



CME Group

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OFFICE OF THE SECRETARIAT

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July 16, 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 Market Regulation Advisory Notice RA0909-3
CME/CBOT Submission No. 09-132**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission that they will issue CME & CBOT Market Regulation Advisory Notice RA0909-3 on Monday, July 20, 2009, informing the membership that effective August 3 the Exchanges will add spread trades into the analysis program for determining compliance with a member's requirement to accurately submit a time bracket for pit trades. A copy of the Advisory Notice is included with this submission.

The Exchanges certify that the Advisory Notice complies with the Commodity Exchange Act and regulations thereunder.

If you have any questions regarding the Advisory Notice, please contact Lou Abarcar, Associate Director, Market Regulation, at 312.341.3236 or me at 312.648.5422. Please reference CME/CBOT Submission No. 09-132 in any related correspondence.

Sincerely,

/s/ Lisa A. Dunsky
Director and Associate General Counsel

MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	Computerized Trade Reconstruction ("CTR") Bracket Exception Program
Rule References	Rule 536
Advisory Date	July 20, 2009
Advisory Number	CME & CBOT RA0909-3
Effective Date	August 3, 2009

Over the last several months the Market Regulation Department ("Department") has provided information to the membership that spread trades would soon be included as part of the Bracket Exception Program ("program"). In order to ensure that the membership was made aware of the importance of the proper price reporting of spreads, staff of the Department has met with various pit committees, sent numerous informational letters and spoken with many individual members.

This Advisory Notice is being issued to inform the membership that **effective August 3, 2009**, the Computerized Trade Reconstruction ("CTR") Bracket Exception Program will begin to include the analysis of spreads in determining compliance with the program. CME and CBOT Rule 528 ("Price Reporting") requires parties to pit trades to properly notify the designated Exchange official of the price at which the trades have been consummated. Both parties to pit trades are required to ensure that the prices are properly posted. The requirement pertains to all pit-traded outright, spread and combination trades.

Additionally, every spread or combination transaction must be reported each time it is traded. For example, if a spread is executed at 10:01 a.m. and subsequently trades again at 10:02 a.m., the price must be quoted and the spread must be reported both times, **regardless of whether there has been a change in price**. Along with the spread price, members must also report the quantity of the spread to the pit reporters, who will record the member's acronym. Any spread price that does not appear in Time and Sales during the bracket designated by the members executing the spread will be cited as an error in the Bracket Exception Program.

Members will be subject to disciplinary action if their monthly percentage of bracket exceptions is 8% or greater at the end of the month. Spread activity will be reviewed and reflected in a member's percentages beginning on August 3. Violation letters issued in early September for trade month August will therefore include this activity.

Questions regarding this advisory may be directed to the following individuals in Market Regulation:

Lou Abarcar, Associate Director, Market Regulation, 312.341.3236
Terry Quinn, Manager, Market Regulation, 312.435.3753
Dave Peloquin, Senior Data Quality Analyst, 312.341.3165