

MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	Trading Floor Consolidation Rule Changes: Trading Restrictions Applicable to Employees of Members; Mandatory Headset Recording Requirement
Rule References	Rules 501 and 536.G.
Advisory Date	April 2, 2008
Advisory Number	CME & CBOT – RA0808-3
Effective Dates	April 7, 2008 – CME Equity Complex & CBOT April 28, 2008 – CME FX and Interest Rate Complex May 19, 2008 – CME Commodity Complex

CME & CBOT Rule 501 (“Employees of Members”)

CME and CBOT will adopt substantially harmonized rule language with respect to Rule 501 (“Employees of Members”) as the transition to the consolidated trading floor takes place. **The amended rule prohibits all non-member floor employees of members and member firms from trading or having any interest in an account that trades CME or CBOT products.** Previously, the prohibition restricted trading of non-member employees only in the products of their home exchange.

CME Rule 501 also adopts language, consistent with existing CBOT Rule 501, which allows for broker assistants in CME pits and specifies related restrictions and reporting requirements. Broker assistants are employees of members who are permitted to stand in a trading pit. The introduction of broker assistants in CME pits will be addressed on a pit by pit basis, subject to demand and space considerations, following the completion of the trading floor consolidation.

Modified CME & CBOT Rule 501 will become effective on April 7 for the CBOT and for the CME Equity complex, on April 28 for the CME FX and Interest Rate complexes, and on May 19 for the CME Commodity complex, concurrent with the relocation of CME trading pits to the consolidated trading floor.

The text of CME & CBOT Rule 501 begins on page 2 of this Advisory Notice.

CME & CBOT Rule 536.G. (“Telephone Recordings”)

CME and CBOT currently require members and member firms that record telephone lines on the exchange floor to retain the resulting recordings for a period of 10 business days following the day on which the recordings are made.

Additionally, concurrent with the consolidation of the trading floor, all communications conducted via headset are required to be recorded by the member or member firm authorized to use the headset. These recordings must be retained for a minimum of 10 business days following the day on which the recording is made. For the purposes of this rule, a telephone in or on the perimeter of a trading pit shall be treated in the same manner as a headset.

The aforementioned recording requirements are currently in place at CBOT. The headset recording requirements will become effective on April 7 for the CME Equity complex, on April 28 for the CME FX and Interest Rate complexes, and on May 19 for the CME Commodity complex, concurrent with the relocation of CME trading pits to the consolidated trading floor.

The Exchange provides recording services for a fee, and members and member firms wishing to utilize the exchange administered voice recording system should contact Gary Jensen, Manager, Trading Floor Voice Systems, at 312.347.3978.

The text of the Rule 536.G. is presented below.

536.G. Telephone Recordings

Members and member firms that record conversations conducted on their Exchange Floor telephone lines must maintain the resultant recordings for a period of 10 business days following the day when such recordings are made.

Unless specifically exempted by the Market Regulation Department or designated Exchange staff, all headset communications must be voice recorded by the member or member firm authorized to use the headset and all such recordings must be maintained for a minimum of 10 business days following the day on which the recording is made. Members and member firms are permitted to utilize their own recording devices, provided that the devices meet reasonable standards with respect to quality and reliability. Alternatively, members and member firms may utilize an Exchange administered voice recording system for a fee.

Questions regarding this Advisory should be directed to Robert Sniegowski, Senior Director, Market Regulation, at 312.341.5991.

Text of CME Rule 501

501. EMPLOYEES OF MEMBERS

Members shall register with the Exchange all persons whom they wish to employ on the trading floor. Such employees may act as runners, communicators, clerks and broker assistants. Such employees shall not be permitted to solicit customers or benefit from the production of orders, except as provided in Rule 140. Such employees shall not trade or have any interest in an account trading in any CME or CBOT futures or options contracts. Employees must wear a prescribed identification badge. Any member permitting trading by such employee shall be guilty of an offense against the Exchange. Remuneration to such employees shall be limited to salaries and normal bonuses. The member employer shall, upon request, provide a report to Exchange staff with respect to each such employee, setting forth the hours of employment, salary and bonus, and a copy of each employee's Internal Revenue Service W-2 Form or other documentation evidencing employment.

The following shall apply to any IMM, IOM or GEM member who also holds a broker assistant badge. Such person shall not trade for, or carry in his account or an account in which he has any interest, any positions in contracts traded on the Exchange except for those contracts which he is entitled to trade as principal or broker for others by virtue of his membership status as referenced above.

A member holding a broker assistant badge shall be required to notify his qualifying clearing member, as defined in Rule 903, of the name, address and immediate supervisor of the member or member firm by whom he is employed as a broker assistant. Upon a qualifying clearing member's revocation of trading authorization in accordance with Rule 903.E., the qualifying clearing member immediately shall give written notice to the member or member firm which employs a member as a broker assistant that the member's trading authorization has been revoked. A member holding a broker assistant badge shall be denied floor access privileges upon the revocation of trading authorization by his qualifying clearing member. The floor access privileges of a member who holds a broker assistant badge may be reinstated upon the filing of a

release with the Shareholder Relations and Membership Services Department by the member's qualifying clearing member in accordance with Rule 903.D.

Members shall be responsible for ensuring that their employees comply with all Exchange rules and may, subject to a determination by an Exchange disciplinary committee, be liable for any fines imposed upon such employees by the Exchange. The Exchange may, in its sole discretion, notify a member of the existence of an Exchange investigation and the conduct which is the subject of the investigation involving one of the member's employees when the Market Regulation Department interviews such employee or, if no such interview occurs, when charges are issued against the employee by the Probable Cause Committee.

No person shall be registered as an employee pursuant to this rule if such person is determined by Exchange staff not to be of good moral character or if it is determined that such registration may be detrimental to the interest or welfare of the Exchange.

Text of CBOT Rule 501

501. EMPLOYEES OF MEMBERS

Members shall register with the Exchange all persons whom they wish to employ on the trading floor. Such employees may act as runners, communicators, clerks and broker assistants. Such employees shall not be permitted to solicit customers or benefit from the production of orders. Such employees shall not trade or have any interest in an account trading in any CBOT or CME futures or options contracts. Employees must wear a prescribed identification badge for which quarterly fees must be paid. Any member permitting trading by such employee shall be guilty of an offense against the Exchange. Remuneration to such employees shall be limited to salaries and normal bonuses. The member employer shall, upon request, provide a report to Exchange staff with respect to each such employee, setting forth the hours of employment, salary and bonus, and a copy of each employee's Internal Revenue Service W-2 Form or other documentation evidencing employment.

The following shall apply to any Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM), or Series B-5 (COM) member or permit holder who also holds a floor clerk or broker assistant badge. Such person shall not trade for, or carry in his account or an account in which he has any interest, any positions in contracts traded on the Exchange except for those contracts which he is entitled to trade as principal or broker for others by virtue of his membership or permit holder status as referenced above.

A member holding a floor clerk or broker assistant badge shall be required to notify his qualifying clearing member, as defined in Rule 903, of the name, address and immediate supervisor of the member or member firm by whom he is employed as a floor clerk or broker assistant. Upon a qualifying clearing member's revocation of trading authorization in accordance with Rule 903.E., the qualifying clearing member immediately shall give written notice to the member or member firm which employs a member as a floor clerk or broker assistant that the member's trading authorization has been revoked. A member holding a floor clerk or broker assistant badge shall be denied floor access privileges upon the revocation of trading authorization by his qualifying clearing member. The floor access privileges of a member who holds a floor clerk or broker assistant badge may be reinstated upon the filing of a release with the Shareholder Relations and Membership Services Department by the member's qualifying clearing member in accordance with Rule 903.D.

Members shall be responsible for ensuring that their employees comply with all Exchange rules and may, subject to a determination by an Exchange disciplinary committee, be liable for any fines imposed upon such employees by the Exchange. The Exchange may, in its sole discretion, notify a member of the existence of an Exchange investigation and the conduct which is the subject of the investigation involving one of the member's employees when the Market Regulation Department interviews such employee or, if no such interview occurs, when charges are issued against the employee by the Probable Cause Committee.

No person shall be registered as an employee pursuant to this rule if such person is determined by Exchange staff not to be of good moral character or if it is determined that such registration may be detrimental to the interest or welfare of the Exchange.