



Special Executive Report

S-5888

August 16, 2011

EXCHANGES ADOPT RULE 819. LIEN ON COLLATERAL

Effective August 10, 2011, CME, CBOT and NYMEX Rule 819. (Lien on Collateral) was adopted and became effective.

Existing CME, CBOT and NYMEX Rule 902.F provides that "[e]ach Clearing Member hereby grants to the Clearing House a first priority and unencumbered lien against all memberships required for clearing membership by the Exchange." Other rules in Chapters 8 and 9 address the Clearing House's security interest in Clearing Member's guaranty fund and performance bond deposits but do not contain the express language as appears in Rule 902.F.

In order to clearly indicate CME Clearing's security interest in Clearing Member's guaranty fund and performance bond deposits, the Exchanges are adopting CME, CBOT and NYMEX Rule 819, which states as follows:

Rule 819. Lien on Collateral.

Each Clearing Member hereby grants to the Clearing House a first priority and unencumbered lien, as security for all obligations of such Clearing Member to the Clearing House, against any property and collateral deposited with the Clearing House by the Clearing Member which is the property of the Clearing Member. Clearing Members shall execute any documents required by CME to create and enforce such lien.

If you have any questions regarding this rule, please contact Lisa Dunsky, Director and Associate General Counsel, at 312.338.2483.