

MGEX

MINNEAPOLIS GRAIN EXCHANGE

Via Electronic Mail

July 11, 2008

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OFF. OF THE SECRETARIAT

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

SUBJECT: Rule Certification

Dear Mr. Stawick:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission Regulation 40.6(a), the Minneapolis Grain Exchange ("MGEX") hereby certifies that the attached amended Regulations 2014.00., 2015.00. and 2060.00. comply with the CEAct and the regulations promulgated thereunder. Additions have been underlined; deletions have been crossed out.

The purposes for amending the Regulations are to expand the closing period for futures from the last 30 seconds to the last 60 seconds of trading, and to use the combined weighted average of the closing period volume from both the electronic platform and the trading pit to determine the futures settlement price. The options settlement procedures remain the same.

Pursuant to the authority of MGEX Rule 210.01., the Board of Directors unanimously approved amending the Regulations. The effective date is July 14, 2008.

If there are any questions regarding this submission, please contact me at (612) 321-7169. Thank you.

Sincerely,



Layne G. Carlson
Corporate Secretary

Enclosure
cc: Thomas J. Bloom
Anne Reuter

Attachment

2014.00. SETTLEMENT PRICES.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A. Open Outcry/MGEXpress® Contracts.

Deleted: Open Outcry Contracts

1. Settlement prices for Futures Contracts which have both Open Outcry and MGEXpress® sessions shall be determined by the trading session with the later closing time.

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2. Promptly after the close of trading in each Futures Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement prices for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

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After the closing bell, all Brokers and Traders in the Pit shall report to the Market Observer and a member of the Quotations Committee all trades, bids and offers made in the closing period. Exchange staff will determine all applicable trades, bids and offers made in the closing period on MGEXpress®. The settlement price shall be determined by the combined weighted average of the trades and applicable bids and offers made in the closing period.

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3. If no trade occurs in the closing period, the settlement price shall be the last trade price, unless there is a higher bid or lower offer. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer. In such cases, the higher bid or lower offer shall be the settlement price.

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4. If such settlement price is not consistent with the settlements in other months or with market information known to the designated Exchange official supervising the closing or to members of the Quotations Committee, or if the settlement was inaccurately determined, the designated Exchange official, with the advice of the Quotations Committee, may establish a settlement price at a level consistent with such other settlement prices or market information and shall prepare a written record setting forth the basis for any modification of such settlement price.

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B. MGEXpress® Contracts.

Promptly after the close of the trading session in each Futures Contract, the Exchange shall ensure that settlement prices are calculated for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1. The settlement price shall be the last trade price, unless there is a higher bid or lower offer that existed at the close of the market. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer that existed at the close of the market. In such cases, the higher bid or lower offer shall be the settlement price.
2. If such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price shall be prepared.

C. Reservation.

The Exchange reserves the right to modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

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Outcry/MGEXpress® Contracts.¶
¶
Settlement prices for Futures
Contracts which have both Open
Outcry and MGEXpress® sessions
shall be determined by open outcry or
the trading session with the later
closing time.
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2015.00. SETTLEMENT PREMIUMS.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A. Open Outcry/MGEXpress® Contracts.

Promptly after the close of trading in each Options Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

1. Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Open Outcry Contract. Exchange staff, in conjunction with the Quotations Committee, shall then determine the settlement premiums by using a theoretical pricing model.
2. If Exchange staff, in conjunction with the Quotations Committee, believes, based on its review of the market and market conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the

underlying Futures Contract and the previously prevailing differentials:

- a. among the premiums for the listed striking prices for the option month;
- b. among the premiums for the different option months listed for trading; and
- c. between the premium for the relevant striking price and the price of the underlying Futures Contract.

Where a settlement premium is established in accordance with this section by Exchange staff, in conjunction with the Quotations Committee, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

B. Reservation.

The Exchange reserves the right to modify the settlement premium prior to the start of the day's final clearing process if the settlement premium arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement premium is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

2060.00. OFFICIAL CLOSING PERIOD: FUTURES.

The closing period shall be the last sixty (60) seconds of the Hard Red Spring Wheat Contract trading session.

Deleted: B. MGExpress® Contracts.¶

¶ Promptly after the close of the trading session in each Options Contract, the Exchange shall ensure that settlement premiums are calculated as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.¶

¶ 1. The settlement premiums shall be determined by using a theoretical pricing model.¶

¶ 2. Based on market conditions if the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then a new settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials may be established.¶

¶ a. among the premiums for the listed striking prices for the option month;¶

¶ b. among the premiums for the different option months listed for trading; and¶

¶ c. between the premium for the relevant striking price and the price of the underlying Futures Contract.¶

¶ Where a settlement premium is established in accordance with this section, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.¶

Deleted: C. Open Outcry/MGExpress® Contracts.¶

¶ Settlement premiums for Options Contracts which have both Open Outcry and MGExpress® sessions shall be determined by open outcry or the trading session with the later closing time.¶

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