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Jason Silverstein
Director and Associate General Counsel
Legal Department

November 1, 2011

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

**RE: Regulation 40.6(a) Emergency Action Notification – Actions Re: MF Global Inc.
CME/CBOT/NYMEX Submission No. 11-402**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), New York Mercantile Exchange, Inc. ("NYMEX") and The Board of Trade of the City of Chicago, Inc. ("CBOT" and collectively, the "Exchanges") and the clearing house of the CME ("Clearing House") hereby notify the Commodity Futures Trading Commission (the "Commission") pursuant to Core Principle 6 of Section 5(d) of the Commodity Exchange Act, Commission Regulations 38 and 40.6(a) of emergency actions taken by unanimous vote of the Emergency Financial Committee (the "Committee") (referred to below and collectively, the "Actions") of the Exchanges under Rule 975 on October 31, 2011 with respect to MF Global Inc. ("MF Global") due to its financial and operational condition, including issues in relation to customer segregation requirements:

- The Committee initially ordered that all trading of MF Global and its customers be for liquidation only. MF Global was also notified that the Exchanges would no longer recognize MF Global or any of its divisions as a guarantor for purposes of floor trading privileges and were restricting access of floor brokers and traders guaranteed by MF Global or any of its divisions to the trading floor;
- The Committee then ordered that MF Global liquidate all of its house/proprietary positions;
- The Committee also ordered the Clearing House to sell Performance Bond assets held by MF Global in its customer segregated account and the house/proprietary account in order to meet any upcoming settlement variation and option premium obligation shortfalls in cash;
- The Committee adopted the following emergency order to release members qualified by MF Global to be qualified by another clearing member:

"Each member who is qualified by MF Global Inc. under CME, CBOT and NYMEX Rule 511, including qualification to act as a floor broker or floor trader, on CME, CBOT, NYMEX or COMEX and whose account is not in a deficit position is hereby released from such qualification by MF Global Inc. and is immediately permitted to be qualified by a different clearing member. The requirement in CME, CBOT and NYMEX Rule 903.D that a clearing firm release a guaranteed member before transferring his qualification is waived for all such members;"

- In order to address the orderly processing of deliveries, the Committee ordered that (i) the Exchanges will work cooperatively with identifiable MF Global customers that were assigned delivery on or prior to Friday, October 28, 2011 in order to settle such deliveries, (ii) beginning Monday, October 31, 2011, the Exchanges will no longer accept tenders from MF Global customers, (iii) any MF Global customers that were stopped on deliveries on Friday, October 28, 2011, would be permitted to retender no later than Monday, October 31, 2011; (iv) beginning Monday, October 31, 2011, no MF Global customer holding a long position will be assigned any delivery; and
- The Committee ordered the Clearing House to auction or liquidate the house/proprietary portfolio of MF Global.

As referenced above, the Exchanges and the Clearing House are making this Regulation 40.6(a) submission setting out the actions it has taken under CME, CBOT and NYMEX Rule 975 as required by Core Principle 6: EMERGENCY AUTHORITY. The Exchanges and the Clearing House considered the Commodity Exchange Act, and the core principles thereunder, prior to taking these actions. During this analysis, they determined that the following core principles were implicated by their actions:

DCM Core Principles

COMPLIANCE WITH RULES: In order to access any CME Group trading floor or electronic trading systems, market participants must be guaranteed by a Clearing Member that agreed to provide financial guarantees for the trading activity of that market participant. The Committee determined that the financial and operational condition of MF Global disqualified it from being able to provide these guarantees under the Rules. As such, the denial of market access, except for purposes of liquidation, for these market participants complies with this core principle.

EMERGENCY AUTHORITY: This situation qualifies as an "Emergency" under CFTC Regulation 40.1(g) and this core principle because of the materially negative impact the financial and operational condition of MF Global could have on "fair and orderly trading" on the Exchanges and the "performance of agreements, contracts or transactions" by MF Global. This impact would be exacerbated if market participants guaranteed by MF Global were permitted to continue access CME Group trading floors or taking new positions in the market. As such, the Actions comply with this core principle.

FINANCIAL INTEGRITY OF CONTRACTS: Due to the risks to the marketplace associated with the financial and operational condition of MF Global, the Actions were required to protect the financial integrity of transactions executed on the Exchanges' markets, the financial integrity of the futures commission merchants operating on those markets, and customer funds associated with MF Global. As such, the Actions comply with this core principle.

DCO Core Principles

RISK MANAGEMENT: The Actions reflect the proper use of the Clearing House's risk management tools and procedures designed to mitigate and manage risks to the marketplace. As such, the Actions comply with this core principle.

The Exchanges certify that the Actions comply with the Commodity Exchange Act and regulations thereunder. The revisions are effective immediately. The Exchanges have procedures in place to minimize conflicts of interest.

The Exchanges certify that this submission has been concurrently posted on the cmegroup.com website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you have any questions, please contact Kimberly Taylor, President, Clearing House, at (312) 930-3156 or me at (212) 299-2228.

Sincerely,

/s/ Jason S. Silverstein
Director and Associate General Counsel

cc: John Lawton (jlawton@cftc.gov)
Ananda Radhakrishnan (aradhakrishnan@cftc.gov)
Bob Wasserman (rwasserman@cftc.gov)