

## Special Executive Report

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S-4923

June 30, 2009

**CBOT TO PERMIT PRE-EXECUTION COMMUNICATIONS FOR**  
**ETHANOL OPTION AND DOW OPTION TRADES ON CME GLOBEX,**  
**EFFECTIVE JULY 6, 2009**

Effective July 6, pre-execution communications will be permitted in CBOT Ethanol options and Dow options traded on CME Globex pursuant to the requirements of CBOT Rule 539.C. ("Pre-Execution Communications Regarding Globex Trades in Interest Rate, Ethanol and Dow Options").

CBOT Rule 539 will continue to prohibit pre-execution communications in all CBOT futures products and all agricultural options products trading on CME Globex. Additionally, both CME and CBOT Rule 539 expressly prohibit pre-execution communications in connection with pit transactions executed on the trading floor.

Detailed information pertaining to pre-execution discussion in both CBOT and CME products is available in today's release of Market Regulation Advisory Notice CME & CBOT RA0907-3, available on the following page of the CME Group website:  
<http://www.cmegroup.com/rulebook/rulebook-harmonization.html>.

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

Kathleen Zaino, Associate Director, 312.435.3577

Robert Sniegowski, Associate Director, 312.341.5991

Additions are **Bolded and underlined** and deletions are ~~overstruck~~.

## CBOT

### 539. PREARRANGED, PRE-NEGOTIATED AND NONCOMPETITIVE TRADES PROHIBITED

#### 539.A. General Prohibition

No person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any transaction, except in accordance with Sections B. and C. below.

#### 539.B. Exceptions

The foregoing restrictions shall not apply to block trades pursuant to Rule 526 or Exchange of Futures for Related Position transactions pursuant to Rule 538.

#### 539.C. Pre-Execution Communications Regarding Globex Trades in Interest Rate, Ethanol and Dow Options

Parties may engage in pre-execution communications with regard to ~~Interest Rate~~ Ethanol and Dow options transactions executed on the Globex platform where one party wishes to be assured that a contra party will take the opposite side of the order under the following circumstances:

1. A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.
2. Parties to pre-execution communications shall not (i) disclose to a non-party the details of such communications or (ii) enter an order to take advantage of information conveyed during such communications except in accordance with this rule.
3. Reserved.
4. A pre-execution communication must be preceded by the submission of a Request for Quote ("RFQ").

Subsequent to such RFQ, a trade intended for execution for which there has been a pre-execution communication requires the entry of an additional RFQ; thereafter, a Request for Cross ("RFC") order which contains both the buy and the sell orders must be entered no less than fifteen (15) seconds and no more than thirty (30) seconds after the entry of the additional RFQ in order to proceed with the trade, except in equity options where the RFC must be entered no less than five (5) seconds and no more than thirty (30) seconds after the additional RFQ. The RFQs and the RFC order must be entered within the same trading session. Failure to enter the RFC order within 30 seconds after the entry of the additional RFQ will require a new RFQ to be entered prior to the entry of the RFC order, which must be entered in accordance with the time parameters described above in order to proceed with the trade.