



Special Executive Report

DATE: September 9, 2010

SER#: 5391

SUBJECT: Launch of E-micro Gold Futures (MGC) on CME Globex

Please be advised that effective Sunday, October 3, 2010, for trade date Monday, October 4, 2010, the Commodity Exchange, Inc. (COMEX or Exchange) will list an E-micro Gold Futures contract (commodity code **MGC**; rule chapter 120) for trading on CME Globex. The contract is listed with COMEX, and subject to, the rules and regulations of COMEX and Chicago Mercantile Exchange Inc.

MGC Contract Specifications

- Contract Unit: Ten (10) troy ounces
- Price Quotation: US dollars and cents per troy ounce
- Minimum Price Tick: \$0.10
- Settlement Tick: \$0.10
- First Listed Month: December 2010
- Listing Period: Trading is conducted for delivery in any February, April, June, August, October, and December listed for the most current 24-month period.
- Termination of Trading: Trading terminates on the third last business day of the delivery month.

Delivery and Conversion

Upon delivery of an E-micro Gold Future, the individual receives an Accumulated Certificate of Exchange (ACE), created by the CME clearing house. The ACE represents a 10% ownership in a 100 oz. gold bar held in the form of a COMEX gold warrant. A Clearing Member may request creation of ten (10) ACEs by electronically endorsing a COMEX electronic warrant representing one (1) 100-oz. Gold bar to the CME clearing house.

ACEs may only be redeemed for a COMEX gold warrant upon the accumulation of ten such certificates. Upon presentation and endorsement to the CME clearing house of ten (10) ACEs, the owner will receive one electronic warrant meeting the specifications of the COMEX 100-oz. Gold Futures contract. Tolerance adjustments for ounces received vs. ounces represented by the ACEs will be made through the CME clearing house.

Storage charges are invoiced to the Clearing Member who owns the ACEs.

ACE

An Accumulated Certificate of Exchange (ACE) is created by the CME clearing house, which represents a 10% ownership in one (1) 100-oz. COMEX gold warrant. ACEs are backed by physical gold held in a COMEX Licensed Depository. When ten (10) ACEs are accumulated, they may be redeemed for one (1) COMEX gold warrant.

Converting ACEs to a COMEX Gold warrant

An individual who is long an E-micro Gold futures contract may opt to take delivery of that futures contract, and will receive an ACE at time of delivery. At any time thereafter, when the individual has accumulated 10 ACEs, he may convert them into a COMEX gold warrant. While an individual is holding an ACE, he will be responsible for storage on the amount of gold represented by the ACE. Remember, each ACE represents 1/10 the actual weight of a specific, serial numbered bar of gold held in a COMEX-Licensed Depository.

Creating ACEs

A short position holder wishing to deliver against his E-micro Gold futures contract, will instruct his broker to convert his 100-oz COMEX gold warrant into 10 ACEs in order to effect this conversion. The broker will deposit the COMEX gold warrant with the clearing house. This warrant will be held as collateral; the clearing house will create 10 ACEs and transfer them back to the clearing firm. Delivery against the E-micro Gold futures contract is made with these ACEs. Please note that a short position holder may rollover or close out their position prior to last trading day, or may deliver an ACE against the short position. ACEs may only be created from existing COMEX gold warrants held in a COMEX-Licensed Depository.

Trading hours

CME Globex: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)

Fees

MEMBER	NON MEMBER	INTERNATIONAL
Member day trade \$.10	Non Member day trade \$.20	ECM/IIP/AIP \$.17
Member overnight \$.15		
Cross Division \$.17		

For more information please contact Joann Arena at (212) 299-2356.