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August 20, 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 and CBOT Rules 230 and 802
CME and CBOT Submission No. 08-123

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") and the Chicago Board of Trade ("CBOT") hereby notify the Commission that as a result of the merger transaction between CME Group Inc. and NYMEX Holdings, Inc. a number of rule changes are being proposed by both CME and the New York Mercantile Exchange Inc. ("NYMEX"). This submission summarizes CME Group's rule changes. Additional changes to NYMEX and COMEX rules and by-laws will be submitted to the CFTC by NYMEX. This filing is being submitted conditional upon approval by the CME Group Inc. Approving Officers at a meeting scheduled for August 22, 2008.

An overview of the significant CME Group Day 1 amendments is presented below and the marked versions of the specific changes are included as an attachment to this letter. Amendments to CME and CBOT Rule 802 ("Protection of Clearing House") are designed to enhance the protection of the CME and NYMEX Clearing Houses by combining the CME security deposit pool of funds and the NYMEX Guaranty Fund for the purpose of satisfying all claims against either Clearing House in the event of a default by a clearing member firm. The rule changes also incorporate the application of default insurance currently maintained by NYMEX.

Existing CME and CBOT Rule 230 ("General"), which address the powers and the duties of the Board of Directors, need to be revised with respect to sections d. and e. because the appointment of the CEO, President and officers is within the purview of the Board of Directors of the holding company rather than the Board of Directors of either subsidiary. These sections have been deleted from CME and CBOT Rule 230.

The Exchanges certify that these rule changes comply with the Act and regulations thereunder. These rule changes, conditional upon approval by the Approving Officers noted above, will be made effective on August 25, 2008.

If you require any additional information regarding this action, please do not hesitate to contact Dean Payton, MD and Chief Regulatory Officer at (312) 435-3658 or me. Please reference CME Submission #08-123 in any related correspondence.

Sincerely,

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

CME RULES

230. GENERAL

The Board shall, subject to applicable provisions in the relevant corporate charter and bylaws:

- a. Be the governing body of the Exchange;
- b. Have charge and control of all property of the Exchange;
- c. Provide, acquire and maintain suitable Exchange quarters and facilities;
- d. ~~Review and approve the appointment of a Chief Executive Officer and President upon recommendation of a special committee established for this purpose by the Board~~[Reserved];
- e. ~~Receive reports from the Executive Committee regarding the appointment, titles and responsibilities of all Exchange officers~~[Reserved];

[The remainder of the rule is unchanged.]

802. PROTECTION OF CLEARING HOUSE

802.A. Default by Clearing Member and Other Participating Exchanges

1. Default by Clearing Member

If a clearing member of CME, CBOT, NYMEX or COMEX fails promptly to discharge any obligation to the CME or NYMEX Clearing Houses, it shall be in default. If a clearing member is in default, its security deposit (pursuant to Rule 816), its performance bonds on deposit with the Clearing House, the proceeds of the sale of any membership and Class A Shares assigned to it for clearing qualification, and any other assets held by, pledged to or otherwise available to the Clearing House, shall be applied by the Clearing House to discharge the obligation. For purposes of this rule, each default by an individual clearing member will be considered a separate default event.

For purposes of this Rule, the positions in the cross-margin account of a Participating Clearing Member or its Cross-Margining Affiliate at a Cross-Margining Clearing Organization, and the performance bond thereon, shall be considered assets of the Participating Clearing Member available to the Exchange to the extent provided in the Cross-Margining Agreement between the Exchange and such Cross-Margining Clearing Organization. A clearing member in default shall immediately make up any deficiencies in its security deposit resulting from such default prior to the close of business on the next banking day.

The clearing member shall take no action, including but not limited to, attempting to obtain a court order, that would interfere with the ability of the Clearing House to so apply such assets and proceeds.

If the security deposit, performance bond and other assets of a clearing member available to the Exchange are insufficient to satisfy all of its obligations to the Clearing House, including all claims against the Clearing House by reason of its substitution for that clearing member pursuant to Rule 804, the Clearing House shall nonetheless pay all such claims, which shall be deemed a loss to it and which shall be a liability of the defaulting clearing member to the Exchange, which the Exchange may collect from any other assets of such clearing member or by process of law.

2. Default by Other Participating Exchanges.

If a Participating Exchange fails to promptly discharge any obligation to the Clearing House arising out of its obligations to the Exchange, such Participating Exchange's letters of credit, performance bonds and other assets available to the Exchange shall be applied by the Clearing House to discharge the obligation.

802.B. Satisfaction of Clearing House Obligations

If the Clearing House is unable to immediately satisfy all claims against it including, but not limited to, costs associated with the liquidation, transfer and managing of positions, arising out of: 1) its substitution (pursuant to Rule 804) for a defaulting clearing member or a defaulting Participating Exchange, or a defaulting Partner Clearinghouse; 2) a shortfall in a cross-margining program; 3) the failure of a depository, exchange or market apart from the Exchange but whose transactions are cleared pursuant to the provisions of Chapters 8B, 8C, 8D, ~~or 8E or 8F~~; 4) for any other cause, then such claim or obligation shall be met and made good promptly by the use and application of funds from the following sources in the order of priority hereafter listed. Each source of funds set forth below shall be completely exhausted, to the extent practicable, before the next following source is applied.

1. Surplus funds of the Exchange in excess of funds necessary for normal operations.
2. The amount of security deposit required under Rule 816 from all classes of clearing members shall be applied toward meeting said loss, in direct proportion to the total security deposit requirement of each clearing member. In addition, solely for purposes of satisfying a clearing member default described in this rule, the CME security deposit pool of funds shall be combined with the proceeds in the New York Mercantile Exchange, Inc. (NYMEX) Guaranty Fund (as described in NYMEX Rule 903) to establish a single security deposit/Guaranty Fund pool of funds. Notwithstanding the above, the initial draw under this section 2 of the rule shall be in an amount up to any applicable insurance policy deductible then in place with the Exchange;
3. Proceeds from any default insurance maintained by the Exchange to the extent that such proceeds are available in a timely manner to be applied towards the default.
4. In the event a shortfall continues to exist after the application of the insurance proceeds in number 3 above, any remaining unused proceeds from the security deposit/Guaranty Fund pool set forth in number 2 above shall then be applied;
45. The balance of the Clearing House loss remaining after application of the above funds shall be assessed against all clearing members (excluding any insolvent or defaulting clearing member). Each clearing member (excluding any insolvent or defaulting clearing member) shall be subject to an assessment up to an amount that does not exceed 275 per cent of such clearing member's security deposit requirement.
56. All amounts assessed by the Exchange against a clearing member pursuant to this Rule, during the hours in which the Federal Reserve's wire transfer system (Fedwire) is in operation, shall be paid to the Exchange by such clearing member prior to the close of Fedwire on such day. All amounts assessed within one (1) hour prior to the close of Fedwire shall be paid to the Exchange within one (1) hour after Fedwire next opens. While such application of funds shall be mandatory, the detailed implementation of Rule 802.B. shall be the responsibility of the Clearing House Risk Committee with the approval of the Board.

Any clearing member that does not satisfy an assessment, made pursuant to paragraphs 45 or 56 above, shall be in default. Any Clearing House loss that remains as a result of such default shall be assessed pursuant to paragraph 54.

If a clearing member (i) makes payment of all amounts assessed against it pursuant to paragraph 45 or 56 above, (ii) replenishes any deficiency in its security deposit in accordance with Rule 802.D., and (iii) satisfies all other conditions for withdrawal, it may, within five (5) business days of such payments, apply to withdraw from clearing membership pursuant to Rule 913. Immediately after the Exchange approves the clearing member's withdrawal, the withdrawing clearing member shall not be subject to any other assessment pursuant to this Rule. Further, upon the approval of the clearing member's request to withdraw, the security deposit that it has restored shall not be used or applied towards meeting any claim or obligation of the Clearing House pursuant to this Rule and shall be released in accordance with Rule 913.

After payment of an assessment pursuant to this Rule, a clearing member shall charge other clearing members for whom it clears contracts or carries positions on its books to recover their proportional share of the assessment. Such other clearing members shall promptly pay the charge.

To the extent that, and irrespective of the fact that, the Exchange has default insurance coverage in effect at the time of an event of default, the Exchange may nevertheless continue to utilize the resources under the priority outlined in Rule 802.B.1, B.2, and B.54. for immediate liquidity while awaiting any insurance proceeds. Any insurance proceeds so recovered by the Exchange, to the extent not required by the Exchange to cure a default, will be applied to the credit of the non-defaulting clearing members.

802.C. Rights of Exchange for Recovery of Loss

If a loss for which clearing members or their security deposits have been assessed is subsequently recovered by the Exchange in whole or in part, the net amount of such recovery shall be credited to such persons or firms (whether or not they are clearing members at the time of recovery) in proportion to the amount of the assessment.

802.D. Security Deposits to be Restored

In the event it shall become necessary to apply all or part of the security deposits to meet obligations to the Clearing House pursuant to Rule 802, clearing members shall immediately make good any such deficiency in security deposits prior to the close of business on the next banking day.

CBOT RULES

230. GENERAL

The Board shall, subject to applicable provisions in the relevant corporate charter and bylaws:

- a. Be the governing body of the Exchange;
- b. Have charge and control of all property of the Exchange;
- c. Provide, acquire and maintain suitable Exchange quarters and facilities;
- d. ~~Review and approve the appointment of a Chief Executive Officer and President upon recommendation of a special committee established for this purpose by the Board~~[Reserved];
- e. ~~Receive reports from the Executive Committee regarding the appointment, titles and responsibilities of all Exchange officers~~[Reserved];

[The remainder of the rule is unchanged.]

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If a clearing member of CBOT, CME, NYMEX or COMEX fails promptly to discharge any obligation to the CME or NYMEX Clearing Houses, it shall be in default. If a clearing member is in default, its security deposit (pursuant to Rule 816), its performance bonds on deposit with the Clearing House, the proceeds of the sale of any membership and Class A Shares assigned to it for clearing qualification, and any other assets held by, pledged to or otherwise available to the Clearing House, shall be applied by the Clearing House to discharge the obligation. For purposes of this rule, each default by an individual clearing member will be considered a separate default event.

For purposes of this Rule, the positions in the cross-margin account of a Participating Clearing Member or its Cross-Margining Affiliate at a Cross-Margining Clearing Organization, and the performance bond thereon, shall be considered assets of the Participating Clearing Member available to the Clearing House to the extent provided in the Cross-Margining Agreement between the Clearing House and such Cross-Margining Clearing Organization. A clearing member in default shall immediately make up any deficiencies in its security deposit resulting from such default prior to the close of business on the next banking day.

The clearing member shall take no action, including but not limited to, attempting to obtain a court order, that would interfere with the ability of the Clearing House to so apply such assets and proceeds.

If the security deposit, performance bond and other assets of a clearing member available to the Clearing House are insufficient to satisfy all of its obligations to the Clearing House, including all claims against the Clearing House by reason of its substitution for that clearing member pursuant to Rule 804, the Clearing House shall nonetheless pay all such claims, which shall be deemed a loss to it and which shall be a liability of the defaulting clearing member to the Clearing House, which the Clearing House may collect from any other assets of such clearing member or by process of law.

2. Default by Other Participating Exchanges.

If a Participating Exchange fails to promptly discharge any obligation to the Clearing House arising out of its obligations to the Clearing House, such Participating Exchange's letters of credit, performance bonds and other assets available to the Clearing House shall be applied by the Clearing House to discharge the obligation.

802.B. Satisfaction of Clearing House Obligations

If the Clearing House is unable to immediately satisfy all claims against it including, but not limited to, costs associated with the liquidation, transfer and managing of positions, arising out of: 1) its substitution (pursuant to Rule 804) for a defaulting clearing member or a defaulting Participating Exchange, or a defaulting Partner Clearinghouse; 2) a shortfall in a cross-margining program; 3) the failure of a depository, exchange or market apart from the Exchange but whose transactions are cleared pursuant to the provisions of Chapters 8B, 8C, 8D, ~~or~~ 8E or 8F of the CME Rulebook; 4) for any other cause, then such claim or obligation shall be met and made good promptly by the use and application of funds from the following sources in the order of priority hereafter listed. Each source of funds set forth below shall be completely exhausted, to the extent practicable, before the next following source is applied.

1. Surplus funds of the Exchange in excess of funds necessary for normal operations.

2. The amount of security deposit required under Rule 816 from all classes of clearing members shall be applied toward meeting said loss, in direct proportion to the total security deposit requirement of each clearing member. In addition, solely for purposes of satisfying a clearing member default described in this rule, the CME security deposit pool of funds shall be combined with the proceeds in the New York Mercantile Exchange, Inc. (NYMEX) Guaranty Fund (as described in NYMEX Rule 903) to establish a single security deposit/Guaranty Fund pool of funds. Notwithstanding the above, the initial draw under this section 2 of the rule shall be in an amount up to any applicable insurance policy deductible then in place with the Exchange;
3. Proceeds from any default insurance maintained by the Clearing House to the extent that such proceeds are available in a timely manner to be applied towards the default.
4. In the event a shortfall continues to exist after the application of the insurance proceeds in number 3 above, any remaining unused proceeds from the security deposit/Guaranty Fund pool set forth in number 2 above shall then be applied;
45. The balance of the Clearing House loss remaining after application of the above funds shall be assessed against all clearing members (excluding any insolvent or defaulting clearing member). Each clearing member (excluding any insolvent or defaulting clearing member) shall be subject to an assessment up to an amount that does not exceed 275 per cent of such clearing member's security deposit requirement.
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Any clearing member that does not satisfy an assessment, made pursuant to paragraphs 45 or 65 above, shall be in default. Any Clearing House loss that remains as a result of such default shall be assessed pursuant to paragraph 54.

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To the extent that, and irrespective of the fact that, the Clearing House has default insurance coverage in effect at the time of an event of default, the Clearing House may nevertheless continue to utilize the resources under the priority outlined in Rule 802.B.1, B.2, and B.54. for immediate liquidity while awaiting any insurance proceeds. Any insurance proceeds so recovered by the Clearing House, to the extent not required by the Clearing House to cure a default, will be applied to the credit of the non-defaulting clearing members.

802.C. Rights of Clearing House for Recovery of Loss

If a loss for which clearing members or their security deposits have been assessed is subsequently recovered by the Clearing House in whole or in part, the net amount of such recovery shall be credited to such persons or firms (whether or not they are clearing members at the time of recovery) in proportion to the amount of the assessment.

802.D. Security Deposits to be Restored

In the event it shall become necessary to apply all or part of the security deposits to meet obligations to the Clearing House pursuant to Rule 802, clearing members shall immediately make good any such deficiency in security deposits prior to the close of business on the next banking day.