701+(g) with respect to any denial or limit on Trading Privileges.

(i) As promptly as reasonably possible following its review, the Appeals Panel will issue a written decision on appeal rendering its decision based on the weight of the evidence before the Appeals Panel. The decision of the Appeals Panel will include a statement of findings of fact and conclusions, and a complete explanation of the evidentiary and other basis for such finding and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost.