

**THE COMMODITY EXCHANGE INC.  
NOTICE OF SUMMARY ACTION**

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**FILE NO.:** COMEX-25-5194  
**FIRM:** Mercuria Energy America LLC  
**RULE VIOLATIONS:** Rule 559. Position Limit and Exemptions

The position limit levels applicable to those contracts with position limits are set forth in the Position Limit, Position Accountability and Reportable Level Table ("Table") in the Interpretations Section at the end of Chapter 5.

A person seeking an exemption from position limits must apply to the Market Regulation Department on forms provided by the Exchange. In order to obtain an exemption from position limits, a person must:

1. Provide a description of the exemption sought, including whether the exemption is for bona fide hedging transactions or positions as defined in CFTC Regulation §150.1 (Bona fide hedging transaction or position), non-enumerated bona fide hedging transactions or positions, or spread positions.
2. Provide a complete and accurate explanation of the underlying exposure related to the exemption request.
3. Agree to promptly provide, upon request by the Market Regulation Department, information or documentation regarding the person's financial condition.
4. Agree to comply with all terms, conditions or limitations imposed by the Market Regulation Department with respect to the exemption.
5. Agree that the Market Regulation Department may, for cause, modify or revoke the exemption at any time.
6. Agree to initiate and liquidate positions in an orderly manner.
7. Agree to comply with all Exchange rules; and
8. Agree to promptly submit a supplemental statement to the Market Regulation Department whenever there is a material change to the information provided in the most recent application.

A person intending to exceed position limits, including limits established pursuant to previously approved exemption, must file the required application and receive approval from the Market Regulation Department prior to exceeding such limits. However, a person who establishes a position in excess of position limits and files the required application for bona fide hedging transactions or positions or non-enumerated bona fide hedging transactions or positions with the Market Regulation Department shall not be in violation of this rule provided the filing occurs within five (5) business days after assuming the position except in circumstances where the Market Regulation Department requires a person to file prior to the fifth business day. An application filed after

exceeding a limit must include an explanation of the sudden or unforeseen bona fide hedging need. In the event the positions in excess of the limits are not deemed to be exemption-eligible, the applicant and clearing firm will be in violation of speculative limits for the period of time in which the excess positions remained open.

The Market Regulation Department shall, on the basis of the application and any requested supplemental information determines whether an exemption from position limits shall be granted. The Market Regulation Department may approve, deny, condition or limit any exemption request based on factors deemed by the Department to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought. Nothing in this rule shall in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Market Regulation Department to review at any time the positions owned or controlled by any person and to direct that such position be reduced to the position limit provided or in the Table.

A person who has received written authorization from the Market Regulation Department to exceed position limits must annually file an updated application not later than one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.

2. 559. A. Bona Fide Hedging Transactions or Positions

The Market Regulation Department may grant exemptions from position limits for bona fide hedging transactions or positions as defined in CFTC Regulation §150.1.

Approved bona fide hedgers may be exempted from Exchange emergency orders that reduce position limits or restrict trading.

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| <b>FINDINGS:</b>       | On August 26, 2025, Mercuria Energy America LLC ("Mercuria"), exceeded the spot month delivery limit in August 2025 Copper Futures. Mercuria submitted a hedge exemption application on September 4, 2025, which was subsequently approved. |
| <b>PENALTY:</b>        | On May 13, 2026, Mercuria Energy America LLC, pursuant to Rule 512 ("Reporting Infractions"), was issued a \$1,000 fine by the 512 Committee for its violation of Rule 559.                                                                 |
| <b>EFFECTIVE DATE:</b> | May 29, 2026                                                                                                                                                                                                                                |