



**KANSAS CITY  
BOARD OF TRADE**

August 19, 2008

SENT VIA E-MAIL TO:  
[submissions@cftc.gov](mailto:submissions@cftc.gov)

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

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OFFICE OF THE SECRETARIAT

**Re: Supplement to Submission dated August 15, 2008 filed pursuant to Section 5c(c) of the Act and Commission Regulations 40.4 and 40.5 - "Request for Commission rule approval."**

Dear Mr. Stawick:

**I. REQUEST FOR COMMISSION APPROVAL**

The Kansas City Board of Trade ("KCBT" or "exchange") hereby submits this supplement to its original filing dated August 15, 2008, pursuant to Section 5c(c) of the Act and Commission Regulations 40.4 and 40.5, amended Rule 2005.01 pertaining to the settlement price procedures for the wheat futures contract.

**II. TEXT OF RULE 2005.01 SUPPLEMENTAL AMENDMENTS**

The text of the supplemental rule amendments is shown as follows, with additions underlined and deletions lined out (shown in relation to the rule amendments filed on August 15, 2008):

**2005.01† Official Close; Settlement Price.** Under the provisions of Rule 1111.00, the pit reporter is instructed to ring the bell before the closing period of the session and immediately after the final bell, call out the highest and lowest quotations made during the closing period. Those quotations shall constitute the official closing range of the market.

The settlement price shall be determined in the following manner:

- a. Immediately following the closing bell, all brokers and traders in the pit shall report to the pit reporter and the Wheat Pit Committee all outright trades, bids and offers and all spread trades, bids and offers made in the closing period that are relevant in determining settlement prices in accordance with Sections (b), (c) & (d) below.
- b. The settlement price of the lead contract month (defined as the contract month with the largest open interest) shall be determined by the weighted average method of the trades in the closing period as reflected in the information reported to the pit reporter and Committee in accordance with subpart "a" of this Rule.

- c. The remaining contract months shall be settled based on spread price relationships, considering spread trades reported during the close. If individual spreads trade at multiple prices during the close, the Committee shall use the weighted average of spread prices in determining the settlement. The lead contract month settlement price shall serve as the initial spread relationship basing point for adjacent contract months, whose settlement can then be used in chronology to determine deferred month settlements.
- d. If no spreads involving a particular contract month traded during the close, the Committee shall take into consideration other market information available to the Committee that is pertinent to such contract month, including but not limited to, spread bids and offers, the latest quoted spread trade, the latest outright trades, bids or offers and the settlement price differentials that existed on the previous day in order to determine a settlement price that most accurately reflects the relationship between such month and surrounding contract months.
- e. If any settlement price is not consistent with market information known to the Wheat Pit Committee supervising the closing, or if trading is terminated without a closing period, then the Committee may establish a settlement price at a level consistent with such market information and shall cause to be prepared a written record setting forth the basis for such settlement price.

Note: It is possible that the settlement prices established as a result of spread price relationships could result in settlement prices that violate either open outright contract month or spread orders. No such orders shall be elected and brokers shall not be held liable on orders violated as a result of such settlement price procedure.

### III. EXCHANGE ACTION TAKEN AND EFFECTIVE DATE

The Board of Directors, in a special meeting held on August 19, 2008 and acting pursuant to authority granted them under Rule 233.01(o), unanimously approved the supplemental amendments to Rule 2005.01 shown above. As stated in the initial submission dated August 15, 2008, amended Rule 2005.01 shall become effective on Tuesday, September 2, 2008, subject to Commission approval.

### IV. OPERATION, PURPOSE AND EFFECT OF RULE AMENDMENTS

The purpose of the supplemental amendments to Rule 2005.01 is to provide additional flexibility to the Wheat Pit Committee to:

1. Adjust settlement prices in the event that the settlement procedures set forth in sections (b), (c) or (d) of Rule 2005.01 result in settlement prices that are inconsistent with market information known or available to the Committee; or
2. Establish settlement prices if trading is terminated on a particular day without a closing period.

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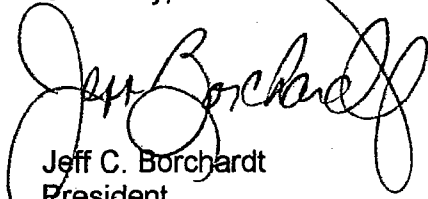
V. **SUBSTANTIVE OPPOSING VIEWS**

To the knowledge of the Board of Directors and staff of the KCBT, no substantive opposing views were expressed by members or others regarding the supplemental amendments to Rule 2005.01.

VI. **CLOSING**

The exchange is not aware of any Commission regulations that need amending or interpreting in order to approve amended Rule 2005.01.

Sincerely,



Jeff C. Borchardt  
President