



C.F.T.C.  
OFFICE OF THE SECRETARIAT

2010 JAN 5 PM 3 46

January 5, 2010

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**RE: CME Chapters 355, 355A, 356 and 356A  
Renaming S&P 500/ CITIGROUP Growth Index and S&P  
500/CITIGROUP Value Index  
CME Submission No. 10-003**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of the renaming of S&P 500/CITIGROUP Growth Index and S&P 500/CITIGROUP Value Index.

Recently, Standard & Poor's has dropped "Citigroup" from the names of the S&P 500/Citigroup Growth and S&P 500/Citigroup Value indexes. Effective immediately, S&P 500/ CITIGROUP Growth Index and S&P 500/CITIGROUP Value Index will be renamed to the S&P 500/ Growth Index and S&P 500/ Value Index. All other terms and conditions associated with the futures contracts and options on futures contract will remain unchanged.

The text of the rule amendments is attached, both in a marked version, with deletions bracketed and overstruck, and in a clean version.

CME certifies that these changes comply with the Commodity Exchange Act and the regulations thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Ms. Lucy Wang, at 312-648-5478 or via e-mail at [lucy.wang@cmegroup.com](mailto:lucy.wang@cmegroup.com) or me at 312-648-5422. Please reference our CME Submission No. 10-003 on all future correspondence regarding this notification.

Sincerely,

/s/ Stephen M. Szarmack  
Director and Associate General Counsel

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton  
CFTC Division of Market Oversight, Product Review & Analysis Section

8007

20 South Wacker Drive Chicago, Illinois 60606 T312 930 1000 cmegroup.com

**Appendix 1: Amended Rules**  
*(Deletions are bracketed and overstruck.)*

**Chapter 355**  
**S&P 500/ ~~[CITIGROUP]~~ Growth Index Futures**

**35500. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the S&P 500/~~[CITIGROUP]~~ Growth Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**35501. COMMODITY SPECIFICATIONS**

Each futures contract shall be valued at \$250.00 times the S&P 500/ ~~[CITIGROUP]~~ Growth Index. The S&P 500/~~[CITIGROUP]~~ Growth Index is a capitalization-weighted index of S&P 500 stocks which have the highest price-to-book ratios and which account for approximately 50% of the total capitalization of S&P 500 stocks.

**35502. FUTURES CALL**

**35502.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

**35502.B. Trading Unit**

The unit of trading shall be \$250.00 times the S&P 500/ ~~[CITIGROUP]~~ Growth Index.

**35502.C. Price Increments**

Bids and offers shall be quoted in terms of the S&P 500/ ~~[CITIGROUP]~~ Growth Index. The minimum fluctuation of the futures contract shall be .10 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of .05 index points, for S&P 500/ ~~[CITIGROUP]~~ Growth Index futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

**35502.D. Position Limits**

A person shall not own or control more than 20,000 futures contracts net long or net short in all contract months combined. For the purpose of this rule, a long or short position in S&P 500/ ~~[CITIGROUP]~~ Growth Index futures will be considered to be embedded in a long or short position in S&P 500 Stock Price Index futures.

For positions involving options on S&P 500/ ~~[CITIGROUP]~~ Growth Index futures, this rule is superseded by the option speculative position limit rule.

**35502.E. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be

cumulated.

**35502.F. Exemptions**

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 559.

**35502.G. Termination of Trading**

Futures trading shall terminate on the business day immediately preceding the day of determination of the Final Settlement Price.

**35502.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

**35502.I. Price Limits, Trading Halts, and/or Trading Hours**

Daily price limits and trading halts of the S&P 500/ ~~[CITIGROUP]~~ Growth Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For the purpose of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit and Exchange staff shall have the responsibility of determining whether the primary futures contract is limit offered.

For the first day of trading in a newly listed contract, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** There shall be Price Limits corresponding to a 10.0%, 20.0% and 30.0% decline below the Settlement Price of the preceding RTH session calculated as provided below.

The Price Limits shall be calculated at the beginning of each calendar quarter, based upon the average closing price of the current primary futures contract, during the month prior to the beginning of the quarter (P) and rounded, as follows.

5.0% Price Limit	equals	One half of the 10% Price Limit rounded down to nearest integral multiple of 1 index point
10.0% Price Limit	equals	10% of P rounded down to nearest integral multiple of 10 index points
20.0% Price Limit	equals	2 times the 10.0% Price Limit
30.0% Price Limit	equals	3 times the 10.0% Price Limit

When the primary futures contract is limit offered at the 10.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 20.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.<sup>1</sup>

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the S&P 500/ [CITIGROUP] Growth Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the Dow Jones Industrial Average, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the S&P 500/ [CITIGROUP] Growth Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>2</sup>:** The opening time of trading on GLOBEX will be the same as the opening time of GLOBEX trading of S&P 500 contracts. In particular, the opening time of GLOBEX trading will be delayed until 6:00 p.m. if GLOBEX trading of S&P 500 contracts is delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of S&P 500/ [CITIGROUP] Growth Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

### **35503. SETTLEMENT PROCEDURES**

Delivery under the S&P 500/ [CITIGROUP] Growth Index Futures contract shall be by cash settlement.

#### **35503.A. Final Settlement Price**

The Final Settlement Price shall be a special quotation of the S&P 500/ [Citigroup] Growth Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month.

If the S&P 500/ [Citigroup] Growth Index is not scheduled to be published on the third Friday of the contract month, the Final Settlement Price shall be determined on the first earlier day for which the Index is scheduled to be published.

---

<sup>1</sup> Revised December 2007; January 2008.

<sup>2</sup> Revised December 2007; January 2009.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

**35503.B. Final Settlement**

Clearing members holding open positions in a S&P 500/ [CITIGROUP] Growth Index futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the final settlement price.

**35504. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

**35505. - 06. [RESERVED]**

(End Chapter 355)

**Chapter 355A**

**Options on S&P 500® / [CITIGROUP] Growth Index Futures**

**355A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on the S&P 500/ [CITIGROUP] Growth Index futures contract ("S&P 500/ [CITIGROUP] Growth Index options"). The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**355A01. OPTION CHARACTERISTICS**

**355A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any option contract when the S&P 500/ [CITIGROUP] Growth Index primary futures contract is limit bid or offered at any price limit except at the Total Daily Price Limit on an option's last day of trading.

There shall be no trading in any option contract during a period when trading in the primary futures contract is terminated pursuant to Rule 35502.I.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff shall have the responsibility of determining whether the primary futures contract is trading at its limit during Regular Trading Hours (RTH). During Electronic Trading Hours (ETH), the determination shall be made by the Globex Control Center.

**355A01.B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell in the case of the put, one S&P 500/ [CITIGROUP] Growth Index futures contract as specified in Chapter 355.

**355A01.C. Minimum Fluctuations<sup>3</sup>**

The price of an option shall be quoted in index points. Each .01 index point (1 basis point) shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50, also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

**355A01.D. Underlying Futures Contract**

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contract.

**355A01.E. Exercise Prices<sup>4</sup>**

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the S&P 500/ [CITIGROUP] Growth Index futures contract.

At the commencement of trading for each contract, the Exchange shall list all exercise prices in a range of 20 index points above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, e.g. 500, 505, 510, etc.

---

<sup>3</sup> Revised January 2007  
<sup>4</sup> Revised November 2005

If any of the foregoing exercise prices are within 2 index points of the settlement price of the underlying futures contract, then the Exchange shall list an additional exercise price at the unoccupied level above (or below) the exercise price that is within 2 index points of the previous day's settlement price.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract

Thereafter, when a settlement price, in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list all eligible exercise prices in the corresponding ranges on the next trading day.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## 2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

### **355A01.F. Position Limits**

No person shall own or control a combination of options and underlying futures contracts that exceeds 20,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series, and a long or short futures-equivalent position in S&P 500/ [CITIGROUP] Growth Index futures or options on futures will be considered to be embedded in a long or short futures-equivalent position of S&P 500 Stock Price Index futures or options on futures.

Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

### **355A01.G. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons action pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

### **355A01.H. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559. and shall not apply to other option positions exempted pursuant to Rule 559.

**355A01.I. Termination of Trading**

**1. Options in the March Quarterly Cycle**

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

**2. Options Not in the March Quarterly Cycle**

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange business day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**355A01.J. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling directive, or law shall be construed to become part of these rules and all open new options contracts shall be subject to such governmental orders.

**355A02. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the S&P 500/ [CITIGROUP] Growth Index options.

**355A02.A. Exercise of Option by Buyer**

An option may be exercised by the buyer on any business day that the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option in the March quarterly cycle that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the business day following the termination of trading by the clearing member representing the option buyer, be automatically exercised.

In the money options that expire in months other than those in the March quarterly cycle and have not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of the expiration by the clearing member representing the option buyer, be exercised automatically.

**355A02.B. Assignment**

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the



underlying futures contract if a call was exercised and a short position if a put was exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

(End of rule amendments)

## **Chapter 356**

### **S&P 500/ [CITIGROUP] Value Index Futures**

#### **35600. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the S&P 500/ [CITIGROUP] Value Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### **35601. COMMODITY SPECIFICATIONS**

Each futures contract shall be valued at \$250.00 times the S&P 500/ [CITIGROUP] Value Index. The S&P 500/ [CITIGROUP] Value Index is a capitalization-weighted index of S&P 500 stocks which have the lowest price-to-book ratios and which account for approximately 50% of the total capitalization of S&P 500 stocks.

#### **35602. FUTURES CALL**

##### **35602.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

##### **35602.B. Trading Unit**

The unit of trading shall be \$250.00 times the S&P 500/ [CITIGROUP] Value Index.

##### **35602.C. Price Increments**

Bids and offers shall be quoted in terms of the S&P 500/ [CITIGROUP] Value Index. The minimum fluctuation of the futures contract shall be .10 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of .05 index points, for S&P 500/ [CITIGROUP] Value Index futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

##### **35602.D. Position Limits**

A person shall not own or control more than 20,000 futures contracts net long or net short in all contract months combined. For the purpose of this rule, a long or short position in S&P 500/ [CITIGROUP] Value Index futures will be considered to be embedded in a long or short position in S&P 500 Stock Price Index futures.

For positions involving options on S&P 500/ [CITIGROUP] Value Index futures, this rule is superseded by the option speculative position limit rule.

**35602.E. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

**35602.F. Exemptions**

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 559.

**35602.G. Termination of Trading**

Futures trading shall terminate on the business day immediately preceding the day of determination of the Final Settlement Price.

**35602.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

**35602.I. Price Limits, Trading Halts, and/or Trading Hours**

Daily price limits and trading halts of the S&P 500/ [CITIGROUP] Value Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For the purpose of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit and Exchange staff shall have the responsibility of determining whether the primary futures contract is limit offered.

For the first day of trading in a newly listed contract, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** There shall be Price Limits corresponding to a 10.0%, 20.0% and 30.0% decline below the Settlement Price of the preceding RTH session calculated as provided below.

The Price Limits shall be calculated at the beginning of each calendar quarter, based upon the average closing price of the current primary futures contract, during the month prior to the beginning of the quarter (P) and rounded, as follows.

5.0% Price Limit	equals	One half of the 10% Price Limit rounded down to nearest integral multiple of 1 index point
10.0% Price Limit	equals	10% of P rounded down to nearest integral multiple of 10 index points

20.0% Price Limit equals 2 times the 10.0% Price Limit

30.0% Price Limit equals 3 times the 10.0% Price Limit

When the primary futures contract is limit offered at the 10.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 20.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.<sup>5</sup>

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the S&P 500/ [CITIGROUP] Value Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the Dow Jones Industrial Average, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the S&P 500/ [CITIGROUP] Value Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>6</sup>:** The opening time of trading on GLOBEX will be the same as the opening time of GLOBEX trading of S&P 500 contracts. In particular, the opening time of GLOBEX trading will be delayed until 6:00 p.m. if GLOBEX trading of S&P 500 contracts is delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of S&P 500/ [CITIGROUP] Value Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

### 35603. SETTLEMENT PROCEDURES

Delivery under the S&P 500/ [CITIGROUP] Value Index Futures contract shall be by cash settlement.

#### 35603.A. Final Settlement Price

The Final Settlement Price shall be a special quotation of the S&P 500/ [Citigroup] Value Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month.

If the S&P 500/ [Citigroup] Value Index is not scheduled to be published on the third Friday

---

<sup>5</sup> Revised December 2007; January 2008.

<sup>6</sup> Revised December 2007; January 2009.

of the contract month, the Final Settlement Price shall be determined on the first earlier day for which the Index is scheduled to be published.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

**35603.B. Final Settlement**

Clearing members holding open positions in a S&P 500/ [CITIGROUP] Value Index futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the final settlement price.

**35604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

**35605. - 06. [RESERVED]**

(End of Chapter 356)

**Chapter 356A**

**Options on S&P 500® / [CITIGROUP] Value Index Futures**

**356A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on the S&P 500/ [CITIGROUP] Value Index futures contract ("S&P 500/ [CITIGROUP] Value Index options"). The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**356A01. OPTION CHARACTERISTICS**

**356A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any option contract when the S&P 500/ [CITIGROUP] Value Index primary futures contract is limit bid or offered at any price limit except at the Total

Daily Price Limit on an option's last day of trading.

There shall be no trading in any option contract during a period when trading in the primary futures contract is terminated pursuant to Rule 35602.I.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff shall have the responsibility of determining whether the primary futures contract is trading at its limit during Regular Trading Hours (RTH). During Electronic Trading Hours (ETH), the determination shall be made by the Globex Control Center.

#### **356A01.B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell in the case of the put, one S&P 500/ [CITIGROUP] Value Index futures contract as specified in Chapter 356.

#### **356A01.C. Minimum Fluctuations<sup>7</sup>**

The price of an option shall be quoted in index points. Each .01 index point (1 basis point) shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points \$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50, also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

#### **356A01.D. Underlying Futures Contract**

##### **1. Options in the March Quarterly Cycle**

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

##### **2. Options Not in the March Quarterly Cycle**

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contract.

#### **356A01.E. Exercise Prices<sup>8</sup>**

##### **1. Options in the March Quarterly Cycle**

The exercise prices shall be stated in terms of the S&P 500/ [CITIGROUP] Value Index futures contract.

At the commencement of trading for each contract, the Exchange shall list all exercise prices

---

<sup>7</sup> Revised January 2007

<sup>8</sup> Revised November 2005.

in a range of 20 index points above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, e.g. 500, 505, 510, etc.

If any of the foregoing exercise prices are within 2 index points of the settlement price of the underlying futures contract, then the Exchange shall list an additional exercise price at the unoccupied level above (or below) the exercise price that is within 2 index points of the previous day's settlement price.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price, in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list all eligible exercise prices in the corresponding ranges on the next trading day.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## 2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

### **356A01.F. Position Limits**

No person shall own or control a combination of options and underlying futures contracts that exceeds 20,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series, and a long or short futures-equivalent position in S&P 500/ [CITIGROUP] Value Index futures or options on futures will be considered to be embedded in a long or short futures-equivalent position of S&P 500 Stock Price Index futures or options on futures.

Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

### **356A01.G. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons action pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

### **356A01.H. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559 and shall not apply to other option positions exempted pursuant to Rule 559.

**356A01.I. Termination of Trading**

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange business day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**356A01.J. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling directive, or law shall be construed to become part of these rules and all open new options contracts shall be subject to such governmental orders.

**356A02. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the S&P 500/ [CITIGROUP] Value Index options.

**356A02.A. Exercise of Option by Buyer**

An option may be exercised by the buyer on any business day that the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option in the March quarterly cycle that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the business day following the termination of trading by the clearing member representing the option buyer, be automatically exercised.

In the money options that expire in months other than those in the March quarterly cycle and have not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of the expiration by the clearing member representing the option buyer, be exercised automatically.

**356A02.B. Assignment**

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the

underlying futures contract if a call was exercised and a short position if a put was exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

(End of rule amendments)

## **Appendix 2: Clean Copy of Amended Rules**

### **Chapter 355 S&P 500/ Growth Index Futures**

#### **35500. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the S&P 500/ Growth Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### **35501. COMMODITY SPECIFICATIONS**

Each futures contract shall be valued at \$250.00 times the S&P 500/ Growth Index. The S&P 500/ Growth Index is a capitalization-weighted index of S&P 500 stocks which have the highest price-to-book ratios and which account for approximately 50% of the total capitalization of S&P 500 stocks.

#### **35502. FUTURES CALL**

##### **35502.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

##### **35502.B. Trading Unit**

The unit of trading shall be \$250.00 times the S&P 500/ Growth Index.

##### **35502.C. Price Increments**

Bids and offers shall be quoted in terms of the S&P 500/ Growth Index. The minimum fluctuation of the futures contract shall be .10 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of .05 index points, for S&P 500/ Growth Index futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

##### **35502.D. Position Limits**

A person shall not own or control more than 20,000 futures contracts net long or net short in all contract months combined. For the purpose of this rule, a long or short position in S&P 500/ Growth Index futures will be considered to be embedded in a long or short position in S&P 500 Stock Price Index futures.

For positions involving options on S&P 500/ Growth Index futures, this rule is superseded by the option speculative position limit rule.



**35502.E. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

**35502.F. Exemptions**

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 559.

**35502.G. Termination of Trading**

Futures trading shall terminate on the business day immediately preceding the day of determination of the Final Settlement Price.

**35502.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

**35502.I. Price Limits, Trading Halts, and/or Trading Hours**

Daily price limits and trading halts of the S&P 500/ Growth Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For the purpose of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit and Exchange staff shall have the responsibility of determining whether the primary futures contract is limit offered.

For the first day of trading in a newly listed contract, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** There shall be Price Limits corresponding to a 10.0%, 20.0% and 30.0% decline below the Settlement Price of the preceding RTH session calculated as provided below.

The Price Limits shall be calculated at the beginning of each calendar quarter, based upon the average closing price of the current primary futures contract, during the month prior to the beginning of the quarter (P) and rounded, as follows.

5.0% Price Limit	equals	One half of the 10% Price Limit rounded down to nearest integral multiple of 1 index point
10.0% Price Limit	equals	10% of P rounded down to nearest integral multiple of 10 index points

20.0% Price Limit	equals	2 times the 10.0% Price Limit
30.0% Price Limit	equals	3 times the 10.0% Price Limit

When the primary futures contract is limit offered at the 10.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 20.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.<sup>9</sup>

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the S&P 500/ Growth Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the Dow Jones Industrial Average, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the S&P 500/ Growth Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>10</sup>:** The opening time of trading on GLOBEX will be the same as the opening time of GLOBEX trading of S&P 500 contracts. In particular, the opening time of GLOBEX trading will be delayed until 6:00 p.m. if GLOBEX trading of S&P 500 contracts is delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of S&P 500/ Growth Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

### 35503. SETTLEMENT PROCEDURES

Delivery under the S&P 500/ Growth Index Futures contract shall be by cash settlement.

#### 35503.A. Final Settlement Price

The Final Settlement Price shall be a special quotation of the S&P 500/ Growth Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month.

<sup>9</sup> Revised December 2007; January 2008.

<sup>10</sup> Revised December 2007; January 2009.

If the S&P 500/ Growth Index is not scheduled to be published on the third Friday of the contract month, the Final Settlement Price shall be determined on the first earlier day for which the Index is scheduled to be published.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

**35503.B. Final Settlement**

Clearing members holding open positions in a S&P 500/ Growth Index futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the final settlement price.

**35504. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

**35505. - 06. [RESERVED]**

(End Chapter 355)

**Chapter 355A**

**Options on S&P 500® / Growth Index Futures**

**355A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on the S&P 500/ Growth Index futures contract ("S&P 500/ Growth Index options"). The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**355A01. OPTION CHARACTERISTICS**

**355A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any option contract when the S&P 500/ Growth Index primary futures contract is limit bid or offered at any price limit except at the Total Daily Price Limit on an option's last day of trading.

There shall be no trading in any option contract during a period when trading in the primary futures contract is terminated pursuant to Rule 35502.I.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff shall have the responsibility of determining whether the primary futures contract is trading at its limit during Regular Trading Hours (RTH). During Electronic Trading Hours (ETH), the determination shall be made by the Globex Control Center.

**355A01.B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell in the case of the put, one S&P 500/ Growth Index futures contract as specified in Chapter 355.

**355A01.C. Minimum Fluctuations<sup>11</sup>**

The price of an option shall be quoted in index points. Each .01 index point (1 basis point) shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points (\$37.50, also known as one and one-half ticks), and 1.95 index points (\$487.50, also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

**355A01.D. Underlying Futures Contract**

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contract.

**355A01.E. Exercise Prices<sup>12</sup>**

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the S&P 500/ Growth Index futures contract.

At the commencement of trading for each contract, the Exchange shall list all exercise prices in a range of 20 index points above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, e.g. 500, 505,

---

<sup>11</sup> Revised January 2007  
<sup>12</sup> Revised November 2005

510, etc.

If any of the foregoing exercise prices are within 2 index points of the settlement price of the underlying futures contract, then the Exchange shall list an additional exercise price at the unoccupied level above (or below) the exercise price that is within 2 index points of the previous day's settlement price.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract

Thereafter, when a settlement price, in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list all eligible exercise prices in the corresponding ranges on the next trading day.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## **2. Options Not in the March Quarterly Cycle**

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

### **355A01.F. Position Limits**

No person shall own or control a combination of options and underlying futures contracts that exceeds 20,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series, and a long or short futures-equivalent position in S&P 500/ Growth Index futures or options on futures will be considered to be embedded in a long or short futures-equivalent position of S&P 500 Stock Price Index futures or options on futures.

Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

### **355A01.G. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons action pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

### **355A01.H. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559. and shall not apply to other option positions exempted pursuant to Rule 559.

**355A01.I. Termination of Trading**

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange business day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**355A01.J. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling directive, or law shall be construed to become part of these rules and all open new options contracts shall be subject to such governmental orders.

**355A02. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the S&P 500/ Growth Index options.

**355A02.A. Exercise of Option by Buyer**

An option may be exercised by the buyer on any business day that the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option in the March quarterly cycle that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the business day following the termination of trading by the clearing member representing the option buyer, be automatically exercised.

In the money options that expire in months other than those in the March quarterly cycle and have not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of the expiration by the clearing member representing the option buyer, be exercised automatically.

**355A02.B. Assignment**

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the

underlying futures contract if a call was exercised and a short position if a put was exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

(End of rule amendments)

## **Chapter 356**

### **S&P 500/ Value Index Futures**

#### **35600. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the S&P 500/ Value Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### **35601. COMMODITY SPECIFICATIONS**

Each futures contract shall be valued at \$250.00 times the S&P 500/ Value Index. The S&P 500/ Value Index is a capitalization-weighted index of S&P 500 stocks which have the lowest price-to-book ratios and which account for approximately 50% of the total capitalization of S&P 500 stocks.

#### **35602. FUTURES CALL**

##### **35602.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

##### **35602.B. Trading Unit**

The unit of trading shall be \$250.00 times the S&P 500/ Value Index.

##### **35602.C. Price Increments**

Bids and offers shall be quoted in terms of the S&P 500/ Value Index. The minimum fluctuation of the futures contract shall be .10 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of .05 index points, for S&P 500/ Value Index futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

##### **35602.D. Position Limits**

A person shall not own or control more than 20,000 futures contracts net long or net short in all contract months combined. For the purpose of this rule, a long or short position in S&P 500/ Value Index futures will be considered to be embedded in a long or short position in S&P 500 Stock Price Index futures.

For positions involving options on S&P 500/ Value Index futures, this rule is superseded by the option speculative position limit rule.

**35602.E. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

**35602.F. Exemptions**

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 559.

**35602.G. Termination of Trading**

Futures trading shall terminate on the business day immediately preceding the day of determination of the Final Settlement Price.

**35602.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

**35602.I. Price Limits, Trading Halts, and/or Trading Hours**

Daily price limits and trading halts of the S&P 500/ Value Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For the purpose of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit and Exchange staff shall have the responsibility of determining whether the primary futures contract is limit offered.

For the first day of trading in a newly listed contract, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** There shall be Price Limits corresponding to a 10.0%, 20.0% and 30.0% decline below the Settlement Price of the preceding RTH session calculated as provided below.

The Price Limits shall be calculated at the beginning of each calendar quarter, based upon the average closing price of the current primary futures contract, during the month prior to the beginning of the quarter (P) and rounded, as follows.

5.0% Price Limit	equals	One half of the 10% Price Limit rounded down to nearest integral multiple of 1 index point
10.0% Price Limit	equals	10% of P rounded down to nearest integral multiple of 10 index points



20.0% Price Limit equals 2 times the 10.0% Price Limit

30.0% Price Limit equals 3 times the 10.0% Price Limit

When the primary futures contract is limit offered at the 10.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 20.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.<sup>13</sup>

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the S&P 500/ Value Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the Dow Jones Industrial Average, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the S&P 500/ Value Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>14</sup>:** The opening time of trading on GLOBEX will be the same as the opening time of GLOBEX trading of S&P 500 contracts. In particular, the opening time of GLOBEX trading will be delayed until 6:00 p.m. if GLOBEX trading of S&P 500 contracts is delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of S&P 500/ Value Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the reopening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

### 35603. SETTLEMENT PROCEDURES

Delivery under the S&P 500/ Value Index Futures contract shall be by cash settlement.

#### 35603.A. Final Settlement Price

The Final Settlement Price shall be a special quotation of the S&P 500/ Value Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month.

If the S&P 500/ Value Index is not scheduled to be published on the third Friday of the contract month, the Final Settlement Price shall be determined on the first earlier day for

<sup>13</sup> Revised December 2007; January 2008.

<sup>14</sup> Revised December 2007; January 2009.

which the Index is scheduled to be published.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

**35603.B. Final Settlement**

Clearing members holding open positions in a S&P 500/ Value Index futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the final settlement price.

**35604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

**35605. - 06. [RESERVED]**

(End of Chapter 356)

**Chapter 356A**

**Options on S&P 500® / Value Index Futures**

**356A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on the S&P 500/ Value Index futures contract ("S&P 500/ Value Index options"). The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**356A01. OPTION CHARACTERISTICS**

**356A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any option contract when the S&P 500/ Value Index primary futures contract is limit bid or offered at any price limit except at the Total Daily Price Limit on an option's last day of trading.

There shall be no trading in any option contract during a period when trading in the primary futures contract is terminated pursuant to Rule 35602.I.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff shall have the responsibility of determining whether the primary futures contract is trading at its limit during Regular Trading Hours (RTH). During Electronic Trading Hours (ETH), the determination shall be made by the Globex Control Center.

#### **356A01.B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell in the case of the put, one S&P 500/ Value Index futures contract as specified in Chapter 356.

#### **356A01.C. Minimum Fluctuations<sup>15</sup>**

The price of an option shall be quoted in index points. Each .01 index point (1 basis point) shall represent \$2.5. The minimum fluctuation shall be .10 index points (\$25.00, also known as one tick). Trades may also occur at a price of .05 index points (\$12.50, also known as one-half tick), whether or not such trades result in the liquidation of positions for both parties to the trade. A trade with a price equal to or less than 5.00 index points may also occur at a price in multiples of .05 index points, e.g., .15 index points \$37.50, also known as one and one-half ticks, and 1.95 index points (\$487.50, also known as nineteen and one-half ticks).

Each leg of a combination trade of options contracts shall be traded at a price conforming to the minimum fluctuation. Notwithstanding, options in a combination trade can be traded at an increment of .05 index points regardless of the premium level if the net premium of the options combination is at or below 5.00 index points.

#### **356A01.D. Underlying Futures Contract**

##### **1. Options in the March Quarterly Cycle**

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

##### **2. Options Not in the March Quarterly Cycle**

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contract.

#### **356A01.E. Exercise Prices<sup>16</sup>**

##### **1. Options in the March Quarterly Cycle**

The exercise prices shall be stated in terms of the S&P 500/ Value Index futures contract.

At the commencement of trading for each contract, the Exchange shall list all exercise prices in a range of 20 index points above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 5 without remainder, e.g. 500, 505,

---

<sup>15</sup> Revised January 2007

<sup>16</sup> Revised November 2005.

510, etc.

If any of the foregoing exercise prices are within 2 index points of the settlement price of the underlying futures contract, then the Exchange shall list an additional exercise price at the unoccupied level above (or below) the exercise price that is within 2 index points of the previous day's settlement price.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is a number divisible by 2.5 without remainder in a range of 15 index points above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price, in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list all eligible exercise prices in the corresponding ranges on the next trading day.

New options may be listed for trading up to and including the termination of trading.

Exchange Staff, under delegated authority from the Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

## **2. Options Not in the March Quarterly Cycle**

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

### **356A01.F. Position Limits**

No person shall own or control a combination of options and underlying futures contracts that exceeds 20,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series, and a long or short futures-equivalent position in S&P 500/ Value Index futures or options on futures will be considered to be embedded in a long or short futures-equivalent position of S&P 500 Stock Price Index futures or options on futures.

Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

### **356A01.G. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons action pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

### **356A01.H. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559 and shall not apply to other option positions exempted pursuant to Rule 559.

**356A01.I. Termination of Trading**

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange business day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**356A01.J. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling directive, or law shall be construed to become part of these rules and all open new options contracts shall be subject to such governmental orders.

**356A02. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the S&P 500/ Value Index options.

**356A02.A. Exercise of Option by Buyer**

An option may be exercised by the buyer on any business day that the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option in the March quarterly cycle that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the business day following the termination of trading by the clearing member representing the option buyer, be automatically exercised.

In the money options that expire in months other than those in the March quarterly cycle and have not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of the expiration by the clearing member representing the option buyer, be exercised automatically.

**356A02.B. Assignment**

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the

underlying futures contract if a call was exercised and a short position if a put was exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

(End of rule amendments)