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April 2, 2008

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: CME Rule 135 ("GEM Division"), Interpretation to Rule 135.A. Regarding Allowable Spreads for GEM Members, CME Chapter 4 Interpretation – GEM Member Requirements
CME Submission No. 08-64

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commission of amendments to CME Rule 135 ("GEM Division"), the Interpretation to Rule 135.A. Regarding Allowable Spreads for GEM Members and the GEM Member Requirements Interpretation in CME Chapter 4. These changes have been made in connection with CME and CBOT adopting substantially harmonized order entry policies which will apply on the consolidated trading floor.

The changes will become effective on April 7, 2008 for the CME Equity complex, on April 28 for the CME FX and Interest Rates complexes and on May 19 for the CME Commodity complex, concurrent with the relocation of the trading pits in those complexes to the consolidated trading floor to the CBOT building.

The amendments are attached with additions underscored and deletions overstruck.

CME certifies that these changes neither violate nor are inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder.

If you have any questions regarding this matter, please contact Robert Sniegowski, Associate Director, Market Regulation Department, at 312.648.5493 or me at 312.648.5422.

Sincerely,

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

135. GEM DIVISION

135.A. Trading Privileges of GEM Members

A GEM member shall have access to the trading floor to trade as principal and as broker for others fill orders in all products assigned to the GEM Division and all products available pursuant to Rule 194, hereinafter collectively referred to as GEM accessible products. ~~GEM members may not, while on the floor of the Exchange, enter orders for products of other Divisions except for bona fide spread transactions involving GEM accessible products. A GEM member who trades electronically or places orders for pit- or electronically-traded products in which he does not have membership privileges is not entitled to member rates for such trades.~~ GEM members may not solicit business from the floor of the Exchange except for business in GEM accessible products and bona fide spreads involving such products as set forth in the Interpretations Section at the end of this chapter. The time during which a GEM membership is held will not be counted toward satisfaction of the holding period necessary to permit lessees to become order fillers in the CME, IMM, or IOM Divisions unless the holder can demonstrate that he was primarily engaged in active trading or order filling in GEM accessible products during that holding period. Lessees in all divisions may fill orders in GEM accessible products without regard to such holding period.

[The remainder of the rule is unchanged.]

INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

Rule 135.A. provides that GEM members may not ~~while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving products within the GEM Division and that GEM members may not~~ solicit business from the floor of the Exchange except for business in GEM accessible products ~~traded in the GEM Division~~ and bona fide spreads involving such products.

The only allowable spreads involving non-GEM products ~~in which that~~ GEM members may ~~enter into or~~ solicit business while on the trading floor are listed below:

| | | |
|---------------------------------|------|--|
| GSCI | with | Live Cattle and Lean Hogs |
| Russell 2000 | with | S&P 500, S&P Mid-Cap, E-Mini S&P 500 |
| E-Mini Russell 1000 | with | E-Mini S&P 500 |
| S&P/Barra Growth and Value | with | S&P 500, S&P Mid-Cap, E-Mini S&P 500 |
| East European Currencies | with | Euro FX |
| European style currency options | with | British pound, Canadian dollar, Euro FX, Japanese yen and Swiss franc futures or American style options on these futures |
| CME\$INDEX™ | with | Euro FX, Japanese yen, British pound, Swiss franc, Australian dollar, Canadian dollar, Swedish krona |
| E-Mini NASDAQ Composite | with | E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400, E-Mini Russell 2000, S&P SmallCap 600, E-Mini Russell 1000, Financial SPCTR, Technology SPCTR. |
| CPI | with | Eurodollar |
| Yen Denominated Nikkei 225 | with | Dollar Denominated Nikkei 225 |
| HICP | with | Eurodollar, CPI |

~~When such spreads are executed on a legged basis, the GEM leg of the spread must always precede the non-GEM leg. Please note that these restrictions do not apply to spreads in which all of the component parts are in GEM accessible products.~~

GEM MEMBER REQUIREMENTS

~~A GEM member, while on the trading floor as a GEM member, must be primarily engaged in the business of trading or soliciting orders for GEM Division products. Shortly after the GEM Division was created, the GEM Access Committee adopted an interpretation allowing a GEM member to act as a non-member clerk in non-GEM products on the trading floor, while also acting as a GEM member with respect to GEM products, provided that the following restrictions are met:~~

- ~~• The GEM member must be registered with the Exchange as a floor clerk in order to act in that capacity.~~
- ~~• Such member cannot exceed the functions permitted to a non-member floor clerk with respect to non-GEM products—i.e., he or she cannot solicit customers in such products and cannot share in any revenues generated as a result of trades in such products.~~
- ~~• A GEM member who also acts as a clerk will not satisfy the one-year holding period to become an order filler as a lessee in another Division pursuant to Rule 106.D.10, unless he or she can demonstrate that he or she was primarily engaged in active trading or order filling in GEM Division products during that time.~~

~~Starting from September 11, 1998 [the effective date of the Interpretation], an individual may have floor access as both a GEM member and as a non-member clerk in non-GEM products for no longer than one year. After one year, the individual must relinquish either his or her floor access as a GEM member or his or her ability to act as a clerk on the trading floor. Exchange staff may grant waivers of that requirement to individuals upon a showing of financial hardship or upon a showing that the individual has made a good faith effort to increase his or her trading or solicitation of GEM products while on the trading floor.~~