

November 17, 2006

NOTICE

Re: ELECTRONIC METAL DELIVERY SYSTEM

The Chicago Board of Trade (CBOT®) will introduce a new, fully electronic delivery system for CBOT metal deliveries beginning November 20, 2006. Building on the successful implementation of the electronic delivery system for CBOT agricultural products, this system will allow for the electronic transfer of metal receipts on a delivery versus payment basis. The new system will also eliminate the need to transport paper receipts between clearing firms and the requirement for paper receipts to be located in Chicago.

The following are the new delivery procedures for 100 oz Gold and 5,000 oz Silver:

1. Electronic CBOT metal receipts will be collateralized by paper metal receipts. Acceptable collateral includes any paper receipts that are issued by a vault regular for delivery and that meets all CBOT specifications. These paper receipts may be deposited into the CBOT's holding account either in Chicago or in New York. If depositing in Chicago, receipts should be brought to the Registrar's Office. If a New York deposit is desired, receipts should be brought to the HSBC Vault located at 452 5th Avenue, NYC. A Clearing Member firm wishing to deposit receipts in New York should instruct HSBC to deposit such receipts into the CBOT holding account. Once a receipt has been deposited in New York, the Clearing firm should notify the Registrar that such deposit has been made.
2. Upon verification from HSBC (if applicable), the Registrar shall issue an electronic receipt to the depositing clearing firm and electronically transfer the receipt to the clearing member's account on the current electronic delivery system.
3. Once a receipt is in the account, Clearing firms will enjoy all of the same functionality that is currently available for agricultural electronic receipts. This includes the ability to transfer receipts to other clearing firms or utilize the receipts in the delivery process. If a receipt is used in the delivery process, payment for deliveries will be processed thru the pay/collect cycle as is currently done with electronic agricultural deliveries.
4. Storage charges will be automatically deducted from the Clearing Member's account on a monthly basis utilizing the pay/collect cycle.
5. Clearing firms wishing to convert an electronic receipt to a paper receipt will submit such a request to the Registrar's Office through the electronic delivery system. Once such a request is received, the Registrar will authorize HSBC to release the paper receipt which is collateralizing the electronic receipt to the clearing firm in New York.

In order to ensure the proper processing of registrations or conversions back to paper receipts, the following deadlines will be in effect:

In order to ensure same day issuance of an electronic metal receipt, a clearing firm must deposit the paper receipt by 11:00 a.m. Central Time. To ensure same day conversion back to a paper receipt, a clearing firm must request such conversion by 11:00 a.m. Central Time and must pick up the paper receipt by 2:00 p.m. Central Time.

Procedures for converting paper receipts in Chicago:

1. Contact the Registrar's Office at (312) 435-3952 to schedule a time to drop off receipts.
2. Pay storage through December 31, 2006 on all receipts before bringing them in for conversion.
3. Keep a detailed record of receipt numbers, weights and fineness of all receipts brought in for conversion.

If you have any questions about the new CBOT electronic precious metals delivery system, please contact Joe Hawrysz (312-341-7750) or John Hill (312-435-3592) in the CBOT Office of Investigations and Audits.

Paul J. Draths
Vice President and Secretary