

MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	Trading and Conduct Infractions
Rule References	Rule 514
Advisory Date	December 3, 2007
Advisory Number	CME & CBOT – RA0702-3

Effective November 29, 2007, CME and CBOT adopted common rule language related to trading and conduct infractions under each exchange's Rule 514 ("Trading Infractions"), and also adopted common procedures for the enforcement of violations of Rule 514.

Complaints regarding the following infractions may be initiated by members, by trading floor employees of members or member firms, or by exchange staff:

1. a bid or offer out of line with the market;
2. a bid or offer which tends to confuse other traders;
3. a trade through the existing bid or offer;
4. failure to confirm a transaction;
5. failure of a buyer and seller to properly notify the pit reporter of transaction prices in accordance with Rule 528 and/or failure to ascertain that such prices are properly recorded;
6. use of profane, obscene or unbusinesslike language on the trading floor;
7. use of undue force while on, entering or leaving the trading floor;
8. conduct which tends to confuse, distract, abuse or intimidate any Exchange employee;
9. conduct of an unbusinesslike nature;
10. failure to defer to a member who has clearly turned the market;
11. failure to indicate a quantity on a bid or offer; and
12. disseminating false, misleading or inaccurate quotes.

Charges for violations of Rule 514 may be issued by a member of the Pit Committee, by a member of the Floor Conduct Committee or by designated Market Regulation staff.

Upon the issuance of charges, a summary hearing on the charges will be conducted by a panel of the Floor Conduct Committee as soon as is practicable. The Floor Conduct Committee may issue a letter of warning or impose a fine of up to \$10,000 per offense, except that egregious violations of the conduct violations in 6 through 9 above may result in a fine of up to \$20,000. The maximum fine for any single issuance of charges is \$20,000. However, the Market Regulation Department may, at any time, refer matters that it deems egregious to the Probable Cause Committee.

Questions regarding this advisory may be directed to the following individuals in Market Regulation:

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