



CME Group

A CME/Chicago Board of Trade Company

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

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June 24, 2009

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

**RE: CME/CBOT/NYMEX Rule 902
("Clearing Membership Assignment Requirements")
CME/CBOT/NYMEX Submission No. 09.122**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT") and The New York Mercantile Exchange, Inc. ("NYMEX") (collectively, "the Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC") of amendments to CME/CBOT/NYMEX Rule 902 ("Clearing Membership Assignment Requirements") in connection with the NYMEX Rulebook harmonization process. The rule amendments for each Exchange are outlined below:

1. CME Rule 902 reverts to the prior CME requirement that at least 50% of the memberships and shares required for clearing membership must be owned by the clearing member or by a person with an acceptable proprietary interest in the clearing member. The remaining 50% of such memberships and shares may be independently assigned. An independent assignment may be made by any person. Any new clearing applicants would be immediately subject to this rule. Existing CME clearing members which currently own all of their memberships would be allowed to replace one membership, with another replacement allowed after 6 months and the final replacement allowed after 12 months. However, 50% of the assigned shares would be immediately available for independent assignment.
2. CBOT Rule 902 is amended in a parallel manner, with the caveat that if only one CBOT Series B-1 (Full) membership is required to be assigned for a clearing member, that one membership must be owned by the clearing member or by a person with an acceptable proprietary interest in the clearing member. The grandfathering provisions for CBOT clearing members approved on or before November 29, 2007 would remain in effect.
3. NYMEX Rule 902 is amended to require that 50% of assigned memberships and Class A shares must be owned by the clearing member or by a person with an acceptable proprietary interest in the clearing member. The remaining memberships and shares may be independently assigned by any person. Any NYMEX clearing member approved on or before February 2, 2009, would be Grandfathered for this rule, preserving their conferred assignments.

The text of the rule changes is attached, with additions underscored and deletions lined-out. The rule amendments will be made effective on June 26, 2009.

The Exchanges certify that these changes comply with the Commodity Exchange Act and regulations thereunder.

If you have any questions regarding this matter, please contact me at (312) 648-5422.

Sincerely,

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

CME Rule 902.

902. CLEARING MEMBERSHIP ASSIGNMENT REQUIREMENTS

902.A. Assignment Requirement

Subject to exemptions granted by Exchange staff, each CME clearing member shall have at least: two CME memberships, two IMM memberships, two IOM memberships, and one GEM membership assigned to the Clearing House. A clearing member which was an IMM Class A clearing member on or prior to May 6, 1987, shall have at least one CME membership, three IMM memberships, two IOM memberships, and one GEM membership assigned to the Clearing House. A higher Division membership may be substituted for a lower Division membership to satisfy these requirements.

Subject to exemptions granted by Exchange staff, each CME clearing member shall assign at least the number of CME Group Class A Shares set forth in the table below:

Number of CME Group Class A Shares Needed for Membership¹

Type of Membership	CME Only Clearing Member	Joint Member of CME and CBOT	Joint Clearing Member of CME, CBOT and NYMEX
Rule 900.A. Clearing Members; FCMs, Non-FCMs, Closely Held and Sole Proprietorships	8,000	±12,000	*16,000
CME Clearing Members Member firm plus all 100% affiliates (Umbrellas)	8,000	12,000	16,000
Rule 900.B. Corporate Equity Members (Inactive Clearing)	8,000	12,000 (w/CBOT Full) 9,750 (w/CBOT Assoc.)	16,000 ±(w/CBOT Full) 13,750 (w/CBOT Assoc.)
CME Corporate Equity Members Family of Funds (holding equity)	8,000	12,000	16,000

¹ Revised December 2008.

* The 12,000 and 16,000 share requirements for joint members shall include CBOT clearing members with a grandfathered share requirement of 4,725.

Assigned Class A Shares may not be sold, pledged, hypothecated, lent, reregistered or otherwise transferred without the prior approval of the Exchange. Each clearing member assigning Class A Shares to the Clearing House hereby acknowledges that the Clearing House has control over such Class A Shares and further agrees to comply with any policies or procedures established by the Clearing House to affect control over Class A shares.

All At least one of the CME, one IMM, and one IOM memberships and 50% of the Class A Shares required for clearing memberships pursuant to this rule must be owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member. The GEM membership required for clearing membership must be owned by the clearing member or a person with an acceptable proprietary interest in the clearing member, if such clearing member was approved for membership after June 1, 2003. One CME, one IMM, and one IMM membership and 50% of the Class A Shares required for clearing membership may be independently assigned.

However, a clearing member approved for membership on or before July 1, 2009, for which all of the memberships required for clearing membership were owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member, as of July 1, 2009, may substitute one independently assigned membership no earlier than July 1, 2009; a second independently assigned membership no earlier than January 1, 2010; and a third independently assigned membership no earlier than July 1, 2010.

A clearing member approved for membership on or before June 1, 2003, may continue to maintain the same number of independent membership assignments and the same ratio of independent Class A Share assignments as the clearing member held on June 1, 2003 (i.e., up to one CME, one IMM, and one IOM memberships, and up to 50 percent of the Class A Shares). If a clearing member approved on or before June 1, 2003, or a person with an acceptable proprietary interest in the clearing member, subsequently purchases a membership or Class A Shares and substitutes such asset for one which was previously an independent assignment, such membership or Class A Shares must thereafter be owned by the clearing member or a person with an acceptable proprietary interest.

Upon default of a clearing member in meeting its obligations to the Clearing House or upon the Clearing House Risk Committee's determination that a clearing member's financial position jeopardizes the financial integrity of the Clearing House, the Clearing House may direct the sale of any or all of the clearing member's assigned CME memberships and Class A Shares. The proceeds from the sale of the CME memberships shall be used to satisfy Rule 110 obligations.

* * * *

902.C. Assignment Process

A membership and/or Class A Shares may be assigned upon the completion of an Exchange-approved form. A membership and Class A Shares may be assigned on behalf of only one clearing member and may not be subject to any Rule 110 claims at the time of assignment. Upon submitting an assignment form to the Shareholder Relations and Membership Services Department, the membership shall be notified of the assignment. Parties will have ten days after the notification of the assignment to submit any Rule 110 claims against the membership being assigned. After all Rule 110 claims have been resolved to the satisfaction of the Exchange, the membership shall be assigned.

CBOT Rule 902.

902. CLEARING MEMBERSHIP ASSIGNMENT REQUIREMENTS

902.A. Assignment Requirement

Subject to exemptions granted by Exchange staff, a CBOT Clearing FCM shall have at least two Series B-1 (Full) memberships assigned to the Clearing House, and all other CBOT clearing members shall have at least one Series B-1 (Full) membership assigned to the Clearing House.

Subject to exemptions granted by Exchange staff, each CBOT clearing member shall assign at least the number of CME Group Class A Shares set forth in the table below:

Number of CME Group Class A Shares Needed for Clearing Membership

Type of Membership	CBOT Clearing Member	Joint Clearing Member of CBOT and CME	Joint Clearing Member of CBOT, CME and NYMEX <u>(including a NYMEX Member Firm)</u>
		<u>Or CBOT and NYMEX (including a NYMEX Member Firm)</u>	
Clearing FCMs	8,000	12,000	16,000
Clearing Closely Held Corporate Members	8,000*	12,000	16,000
Clearing Corporate Members	8,000*	12,000	16,000
Sole Proprietor Clearing Members	8,000*	12,000	16,000

*Clearing Closely Held Corporate Members, Clearing Corporate Members and Sole Proprietor Clearing Members that qualified as clearing member firms as of July 12, 2007, will have a "grandfathered" share requirement of 4,725. The 12,000 and 16,000 share requirements for joint clearing members shall include CBOT clearing members with a grandfathered share requirement of 4,725.

Assigned Class A Shares may not be sold, pledged, hypothecated, lent, reregistered or otherwise transferred without the prior approval of the Exchange. Each clearing member assigning Class A Shares to the Clearing House hereby acknowledges that the Clearing House has control over such Class A Shares and further agrees to comply with any policies or procedures established by the Clearing House to affect control over Class A shares.

At least one Series B-1 (Full) membership and at least 50% of All of the memberships and Class A Shares required for clearing memberships pursuant to this rule must be owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member, if such clearing member was approved for membership after November 29, 2007. If two Series B-1 (Full) memberships are required for clearing membership, one of those memberships may be independently assigned. The remaining 50% of the shares required for clearing membership may also be independently assigned.

A clearing member approved for membership on or before November 29, 2007, may continue to maintain the same number of independent membership assignments and the same ratio of independent Class A Share assignments as the clearing member held on November 29, 2007. If a clearing member approved on or before November 29, 2007, or a person with an acceptable proprietary interest in the clearing member, subsequently purchases a membership or Class A Shares and substitutes such asset for one which was previously an independent assignment, such

membership or Class A Shares must thereafter be owned by the clearing member or a person with an acceptable proprietary interest if necessary to meet the minimum requirements of the previous paragraph.

Upon default of a clearing member in meeting its obligations to the Clearing House or upon the Clearing House Risk Committee's determination that a clearing member's financial position jeopardizes the financial integrity of the Clearing House, the Clearing House may direct the sale of any or all of the clearing member's assigned CBOT memberships and Class A Shares. The proceeds from the sale of the CBOT memberships shall be used to satisfy Rule 110 obligations.

* * * *

902.C. Assignment Process

A membership and/or Class A Shares may be assigned upon the completion of an Exchange-approved form. A membership and Class A Shares may be assigned on behalf of only one clearing member and may not be subject to any Rule 110 claims at the time of assignment. Upon submitting an assignment form to the ~~Shareholder Relations and Membership Services~~ Department, the membership shall be notified of the assignment. Parties will have ten days after the notification of the assignment to submit any Rule 110 claims against the membership being assigned. After all Rule 110 claims have been resolved to the satisfaction of the Exchange, the membership shall be assigned.

Proposed Amendments to NYMEX Chapter 9

900. CATEGORIES OF CLEARING MEMBERS

The Exchange may establish different clearing member categories and alter the rights and responsibilities of such categories. The term "clearing member" as used in the Rules, shall include all clearing member categories established by the Exchange, including Clearing FCMs, unless otherwise specified.

900.A. NYMEX Clearing Members

NYMEX Clearing Members shall have all applicable rights, responsibilities and privileges attendant thereto, subject to the provisions of these rules and shall be qualified to clear transactions for all NYMEX products and any COMEX products for which cross-divisional trading privileges have been granted by the Board.

900.B. COMEX Clearing Members

COMEX Clearing Members shall have all applicable rights, responsibilities and privileges attendant thereto, subject to the provisions of these rules and shall be qualified to clear transactions for all COMEX products and any NYMEX products for which cross-divisional trading privileges have been granted by the Board.

902. CLEARING MEMBERSHIP ASSIGNMENT REQUIREMENTS

902.A. Assignment Requirement

~~(A) Subject to exemption exceptions granted by Exchange staff, each clearing member firm, as a condition of obtaining and maintaining Clearing Member privileges, shall be required to own and or have at least conferred upon it two (2) Exchange memberships in each Division in which it desires Clearing Member privileges assigned to the Clearing House. The firm shall also be required to designate one or two individuals as its "conferring Members". Conferring Members may individually own the membership(s) and or hold such memberships via ABC Agreement. In addition, until further notice from the Exchange, each NYMEX Division Clearing Member shall at all times own or have assigned topledged/conferred upon it at least: 8,000 shares in CME Group Class A Shares common stock; 12,000 shares in CME Group common stock if it is a Clearing Member at NYMEX and CME or CBOT; and 16,000 shares in CME Group common stock if it is a Clearing Member at NYMEX, CME and CBOT.~~

~~(B) In the case of one conferring Member, such Member shall be an executive officer, general partner or an executive officer of a corporate general partner of the firm.~~

~~(C) In the case of two conferring Members, at least one member shall be an executive officer, general partner or an executive officer of a corporate general partner of the firm; the other conferring Member need only be a bona fide full time employee of the firm.~~

~~(D) As used in this Rule, an executive officer, general partner or an executive officer of a corporate general partner must have the power to direct the affairs of the firm with respect to transactions executed on the Exchange or shall be the senior commodity officer of the firm.~~

~~(E) Trades done for the account of any parent, subsidiary, affiliate, etc. of a Clearing Member, if not itself a Clearing Member shall be at non-Member rates; only the firm obtaining Clearing Member status hereunder may receive Member rates.~~

A NYMEX Division Clearing Member shall at all times own or have assigned to it at least 12,000 CME Group Class A Shares if it is also either: (a) a clearing member of CME or (b) a CBOT clearing member (including a CBOT clearing member with a grandfathered share requirement of 4,725) or a CBOT member firm that has an 8,000 share requirement. If the CBOT member firm has a 1,750 share requirement, the combined share requirement will be 9,750.

A NYMEX Division Clearing Member shall at all times own or have assigned to it at least 16,000 CME Group Class A Shares if it is also both: (a) a clearing member of CME and (b) a CBOT clearing member (including a CBOT clearing member with a grandfathered share requirement of 4,725) or a CBOT member firm that has an 8,000 share requirement. If the CBOT member firm has a 1,750 share requirement, the combined share requirement will be 13,750.

Assigned Class A Shares may not be sold, pledged, hypothecated, lent, reregistered or otherwise transferred without the prior approval of the Exchange. Each clearing member assigning Class A Shares to the Clearing House hereby acknowledges that the Clearing House has control over such Class A Shares and further agrees to comply with any policies or procedures established by the Clearing House to affect control over Class A Shares.

At least one membership and 50% of the Class A Shares required for clearing membership pursuant to this rule must be owned by the clearing member or a person, including a parent company, with an acceptable proprietary interest in such clearing member, if such clearing member was approved for membership after July 1, 2009. The second membership and the remaining 50% of the Class A Shares may be independently assigned.

A clearing member approved for membership on or before July 1, 2009, may continue to maintain the same number of independent membership assignments and the same ratio of independent Class A Share assignments as the clearing member held on July 1, 2009. If a clearing member approved on or before July 1, 2009, or a person with an acceptable proprietary interest in the clearing member, subsequently purchases a membership or Class A Shares and substitutes such asset for one which was previously an independent assignment, such membership or Class A Shares must thereafter be owned by the clearing member or a person with an acceptable proprietary interest if necessary to meet the minimum requirements of the previous paragraph.

Upon default of a clearing member in meeting its obligations to the Clearing House or upon the Clearing House Risk Committee's determination that a clearing member's financial position jeopardizes the financial integrity of the Clearing House, the Clearing House may direct the sale of any or all of the clearing member's assigned memberships and Class A Shares. The proceeds from the sale of the memberships shall be used to satisfy Rule 110 obligations.

902.B. [Reserved]

902.C. Assignment Process

A membership and/or Class A Shares may be assigned upon the completion of an Exchange-approved form. A membership and Class A Shares may be assigned on behalf of only one clearing member and may not be subject to any Rule 110 claims at the time of assignment. Upon submitting an assignment form to the Membership Services Department, the membership shall be notified of the assignment. Parties will have ten days after the notification of the assignment to submit any Rule 110 claims against the membership being assigned. After all Rule 110 claims have been resolved to the satisfaction of the Exchange, the membership shall be assigned.

902.D. Assignment Substitutions

A clearing member may substitute a membership and/or Class A Shares for an assigned membership and/or Class A Shares provided that the clearing member continues to meet the assignment requirements of this Rule.

In the event a clearing member has a valid claim against a member that it qualifies and the member's membership is assigned to another clearing member, the clearing member utilizing the membership for assignment shall have 10 business days to substitute another membership to fulfill the assignment requirements of this Rule.

902.E. Assignment Withdrawal Disputes

In the event a member wants to withdraw his assigned membership over the objection of the clearing member to which the membership is assigned, such member must request permission to do so from Clearing House staff. The request must be in writing with a copy delivered to the clearing member to which the membership is assigned.

902.F. Lien on Memberships and Class A Shares

(F) Each Clearing Member hereby grants to the Clearing House a first priority and unencumbered lien against all memberships and any CME Group Class A shares required for clearing membership by the Exchange.

974. FAILURE TO MEET MINIMUM FINANCIAL REQUIREMENTS

A. If, in the opinion of the Audit Department, a clearing member fails to meet the minimum financial requirements as prescribed herein or neglects to promptly furnish a statement upon request, a recommendation may be made to the Clearing House Risk Committee to suspend the privileges of the clearing member. Upon such recommendation, the Clearing House Risk Committee shall conduct a hearing and such clearing member shall show cause why its privileges should not be suspended. Upon finding that the minimum financial requirements are being violated, the Clearing House Risk Committee may suspend the privileges of such clearing member in accordance with the provisions of Chapter 4 of these rules. The CFTC shall be immediately notified of any clearing member which fails to meet the minimum financial requirements. Any suspended clearing member may appeal the decision of the Clearing House Risk Committee to the Board.

B. If any Rule 106.J member firm has notified the Exchange of a bankruptcy proceeding or a definite intention to file for bankruptcy pursuant to Rule 442, or if the Exchange otherwise becomes aware of such a proceeding or intention, or if, in the opinion of the Audit Department, any non-clearing member firm that is an FCM fails to meet CFTC minimum financial requirements or neglects to promptly furnish a statement upon request, the membership privileges of the member firm may be suspended, subject to approval of any two of the following individuals: the Chief Executive Officer, the President, the President of the Clearing House, the Chairman of the Board, or the Chief Operating Officer. Any two of these individuals may reinstate the membership privileges of such a suspended member firm, in their discretion, if the suspended member firm provides evidence satisfactory to the Audit Department of its financial responsibility or that it meets CFTC minimum financial requirements.