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December 12, 2007

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

RE: Harmonizing of Legacy CME Flex Option Procedures
CME Submission # 07-106

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission of amendments to its rules governing Flex Options, per Sec. 5c(c)(1) of the CEA and Regulation Sec. 40.6(a).

Effective on January 22, 2008, CME will adopt rule amendments intended to harmonize CME legacy stock index flex option practices with practices per the CBOT legacy products. Under the amendments, the Exchange will eliminate the current restriction on the creation of new flex options on the option's final trading day. The Exchange will also eliminate the current constraint on trading a newly crated flex options for five (5) minutes subsequent to the initial receipt of an associated RFQ. Lifting these restrictions provides additional flexibility for the benefit of CME customers and are consistent with existing practices in the context of legacy CBOT products.

The Exchange certifies that these amendments neither violate nor are inconsistent with any portion of the Commodity Exchange Act or of the Regulations thereunder.

Please do not hesitate to contact Ms. Lucy Wang at 312-648-5478 or lucy.wang@cmegroup.com or me if you have any questions. Please reference our CME Submission #07-106 on all future correspondence for this submission.

Sincerely,

Stephen M. Szarmack
Director and Associate General Counsel

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton
CFTC Division of Market Oversight, Product Review & Analysis Section

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20 South Wacker Drive Chicago, Illinois 60606 ☎312 930 1000 cmegroup.com

APPENDIX: Proposed Rule Amendments

(Additions are underscored while deletions are bracketed and overstruck.)

Chapter 351A: Options on Standard and Poor's 500 Stock Price Index™ Futures

351A31.I. Termination of Trading ¹

Flexible option expiration dates may be specified for any scheduled Exchange business day up to and including the day of determination of the Final Settlement Price of the underlying futures contract. If a flexible option expiration occurs on the same day as the day of determination of the Final Settlement Price of its underlying futures contract, flexible options trading shall terminate at the same time as the underlying futures on the business day immediately preceding the day of determination of the Final Settlement Price of the underlying futures contract. Otherwise, flexible options trading shall terminate at the close of trading on the expiration date specified for the flexible option. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

A new flexible option series may ~~not~~ be opened on its last day of trading ~~[. However, an existing flexible option series]~~ and may be traded on its last day of trading.

351A35. RESPONSE TIME INTERVAL

~~[No trades]~~ Trades against the first RFQ submitted for a flexible option series on any trading day may occur ~~[prior to the end of the Response Time Interval. The Response Time Interval shall be a 5 minute period and will begin]~~ immediately upon acceptance of an RFQ by the designated flexible option pit official. ~~[The designated flexible option pit official shall signal the end of the Response Time Interval for each RFQ.]~~

351A36. RFQ TRADING INTERVAL

A flexible option series shall immediately open for trading following the [Response Time Interval] first RFQ submitted for such flexible option series. Priority for RFQs is determined by order of submission to the RFQ official, except that all RFQs submitted before the open shall be treated equally.

Chapter 352A: Options on Nikkei Stock Average Futures

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¹ Revised December 2001.

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Chapter 353A: Options on Standard and Poor's Midcap 400 Stock Price Index™ Futures

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Chapter 354A: Options on Russell 2000 Stock Price Index™ Futures

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Chapter 355A: Options on S&P 500® / CITIGROUP Growth Index Futures

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Chapter 357A: Options on NASDAQ 100 Index® Futures

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Chapter 351A: Options on Standard and Poor's 500 Stock Price Index™ Futures

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