



September 30, 2010

VIA E-MAIL

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

RE: Rule Certification. Chicago Mercantile Exchange Inc. Submission #10-276R: Notification of Rule Amendments to CME Rules 8F03, 8F100 through 8F136 (and Related Definitions), 818.B, 930.H, 930.N, 971 and 973, and CBOT and NYMEX Rules 818.B, 930.H, 930.N, 971 and 973

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT") and New York Mercantile Exchange, Inc. ("NYMEX") are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying amendments to the following CME rules: 8F03, 8F100 through 8F136 (and related definitions), 818.B, 930.H, 930.N, 971 and 973; and CBOT and NYMEX rules 818.B, 930.H, 930.N, 971 and 973. All rule amendments are attached hereto. CME, CBOT and NYMEX hereby certify that the attached rule amendments comply with the Commodity Exchange Act and regulations thereunder. The amendments will become effective on October 4, 2010.


CME, CBOT and NYMEX are amending their rules to implement substantive requirements, applicable before an FCM bankruptcy, for the treatment of customer "cleared OTC derivatives" (and related collateral), as that term is defined in CFTC Regulation 190.01(oo). The new rules for the OTC account class generally mirror existing CFTC regulations for the "futures" account class (17 C.F.R. §§ 1.20, *et seq.*). These new rules will be added to Chapter 8F (Over-the-Counter Derivative Clearing) of the CME rulebook. The numbering convention generally tracks that of the related CFTC regulations. For example, new CME rule 8F120 generally tracks the language of CFTC regulation 1.20.

We will refer to the new category of customer account origin as the "Cleared OTC Derivatives *Sequestered* Account." We will add a definition of that term, along with definitions of "Cleared OTC Derivatives Customers" and "Funds of Cleared OTC Derivatives Customers", to the "Definitions" section of the CME rulebook.

Revisions to CME rule 8F03 (Classification of Positions), and to CME, CBOT and NYMEX rules 818.B (Default of the Exchange), 930.H (Aggregation of Accounts and Positions), 930.N (OTC Derivatives Undermargined Capital Charge) 971 (Segregation, Secured and Sequestered Requirements) and 973 (Customer Accounts with the Clearing House) reflect the adoption of rules for Cleared OTC Derivatives Sequestered Accounts, and/or the fact that CFTC regulation 30.7/secured accounts will no longer be utilized for cleared-only OTC derivatives.

Should you have any questions concerning these rule amendments, please contact the undersigned at (312) 338-2483.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Dunsky".

Lisa Dunsky
Director and Associate General Counsel

cc: Robert Wasserman (via e-mail)

Attachments: Rule Amendments

CME – DEFINITIONS

Additions for New OTC Account Class

Cleared OTC Derivatives Customer Sequestered Account

An account in which Funds of Cleared OTC Derivatives positions Customers (or investments thereof) (and the money, securities and/or other property margining, guaranteeing or securing such positions) of Cleared OTC Derivatives Customers are held; *Provided, however,* That, for purposes of CME Rules, the term Cleared OTC Derivatives Customer Sequestered Account shall not include an account in which positions in cleared OTC derivatives (or the money, securities and/or other property margining, guaranteeing or securing such derivatives) are, pursuant to a CFTC order, commingled with positions and funds held in segregated accounts maintained in accordance with Section 4d of the CEA.

Cleared OTC Derivatives Customers

Customers of a futures commission merchant with positions in cleared OTC derivatives, as that term is defined in CFTC Regulation 190.01(o); *Provided however,* That a customer is only a Cleared OTC Derivatives Customer with respect to its positions in cleared OTC derivatives, as that term is defined in CFTC Regulation 190.01(o); *Provided, further,* That, for purposes of CME Rules, the term Cleared OTC Derivatives Customers shall not include customers whose only cleared OTC derivatives positions (and whose money, securities and/or other property margining, guaranteeing or securing such derivatives) are, pursuant to a CFTC order, commingled with positions and funds held in segregated accounts maintained in accordance with Section 4d of the CEA.

Funds of Cleared OTC Derivatives Customers

The money, securities, and/or other property received by a futures commission merchant from, for, or on behalf of Cleared OTC Derivatives Customers, to margin, guarantee, or secure their cleared OTC derivatives and all money accruing to such customers as a result of such contracts, and, in the case of cleared OTC derivatives options, to be used as a premium for the purchase of such option by the customer or as a premium payable to the customer or to guarantee or secure the performance of such option by the customer or representing accruals for such options to the customer (including the market value of such options purchased by the customer and for which the customer has paid full value).

**CME – CHAPTER 8F (OVER-THE-COUNTER DERIVATIVE CLEARING)
Rule Changes for New OTC Account Class (Strikeout version)**

Rule 8F03. CLASSIFICATION OF POSITIONS

OTC Derivatives submitted for clearing by an OTC Clearing Member for its proprietary account shall be assigned to and held in a proprietary account of such Clearing Member. All collateral deposited as performance bond to support positions in the proprietary account of an OTC Clearing Member and all variation margin payments made from such account shall be deemed the property of the OTC Clearing Member and shall be subject to the Clearing House's lien and security rights as described in Rule 8F08.

~~OTC Derivatives submitted for clearing for the account of a Clearing Member's Cleared OTC Derivatives eCustomers shall be assigned and held in a Regulation §30.7 aCleared OTC Derivatives Sequestered Account of such Clearing Member. All collateral deposited as performance bond to support positions in such Regulation §30.7 account and all positions, collateral or cash in such account shall be segregated from the Clearing Member's proprietary account and, for purposes of calculating the amount of funds required to be set aside under CFTC rules, the OTC Clearing Member shall use the net liquidating equity method as described in the CFTC's Form 1-FR-FCM instructions. All Clearing Members must comply with the requirements set forth in CME Rule 971 for such Regulation 30.7 aCleared OTC Derivatives Accounts.~~

Notwithstanding the foregoing, if the CFTC issues an order permitting OTC Clearing Members to commingle customer funds used to margin particular OTC Derivatives that are cleared by CME with other funds held in CEA Section 4d(a)(2) customer segregated accounts, such positions may be held in the customer segregated accounts of an OTC Clearing Member and, if so held, all collateral deposited as performance bond to support such positions and all variation margin payments made from such accounts shall be commingled with similar property of regulated customers. All Clearing Members must comply with the requirements set forth in CME Rule 971 for such customer segregated accounts.

Rule 8F100. GENERAL PROVISIONS: CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNTS

(a) For purposes of CME Rules relating to Cleared OTC Derivatives Customer Sequestered Accounts (including CME Rules 8F100 through 8F136 and related definitions), the term "futures commission merchant" shall include: 1) futures commission merchants that are clearing members; and 2) any other futures commission merchant that has agreed in writing, whether with a clearing member carrying its account or with CME, to comply with CME Rules relating to Cleared OTC Derivatives Customer Sequestered Accounts.

(b) Any clearing member carrying a customer omnibus account containing cleared OTC derivatives (as that term is defined in CFTC Regulation 190.01(oo)) in the name of a non-clearing futures commission merchant shall: 1) include in its written agreement with such non-clearing futures commission merchant language sufficient to require compliance with CME Rules relating to Cleared OTC Derivatives Customer Sequestered Accounts by the non-clearing futures commission merchant; and 2) allow inspection of each such written agreement at any reasonable time by representatives of CME.

Rule 8F117. NOTICE OF DEFICIENCY IN CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNTS

Whenever a person registered as a futures commission merchant knows or should know that the total amount of its funds on deposit in Cleared OTC Derivatives Sequestered Accounts is less than the total amount of such funds required by CME Rules to be on deposit, the futures commission merchant must report such deficiency immediately by telephone notice, confirmed immediately in writing by facsimile notice, to CME and the principal office of the CFTC in Washington, DC, to the attention of the Director and the Chief Accountant of the Division of Clearing and Intermediary Oversight, and, if the futures commission merchant is a securities broker or dealer, to the Securities and Exchange Commission, in accordance with 17 C.F.R. § 240.17a-11.

Rules 8F118-119. [RESERVED]

Rule 8F120. FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS TO BE SEQUESTERED AND SEPARATELY ACCOUNTED FOR

(a) All Funds of Cleared OTC Derivatives Customers shall be separately accounted for and sequestered as belonging to Cleared OTC Derivatives Customers. Such Funds of Cleared OTC Derivatives Customers when deposited with CME, any bank, trust company or another futures commission merchant shall be deposited under an account name which clearly identifies them as such and shows that they are sequestered as required by CME Rules. Each futures commission merchant shall obtain and retain in its files for the period provided in CFTC Regulation 1.31 a written acknowledgment from such bank, trust company or futures commission merchant, that it was informed that the funds deposited in the Cleared OTC Derivatives Sequestered Account are those of Cleared OTC Derivatives Customers and are being held in accordance with the provisions of CME Rules. Under no circumstances shall any portion of funds of Cleared OTC Derivatives Customers be obligated to CME, any member of a contract market, a futures commission merchant, any depository, or any other person except to purchase, margin, guarantee, secure, transfer, adjust or settle trades, contracts or transactions of Cleared OTC Derivatives Customers. No person, including CME or any depository, that has received Funds of Cleared OTC Derivatives Customers for deposit in a Cleared OTC Derivatives Sequestered Account, as provided in this rule, may hold, dispose of, or use any such funds as belonging to any person other than the Cleared OTC Derivatives Customers of the futures commission merchant which deposited such funds.

(b) All Funds of Cleared OTC Derivatives Customers received by CME from a clearing member to purchase, margin, guarantee, secure or settle the cleared OTC derivatives trades, contracts or transactions of the clearing member's Cleared OTC Derivatives Customers and all money accruing to such Cleared OTC Derivatives Customers as the result of trades, contracts or transactions so carried shall be separately accounted for and sequestered as belonging to such Cleared OTC Derivatives Customers, and CME shall not hold, use or dispose of such customer funds except as belonging to such Cleared OTC Derivatives Customers. Such Funds of Cleared OTC Derivatives Customers, when deposited in a bank or trust company, shall be deposited under an account name which clearly shows that they are the Funds of Cleared OTC Derivatives Customers of clearing members, sequestered as required CME Rules. CME shall obtain and retain in its files for the period provided by CFTC Regulation 1.31, an acknowledgment from such bank or trust company that it was informed that the funds deposited in the Cleared OTC Derivatives Sequestered Account are those of Cleared OTC Derivatives Customers of CME clearing members and are being held in accordance with the provisions of CME Rules.

(c) Each futures commission merchant shall treat and deal with the funds of a Cleared OTC Derivatives Customer as belonging to such Cleared OTC Derivatives Customer. All Funds of Cleared OTC Derivatives Customers shall be separately accounted for, and shall not be commingled with the money, securities or property of a futures commission merchant or of any other person, or be used to secure or guarantee the trades, contracts or transactions, or to secure or extend the credit, of any person other than the one for whom the same are held: Provided, however, That Funds of Cleared OTC Derivatives Customers of a futures commission merchant may for convenience be commingled and deposited in the same account or accounts with any bank or trust company, with another person registered as a futures commission merchant, or with CME, and that such share thereof as in the normal course of business is necessary to purchase, margin, guarantee, secure, transfer, adjust, or settle the cleared OTC derivatives trades, contracts or transactions of such Cleared OTC Derivatives Customers or resulting market positions, with CME or with any other person registered as a futures commission merchant, may be withdrawn and applied to such purposes, including the payment of premiums to options grantors, commissions, brokerage, interest, taxes and other fees and charges, lawfully accruing in connection with such trades, contracts or transactions: Provided, further, That Funds of Cleared OTC Derivatives Customers may be invested in accordance with Rule 8F125.

(d) In no event may Funds of Cleared OTC Derivatives Customers be held or commingled and deposited with (i) customer funds in the same account or accounts required to be separately accounted for and segregated pursuant to Section 4d of the CEA and the regulations thereunder, or (ii) money, securities or property representing the foreign futures or foreign options secured amount held in accordance with CFTC Regulation 30.7.

Rule 8F121. CARE OF MONEY AND EQUITIES ACCRUING TO CLEARED OTC DERIVATIVES CUSTOMERS

All money received directly or indirectly by, and all money and equities accruing to, a futures commission merchant from CME or from any clearing member or from any member of a contract market or from any other person incident to or resulting from any cleared OTC derivatives trade, contract or transaction made by or through such futures commission merchant on behalf of any Cleared OTC Derivatives Customer shall be considered as accruing to such Cleared OTC Derivatives Customer within the meaning of CME Rules. Such money and equities shall be treated and dealt with as belonging to such Cleared OTC Derivatives Customer in accordance with the provisions of CME Rules.

Money and equities accruing in connection with Cleared OTC Derivatives Customers' open cleared OTC derivatives trades, contracts or transactions need not be separately credited to individual accounts but may be treated and dealt with as belonging undivided to Cleared OTC Derivatives Customers having open cleared OTC derivatives trades, contracts or transactions which if closed would result in a credit to such Cleared OTC Derivatives Customers.

Rule 8F122. USE OF FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS RESTRICTED

No futures commission merchant shall use, or permit the use of, the funds of one Cleared OTC Derivatives Customer to purchase, margin, or settle the trades, contracts or transactions of, or to secure or extend the credit of, any person other than such Cleared OTC Derivatives Customer. Funds of a Cleared OTC Derivatives Customer shall not be used to carry trades or positions of the same Cleared OTC Derivatives Customer other than in OTC derivatives cleared through the facilities of a derivatives clearing organization that has established rules or bylaws which require cleared OTC derivatives (as that term is defined in CFTC Regulation 190.01(o)), along with the money, securities and/or other property margining, guaranteeing or securing such derivatives, to be held in a separate account.

Rule 8F123. INTEREST OF FUTURES COMMISSION MERCHANTS IN FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS; ADDITIONS AND WITHDRAWALS

Rule 8F120, which prohibits the commingling of funds of Cleared OTC Derivatives Customers with the funds of a futures commission merchant, shall not be construed to prevent a futures commission merchant from having a residual financial interest in the funds of Cleared OTC Derivatives Customers, sequestered as required by CME Rules and set apart for the benefit of Cleared OTC Derivatives Customers; nor shall such provisions be construed to prevent a futures commission merchant from adding to the sequestered Funds of Cleared OTC Derivatives Customers such amount or amounts of money, from its own funds or unencumbered securities from its own inventory, of the type permitted under Rule 8F125, as it may deem necessary to ensure any and all Cleared OTC Derivatives Sequestered Accounts hold at all times, at a minimum, the amount required by CME Rules. The books and records of a futures commission merchant shall at all times accurately reflect its interest in the separated funds of Cleared OTC Derivatives Customers. A futures commission merchant may draw upon such funds of Cleared OTC Derivatives Customers to its own order, to the extent of its actual interest therein, including the withdrawal of securities held in Cleared OTC Derivatives Sequestered Accounts held by CME, a bank, trust company or other futures commission merchant. Such withdrawal shall not result in the funds of one Cleared OTC Derivatives Customer being used to purchase, margin or carry the trades, contracts or transactions, or extend the credit of any other Cleared OTC Derivatives Customer or other person.

Rule 8F124. FUNDS HELD IN CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNTS; EXCLUSIONS THEREFROM

Money held in a Cleared OTC Derivatives Sequestered Account by a futures commission merchant shall not include: (a) Money invested in obligations or stocks of any clearing organization or in memberships in or obligations of any contract market; or (b) money held by any clearing organization which it may use for any purpose other than to purchase, margin, guarantee, secure, transfer, adjust, or settle the contracts, trades, or transactions of the Cleared OTC Derivatives Customers of such futures commission merchant.

Rule 8F125. INVESTMENTS OF FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS

A futures commission merchant or CME may invest Funds of Cleared OTC Derivatives Customers subject to the terms and conditions set forth in CFTC Regulation 1.25, which regulation shall apply to such funds as if such funds were customer funds or customer money subject to Section 4d of the CEA and the regulations thereunder.

Rule 8F126. DEPOSIT OF INSTRUMENTS PURCHASED WITH FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS

(a) Each futures commission merchant who invests Funds of Cleared OTC Derivatives Customers in instruments permitted under Rule 8F125 shall separately account for such instruments and sequester such instruments as belonging to such Cleared OTC Derivatives Customers. Such instruments, when deposited with CME, a bank, trust company or another futures commission merchant, shall be deposited under an account name which clearly shows that they belong to Cleared OTC Derivatives Customers and are separated as required by CME Rules. Each futures commission merchant upon opening a Cleared OTC Derivatives Sequestered Account shall obtain and retain in its files an acknowledgment from such bank, trust company or other futures commission merchant that it was informed

that the instruments belong to Cleared OTC Derivatives Customers and are being held in accordance with CME Rules. Such acknowledgment shall be retained in accordance with CFTC Regulation 1.31. Such bank, trust company or other futures commission merchant shall allow inspection of such obligations at any reasonable time by representatives of CME.

(b) When it invests money belonging or accruing to Cleared OTC Derivatives Customers of its clearing members in instruments permitted under Rule 8F125, CME shall separately account for such instruments and sequester such instruments as belonging to such Cleared OTC Derivatives Customers. Such instruments, when deposited with a bank or trust company, shall be deposited under an account name which will clearly show that they belong to Cleared OTC Derivatives Customers and are sequestered as required by CME Rules. Upon opening a Cleared OTC Derivatives Sequestered Account, CME shall obtain and retain in its files a written acknowledgment from such bank or trust company that it was informed that the instruments belong to Cleared OTC Derivatives Customers of clearing members and are being held in accordance with the provisions of CME Rules. Such acknowledgment shall be retained in accordance with CFTC Regulation 1.31. Such bank or trust company shall allow inspection of such instruments at any reasonable time by representatives of CME.

Rule 8F127. RECORD OF INVESTMENTS

(a) Each futures commission merchant that invests funds of Cleared OTC Derivatives Customers shall keep a record showing the following:

- (1) The date on which such investments were made;
- (2) The name of the person through whom such investments were made;
- (3) The amount of money or current market value of securities so invested;
- (4) A description of the instruments in which such investments were made, including the CUSIP or ISIN numbers;
- (5) The identity of the depositories or other places where such instruments are sequestered;
- (6) The date on which such investments were liquidated or otherwise disposed of and the amount of money or current market value of securities received of such disposition, if any;
- (7) The name of the person to or through whom such investments were disposed of; and
- (8) Daily valuation for each instrument and readily available documentation supporting the daily valuation for each instrument. Such supporting documentation must be sufficient to enable auditors to verify the valuations and the accuracy of any information from external sources used in those valuations.

(b) When CME receives documents from its clearing members representing investment of Funds of Cleared OTC Derivatives Customers, CME shall keep a record showing separately for each clearing member the following:

- (1) The date on which such documents were received from the clearing member;
- (2) A description of such documents, including the CUSIP or ISIN numbers; and
- (3) The date on which such documents were returned to the clearing member or the details of disposition by other means.

(c) Such records shall be retained in accordance with CFTC Regulation 1.31. No such investments shall be made except in instruments permitted under Rule 8F125.

Rule 8F128. APPRAISAL OF INSTRUMENTS PURCHASED WITH FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS

Futures commission merchants who invest Funds of Cleared OTC Derivatives Customers in instruments permitted under Rule 8F125 shall include such instruments in Cleared OTC Derivatives Sequestered Account records and reports at values which at no time exceed current market value, determined as of the close of the market on the date for which such computation is made.

Rule 8F129. INCREMENT OR INTEREST RESULTING FROM INVESTMENT OF FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS

The investment of Funds of Cleared OTC Derivatives Customers in instruments permitted under Rule 8F125 shall not prevent the futures commission merchant or CME so investing such funds from receiving and retaining as its own any increment or interest resulting therefrom.

Rules 8F130-131. [RESERVED]

Rule 8F132. CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNT; DAILY COMPUTATION AND RECORD

(a) Each futures commission merchant must compute as of the close of the previous business day:

(1) The total amount of customer funds on deposit in Cleared OTC Derivatives Sequestered Accounts on behalf of Cleared OTC Derivatives Customers;

(2) the amount of such customer funds required by CME Rules to be on deposit in Cleared OTC Derivatives Sequestered Accounts on behalf of such Cleared OTC Derivatives Customers; and

(3) the amount of the futures commission merchant's residual interest in such customer funds.

(b) In computing the amount of funds required to be in Cleared OTC Derivatives Sequestered Accounts, a futures commission merchant may offset any net deficit in a particular Cleared OTC Derivatives Customer's account against the current market value of readily marketable securities, less applicable percentage deductions (i.e., "securities haircuts") as set forth in Rule 15c3-1(c)(2)(vi) of the Securities and Exchange Commission (17 CFR § 241.15c3-1(c)(2)(vi)), held for the same customer's account. The futures commission merchant must maintain a security interest in the securities, including a written authorization to liquidate the securities at the futures commission merchant's discretion, and must sequester the securities in a safekeeping account with CME, a bank, trust company or another futures commission merchant. For purposes of this section, a security will be considered readily marketable if it is traded on a "ready market" as defined in Rule 15c3-1(c)(11)(i) of the Securities and Exchange Commission (17 CFR § 240.15c3-1(c)(11)(i)).

(c) The daily computations required by this Rule must be completed by the futures commission merchant prior to noon on the next business day and must be kept, together with all supporting data, in accordance with the requirements of CFTC Regulation 1.31.

Rules 8F133-135. [RESERVED]

Rule 8F136. CLASSIFICATION OF POSITIONS

Each futures commission merchant shall maintain, as provided in CFTC Regulation 1.31, a record of all securities and property received from Cleared OTC Derivatives Customers in lieu of money to margin, purchase, guarantee or settle the cleared OTC derivatives trades, contracts or transactions of such customers. Such record shall show separately for each Cleared OTC Derivatives Customer: a description of the securities or property received; the name and address of such Cleared OTC Derivatives Customer; the dates when the securities or property were received; the identity of the depositories or other places where such securities or property are segregated; the dates of deposits and withdrawals from such depositories; and the dates of return of such securities or property to such Cleared OTC Derivatives Customer, or other disposition thereof, together with the facts and circumstances of such other disposition.

CME, CBOT and NYMEX – CHAPTER 8

Rule Changes for New OTC Account Class (Strikeout version)

Rule 818. CLOSE-OUT NETTING

818.A. Bankruptcy of the Exchange

If at any time the Exchange: (i) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition presented against it, such proceeding or petition results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for the Exchange's winding-up or liquidation, or (ii) approves resolutions authorizing any proceeding or petition described in clause (i) above (collectively, a "Bankruptcy Event"), all open positions in the Clearing House shall be closed promptly.

818.B. Default of the Exchange

If at any time the Exchange fails to comply with an undisputed obligation to pay money or deliver property to a Clearing Member that is due and owing in connection with a transaction on the Exchange or cleared by the Exchange, for a period of thirty days from the date that the Exchange receives notice from the Clearing Member of the past due obligation, the Clearing Member's open proprietary and customer (including, for this rule, CFTC Regulation Section 30.7 secured and Cleared OTC Derivatives Customers) positions at the Clearing House shall, at the election of that Clearing Member, be closed promptly.

818.C. Netting and Offset

At such time as a Clearing Member's positions are closed, the obligations of the Clearing House to a Clearing Member in respect of all of its proprietary positions, accounts, collateral and deposits to the guaranty fund shall be netted, in accordance with the Bankruptcy Code, the Commodity Exchange Act and the regulations adopted thereunder in each case, against the obligations of that Clearing Member in respect of both its proprietary and its customers' positions, accounts, collateral and its then matured obligations to the guaranty fund to the Clearing House and to the Exchange. All obligations of the Clearing House to a Clearing Member in respect of its customer positions, accounts, and collateral shall be separately netted against the positions, accounts and collateral of its customers in accordance with the requirements of the Bankruptcy Code, the Commodity Exchange Act and the Regulations adopted thereunder in each case. At the time a Bankruptcy Event takes place, the authority of the Clearing House, pursuant to Rule 802, to make new assessments and/or require a clearing member to cure a deficiency in its guaranty fund deposit, arising after the Bankruptcy Event, shall terminate. All positions open immediately prior to the close-out shall be valued in accordance with the procedures of Paragraph D of this Rule.

818.D. Valuation

As promptly as reasonably practicable, but in any event within thirty days of the: (i) Bankruptcy Event, or (ii) if a Clearing Member elects to have its open positions closed in a default as described in Paragraph B of this Rule, the date of the election, the Exchange shall, in a manner that is consistent with the requirements of the Commodity Exchange Act and the regulations adopted thereunder (including, without limitation) Part 190 of the Regulations, fix a U.S. dollar amount (the "Close-out Value") to be paid to or received from the Exchange by each Clearing Member, after taking into account all applicable netting and offsetting pursuant to paragraph C of this Rule.

The Exchange shall value open positions subject to close-out by using the market prices for the relevant market (including without limitation, any over the counter markets) at the moment that the positions were closed-out, assuming the relevant markets were operating normally at such moment. If the relevant markets were not operating normally at such moment, the Exchange shall exercise its discretion, acting in good faith and in a commercially reasonable manner, in adopting methods of valuation to produce reasonably accurate substitutes for the values that would have been obtained from the relevant market if it had been operating normally at the moment that the positions were closed-out.

In determining a Close-out Value, the Exchange may consider any information that it deems relevant. Amounts stated in a currency other than U.S. Dollars shall be converted to U.S. Dollars at the current rate of exchange, as determined by the Exchange. If a Clearing Member has a negative Close-out Value it shall promptly pay that amount to the Exchange.

818.E. Interpretation in Relation to FDICIA

The Exchange intends that certain provisions of this Section be interpreted in relation to certain terms (identified by quotation marks) that are defined in the Federal Deposit Insurance Exchange Improvement Act of 1991 ("FDICIA"),

as amended, as follows:

The Exchange is a "clearing organization."

(2) An obligation of a Clearing Member to make a payment to the Exchange, or of the Exchange to make a payment to a Clearing Member, subject to a netting agreement, is a "covered clearing obligation" and a "covered contractual payment obligation."

(3) An entitlement of a Clearing Member to receive a payment from the Exchange, or of the Exchange to receive a payment from a Clearing Member, subject to a netting contract, is a "covered contractual payment entitlement."

(4) The Exchange is a "member," and each Clearing Member is a "member."

(5) The amount by which the covered contractual payment entitlements of a Clearing Member or the Exchange exceed the covered contractual payment obligations of such Clearing Member or the Exchange after netting under a netting contract is its "net entitlement."

(6) The amount by which the covered contractual payment obligations of a Clearing Member or the Exchange exceed the covered contractual payment entitlements of such Clearing Member or the Exchange after netting under a netting contract is its "net obligation."

The By-Laws and Rules of the Exchange, including this Section, are a "netting contract."

CME, CBOT and NYMEX – CHAPTER 9

Rule Changes for New OTC Account Class (Strikeout version)

Rule 930. PERFORMANCE BOND REQUIREMENTS: ACCOUNT HOLDER LEVEL

930.A. Performance Bond System

The Standard Portfolio Analysis of Risk (SPAN®) Performance Bond System is the performance bond system adopted by the Exchange. SPAN-generated performance bond requirements shall constitute Exchange performance bond requirements. All references to performance bond within the rules of the Exchange shall relate to those computed by the SPAN system.

Performance bond systems other than the SPAN system may be used to meet Exchange performance bond requirements if the clearing member can demonstrate that its system will always produce a performance bond requirement equal to or greater than the SPAN performance bond requirements.

930.B. Performance Bond Rates

1. Non-Security Futures and OTC Derivatives

Exchange staff shall determine initial and maintenance performance bond rates used in determining Exchange performance bond requirements. The Board reserves the right to change or modify any performance bond levels determined by Exchange staff.

2. Security Futures

a. Initial and maintenance performance bond (or "margin") rates used in determining Exchange performance bond requirements applied to Security Futures on behalf of Customers, whether effected on the Exchange or on a Marketplace apart from Exchange but cleared by the Clearing House per Chapter 8B, and held in a futures account, shall be established at levels no lower than those prescribed by CFTC Regulation Section 41.45; and, SEC Regulation 242.403, including any successor Regulations.

b. As used in this Rule, the term "Customer" does not include (a) an "exempted person" as defined in CFTC Regulation 41.43(a)(9) and SEC Regulation 242.401(a)(9); or (b) Market Makers as defined below.

A Person shall be a "Market Maker" for purposes of this Rule, and shall be excluded from the requirements set forth in CFTC Regulations 41.42 through 41.49; and, SEC Regulations 242.400 through 242.406 in accordance with CFTC Regulation 41.42(c)(2)(v) and SEC Regulation 242.400(c)(2)(v), with respect to all trading in Security Futures for its own account, if such Person is an Exchange Member that is registered with the Exchange as a "Security Futures Dealer."

Each Market Maker shall: (a) be a member of the Exchange and be registered as a floor trader or a floor broker with the CFTC under Section 4f(a)(1) of the CEA; or, be registered as a dealer with the SEC under Section 15(b) of the Exchange Act; (b) maintain records sufficient to prove compliance with the requirements set forth in this Rule and CFTC Regulation 41.42(c)(2)(v) and SEC Regulation 242.400(c)(2)(v), including without limitation, trading account statements and other financial records sufficient to detail activity and verify conformance with the standards set forth herein; and (c) hold itself out as being willing to buy and sell Security Futures for its own account on a regular or continuous basis.

A Market Maker satisfies condition (c) above if, at a minimum, any of the following three requirements are fulfilled:

(1) The Market Maker:

(i) Provides continuous two-sided quotations throughout the trading day for all delivery months of Security Futures Contracts representing a meaningful proportion of the total trading volume of Security Futures Contracts on the Exchange, subject to relaxation during unusual market conditions as determined by the Exchange (such as a fast market in either a Security Futures Contract or a security underlying a Security Futures Contract) at which times the Market Maker must use its best efforts to quote continuously and competitively; and

(ii) When providing quotations, quotes with a maximum bid/ask spread no more than the greater of \$0.20 or 150% of the bid/ask spread in the primary market for the security underlying each Security Futures Contract.

(2) The Market Maker:

(i) Responds to at least 75% of the requests for quotation for all delivery months of Security Futures Contracts representing a meaningful proportion of the total trading volume of Security Futures Contracts on the Exchange, subject to relaxation during unusual market conditions as determined by the Exchange (such as a fast market in either a Security Futures Contract or a security underlying a Security Futures Contract) at which times the Market Maker must use its best efforts to quote competitively; and

(ii) When responding to requests for quotation, quotes within five seconds with a maximum bid/ask spread no more than the greater of \$0.20 or 150% of the bid/ask spread in the primary market for the security underlying each Security Futures Contract.

(3) The Market Maker:

(i) Is assigned to a group of Security Futures Contracts listed on the Exchange that is either unlimited in nature ("Unlimited Assignment"); or, is assigned to no more than 20% of the Security Futures Contracts listed on the Exchange ("Limited Assignment");

(ii) At least 75% of the Market Maker's total trading activity in Exchange Security Futures Contracts is in its assigned Security Futures Contracts, measured on a quarterly basis;

(iii) During at least 50% of the trading day the Market Maker has bids or offers in the market that are at or near the best market, except in unusual market conditions as determined by the Exchange (such as a fast market in either a Security Futures Contract or a security underlying a Security Futures Contract), with respect to at least 25% (in the case of an Unlimited Assignment) or at least one (in the case of a Limited Assignment) of its assigned Security Futures Contracts; and

(iv) The requirements in (ii) and (iii) above are satisfied on: (a) at least 90% of the trading days in each calendar quarter by Market Makers who have undertaken an Unlimited Assignment; or (b) at least 80% of the trading days in each calendar quarter by Market Makers who have undertaken a Limited Assignment; or (c) on at least 80% of the trading days in each calendar quarter by Market Makers who have undertaken either an Unlimited Assignment or Limited Assignment but where the Exchange is listing four (4) or fewer Security Futures Contracts.

For purposes of clauses (1) and (2) above, beginning on the 181st calendar day after the commencement of trading of Security Futures Contracts on the Exchange, a "meaningful proportion of the total trading volume of Security Futures Contracts on the Exchange" shall mean a minimum of 20% of such trading volume.

Any Market Maker that fails to comply with the applicable Rules of the Exchange, CFTC Regulations 41.41 through 41.49 and SEC Regulations 242.400 through 242.406 shall be subject to disciplinary action in accordance with Chapter 4. Appropriate sanctions in the case of any such failure shall include, without limitation, a revocation of such Market Maker's registration as a Security Futures Dealer.

c. The Exchange shall establish initial and maintenance performance bond requirements applicable to Security Futures and held in a futures account, provided that the performance bond requirement for any long or short position held by a clearing member on behalf of a Customer shall not be less than 20% of the current market value of the relevant Contract; or, such other requirement as may be established by the CFTC and SEC for purposes of CFTC Regulation 41.45(b)(1) and SEC Regulation 242.403(b)(1) except as provided below.

d. Initial and maintenance performance bond requirements for offsetting positions involving Security Futures and related positions are provided in the schedule below, for purposes of CFTC Regulation 41.45(b)(2) and SEC Regulation 242.403(b)(2).

PERFORMANCE BOND (or "MARGIN") REQUIREMENTS FOR OFFSETTING POSITIONS
DESCRIPTION OF OFFSET

DESCRIPTION OF OFFSET	SECURITY OF UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
Long security future (or basket of security futures representing each component of a narrow-based securities index) and long put option on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price of the put plus the aggregate put out-of-the-money amount, if any; or (2) 20% of the current market value of the long security future.
Short security future (or basket of security futures representing each component of a narrow-based securities index) and short put option on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any. Proceeds from the put sale may be applied.	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any.
Long security future and short position in the same security (or securities basket) underlying the security future	Individual stock or narrow-based security index	The initial margin required under Regulation T for the short stock or stocks.	5% of the current market value as defined in Regulation T of the stock or stocks underlying the security future.
Long security future (or basket of security futures)	Individual stock or narrow-based security index	20% of the current market value of the long security	20% of the current market value of the long security

representing each component of a narrow-based securities index) and short call option on the same underlying security (or index)		future, plus the aggregate call in-the-money amount, if any. Proceeds from the call sale may be applied.	future, plus the aggregate call in-the-money amount, if any.
Long a basket of narrow-based security futures that together tracks a broad-based index and short a broad-based security index call option contract on the same index	Narrow-based security index	20% of the current market value of the long basket of narrow-based security futures, plus the aggregate call in-the-money amount, if any. Proceeds from the call sale may be applied.	20% of the current market value of the long basket of narrow-based security futures, plus the aggregate call in-the-money amount, if any.

DESCRIPTION OF OFFSET	SECURITY OF UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
Short a basket of narrow-based security futures that together tracks a broad-based security index and short a broad-based security index put option contract on the same index	Narrow-based security index	20% of the current market value of the short basket of narrow-based security futures, plus the aggregate put in-the-money amount, if any. Proceeds from the put sale may be applied.	20% of the current market value of the short basket of narrow-based security futures, plus the aggregate put in-the-money amount, if any.
Long a basket of narrow-based security futures that together tracks a broad-based security index and long a broad-based security index put option contract on the same index	Narrow-based security index	20% of the current market value of the long basket of narrow-based security futures, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price of the put, plus the aggregate put out-of-the-money amount, if any; or (2) 20% of the current market value of the long basket of security futures.
Short a basket of narrow-based security futures that together tracks a broad-based security index and long a broad-based security index call option contract on the same index	Narrow-based security index	20% of the current market value of the short basket of narrow-based security futures, plus pay for the long call in full.	The lower of: (1) 10% of the aggregate exercise price of the call, plus the aggregate call out-of-the-money amount, if any; or (2) 20% of the current market value of the short basket of security futures.
Long security future and short security future on the same underlying security (or index)	Individual stock or narrow-based security index.	The greater of: 5% of the current market value of the long security future; or (2) 5% of the current market value of the short security future.	The greater of: 5% of the current market value of the long security future; or (2) 5% of the current market value of the short security future.
Long security future, long put option and short call option. The long security future, long put and short call must be on the same underlying security and the put and call must have the same exercise price. (Conversion)	Individual stock or narrow-based security index.	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any, plus pay for the put in full. Proceeds from the call sale may be applied.	10% of the aggregate exercise price, plus the aggregate call in-the-money amount, if any.

DESCRIPTION OF OFFSET	SECURITY OF UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
Long security future, long put	Individual stock or narrow-	20% of the current market	The lower of: (1) 10% of the

option and short call option. The long security future, long put and short call must be on the same underlying security and the put exercise price must be below the call exercise price (Collar)	based security index.	value of the long security future, plus the aggregate call in-the-money amount, if any, plus pay for the put in full. Proceeds from call sale may be applied.	aggregate exercise price of the put plus the aggregate put out-of-the money amount, if any; or (2) 20% of the aggregate exercise price of the call, plus the aggregate call in-the-money amount, if any.
Short security future and long position in the same security (or securities basket) underlying the security future	Individual stock or narrow-based security index.	The initial margin required under Regulation T for the long stock or stocks	5% of the current market value, as defined in Regulation T, of the long stock or stocks.
Short security future and long position in a security immediately convertible into the same security underlying the security future, without restriction, including the payment of money	Individual stock or narrow-based security index.	The initial margin required under Regulation T for the long security.	10% of the current market value, as defined in Regulation T, of the long security.
Short security future (or basket of security futures representing each component of a narrow-based securities index) and long call option or warrant on the same underlying security (or index)	Individual stock or narrow-based security index.	20% of the current market value of the short security future, plus pay for the call in full.	The lower of: (1) 10% of the aggregate exercise price of the call, plus the aggregate call out-of-the-money amount, if any; or (2) 20% of the current market value of the short security future.
Short security future, Short put option and long call option. The short security future, short put and long call must be on the same underlying security and the put and call must have the same exercise price. (Reverse Conversion)	Individual stock or narrow-based security index.	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any, plus pay for the call in full. Proceeds from put sale may be applied.	10% of the aggregate exercise price, plus the aggregate put in-the-money amount, if any.

DESCRIPTION OF OFFSET	SECURITY OF UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
Long (short) a basket of security futures, each based on a narrow-based security index that together tracks the broad-based index and short (long) a broad-based index future	Narrow-based security index	5% of the current market value for the long (short) basket of security futures.	5% of the current market value of the long (short) basket of security futures.
Long (short) a basket of security futures that together tracks a narrow-based index and short (long) a narrow-based index future	Individual stock or narrow-based security index	The greater of: (1) 5% of the current market value of the long security future(s); or (2) 5% of the current market value of the short security future(s).	The greater of: (1) 5% of the current market value of the long security future(s); or (2) 5% of the current market value of the short security future(s).
Long (short) a security future and short (long) an identical security future traded on a different market.	Individual stock or narrow-based security index	The greater of: (1) 3% of the current market value of the long security future(s); or (2) 3% of the current market value of the short security future(s).	The greater of: (1) 3% of the current market value of the long security future(s); or (2) 3% of the current market value of the short security future(s).

930.C. Acceptable Performance Bond Deposits

1. Non-Security Futures and OTC Derivatives

Clearing members may accept from their account holders as performance bond cash currencies of any denomination, readily marketable securities (as defined by SEC Rule 15c3-1(c)(11) and applicable SEC interpretations), money market mutual funds allowable under CFTC Regulation 1.25, bank-issued letters of credit, and "London Good Delivery" gold, as defined by the London Bullion Market Association.

Clearing members shall not accept as performance bond from an account holder securities that have been issued by the account holder or an affiliate of the account holder unless the clearing member files a petition with and receives permission from Clearing House staff.

Bank-issued letters of credit must be in a form acceptable to the Clearing House. Such letters of credit must be drawable in the United States. Clearing members shall not accept as performance bond from an account holder letters of credit issued by the account holder, an affiliate of the account holder, the clearing member, or an affiliate of the clearing member.

All assets deposited by account holders to meet performance bond requirements must be and remain unencumbered by third party claims against the depositing account holder.

Except to the extent that Clearing House staff shall prescribe otherwise, cash currency performance bond deposits shall be valued at market value. All other performance bond deposits other than letters of credit shall be valued at an amount not to exceed market value less applicable haircuts as set forth in SEC Rule 240.15c3-1.

2. Security Futures

a. Clearing Members may accept from their Customers as performance bond (or "margin") for Security Futures held in a futures account, deposits of cash, margin securities (subject to the limitations set forth in the following sentence), exempted securities, any other assets permitted under Regulation T of the Board of Governors of the Federal Reserve System (as in effect from time to time) to satisfy a performance bond deficiency in a securities margin account, and any combination of the foregoing, each as valued in accordance with CFTC Regulations 41.46(c) and 41.46(e); and, SEC Regulations 242.404(c) and 242.404(e). Shares of a money market mutual fund that meet the requirements of CFTC Regulation 1.25 may be accepted as a performance bond deposit from a Customer for purposes of this Rule.

b. A Clearing Member shall not accept as performance bond from any Customer securities that have been issued by such Customer or an Affiliate of such Customer unless such Clearing Member files a petition with and receives permission from the Exchange for such purpose.

c. All assets deposited by a Customer to meet performance bond requirements must be and remain unencumbered by third party claims against the depositing Customer.

930.D. Acceptance of Orders

Clearing members may accept orders for an account provided sufficient performance bond is on deposit in the account or is forthcoming within a reasonable time.

For an account which has been subject to calls for performance bond for an unreasonable time, clearing members may only accept orders that reduce the performance bond requirements of existing positions in the account.

Clearing members may not accept orders for an account that has been in debit an unreasonable time.

930.E. Calls for Performance Bond

1. Clearing members must issue calls for performance bond that would bring an account up to the initial performance bond requirement: a) when performance bond equity in an account initially falls below the maintenance performance bond requirement; and b) subsequently, when performance bond equity plus existing performance bond calls in an account is less than the maintenance performance bond requirement.

Such calls must be made within one business day after the occurrence of the event giving rise to the call. Clearing members may call for additional performance bond at their discretion. Notwithstanding the foregoing, a clearing

member is not required to call for or collect performance bond for day trades.

2. Clearing members shall only reduce a call for performance bond through the receipt of performance bond deposits permitted under subsection C. of this rule. Clearing members may cancel a call for performance bond through: a) the receipt of performance bond deposits permitted under subsection C. of this rule only if such deposits equal or exceed the amount of the total performance bond call; or b) inter-day favorable market movements and/or the liquidation of positions only if performance bond equity in the account is equal to or greater than the initial performance bond requirement. Clearing members shall reduce an account holder's oldest outstanding performance bond call first.

3. Clearing members must maintain written records of all performance bond calls issued and satisfied in whole or in part.

930.F. Release of Excess Performance Bond

Subject to exceptions granted by Exchange staff, clearing members may only release performance bond deposits from an account if such deposits are in excess of initial performance bond requirements.

930.G. Loans to Account Holders

Clearing members may not make loans to account holders to satisfy their performance bond requirements unless such loans are secured as defined in CFTC Regulation 1.17(c)(3). The proceeds of such loans must be treated in accordance with CFTC Regulation 1.30.

930.H. Aggregation of Accounts and Positions

Clearing members may aggregate and net positions in accounts under identical ownership within the same classifications of customer segregated, customer secured, customer sequestered, ~~special reserve account for the exclusive benefit of customers~~, and nonsegregated for performance bond purposes. Clearing members may compute performance bond requirements on identically owned concurrent long and short positions on a net basis.

930.I. Hedge Positions

Clearing members shall have reasonable support to classify positions as bona-fide hedge and risk management positions, as defined by Rule 559, that are afforded hedge performance bond rates.

930.J. Omnibus Accounts

1. Clearing members shall collect performance bond on a gross basis for positions held in domestic and foreign omnibus accounts.

2. For omnibus accounts, initial performance bond requirements shall equal maintenance performance bond requirements.

3. Clearing members shall obtain and maintain written instructions from domestic and foreign omnibus accounts for positions which are entitled to spread or hedge performance bond rates.

930.K. Liquidation of Accounts

1. Non-Security Futures and OTC Derivatives

If an account holder fails to comply with a performance bond call within a reasonable time (the clearing member may deem one hour to be a reasonable time), the clearing member may close out the account holder's trades or sufficient contracts thereof to restore the account holder's account to required performance bond status. Clearing members shall maintain full discretion to determine when and under what circumstances positions in any account shall be liquidated.

2. Security Futures

If a Customer fails to comply with a performance bond (or "margin") call within a reasonable period of time (the clearing member may deem one hour to be a reasonable period of time), the relevant clearing member shall take the deduction required with respect to an undermargined account in computing its net capital under applicable CFTC and SEC Regulations.

If at any time there is a liquidating deficit in an account in which security futures are held, the clearing member shall take steps to liquidate positions in the account promptly and in an orderly manner.

930.L. Clearing House Authority to Require Additional Performance Bond

The Clearing House, in its sole discretion, has the authority to require clearing members to collect additional performance bond from specific account holders in circumstances deemed necessary by the Clearing House.

930.M. Failure to Maintain Performance Bond Requirements

If a clearing member fails to maintain performance bond requirements for an account in accordance with this rule, the Exchange or the Clearing House may direct such clearing member to immediately liquidate all or part of the account's positions to eliminate the deficiency.

Rule 930.N. OTC Derivatives Undermargined Capital Charge

Clearing members must compute an OTC derivatives undermargined capital charge for customer and noncustomer accounts containing cleared OTC derivative positions when performance bond calls on the accounts have been outstanding for more than three business days. The OTC derivatives undermargined capital charge is calculated as the amount of funds required in such account to meet maintenance performance bond requirements less account equity and acceptable performance bond collateral. Provided, to the extent a deficit is excluded from current assets in the net capital computation, such amount shall not also be deducted under this rule.

Rule 971. SEGREGATION, AND SECURED AND SEQUESTERED REQUIREMENTS

- A. All clearing members must comply with the requirements set forth in CFTC Regulations 1.20 through 1.30, 1.32, and 30.7, and CME Rules 8F100 through 8F136. This includes, but is not limited to, the following:
1. Maintaining sufficient funds in segregation or set aside in separate or sequestered accounts;
 2. Computing, recording and reporting completely and accurately the balances in the:
 - a. Statement of Segregation Requirements and Funds in Segregation; and
 - b. Statement of Secured Amounts and Funds Held in Separate Accounts; and
 - c. Statement of Sequestration Requirements and Funds Held in Sequestered Accounts.
 3. Obtaining satisfactory segregation, and separate and sequestered account acknowledgment letters and identifying segregated, and separate and sequestered accounts as such; and
 4. Preparing complete and materially accurate daily segregation, and secured and sequestered amount computations in a timely manner.
- B. Exchange staff may prescribe additional segregation, and secured and sequestered amount requirements.
- C. All clearing members must provide written notice to the Audit Department of a failure to maintain sufficient funds in segregation or set aside in separate or sequestered accounts. The Audit Department must receive immediate written notification when a clearing member knows or should know of such failure.

Rule 973. CUSTOMER ACCOUNTS WITH THE CLEARING HOUSE

All customer funds deposited with the Clearing House on behalf of customers protected by CFTC Regulation 1.20 shall be held in accordance with the Commodity Exchange Act and CFTC Regulation 1.20 in an account identified as Customer Segregated. Such customer funds shall be segregated by the Clearing House and treated as belonging to the customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the segregation acknowledgment letter requirement of CME Rule 971.A.23, the Commodity Exchange Act, and CFTC Regulation 1.20 for customer deposits held at the Clearing House.

All customer funds deposited with the Clearing House on behalf of eCleared OTC Derivatives Customers protected by CFTC Regulation 30.7 shall be held in accordance with CME Rules 8F100 through 8F136 the Commodity Exchange Act and CFTC Regulation 30.7 in an account identified as Customer Secured 30.7a Cleared OTC Derivatives Sequestered Account. Such customer funds shall be segregated sequestered by the Clearing House and treated as belonging to such customers of the clearing member. Pursuant to the rule, a clearing member shall satisfy the sequestered acknowledgment letter requirement of CME Rule 971.A.3 for customer deposits held at the Clearing House.

~~All customer funds deposited with the Clearing House on behalf of customers protected by SEC Regulation 15c3-3 shall be held in accordance with the Securities Exchange Act of 1934 and SEC Regulation 15c3-3 in an account identified as Special Reserve Account for the Exclusive Benefit of Customers. Such customer funds shall be segregated by the Clearing House and treated as belonging to such customers of the clearing member.~~