

April 5, 2007

NOTICE
REGULATION 1007.02-MODIFIED CLOSING CALL

Members and member firms are reminded of the following provisions concerning the Modified Closing Call (MCC).

Commencement of the MCC

There is a two-minute MCC for all full-sized, pit traded CBOT futures contracts, including expiring futures, and all CBOT Agricultural options contracts.

A futures contract, other than expiring Treasury or Fed Fund futures, which has not previously traded in the pit during the day's trading session, may not be opened during the MCC. All options that are available to be traded during the session may trade during the MCC.

The MCC will typically begin 8 minutes after the close of regular trading. The Pit Committee is authorized to delay the beginning of the MCC until 12 minutes after regular trading ends.

The MCC must be activated for the corresponding futures and options pits simultaneously. The MCC must be activated simultaneously for all contract months in a commodity.

The MCC for Beans, Oil and Meal and their corresponding options must be activated simultaneously.

There is no MCC for financial options products, mini-sized products, or e-cbot products.

MCC Price Range

The designated trading range for outright futures contracts during the MCC is the closing range for the contract. If the closing range includes a bid or an ask, the bid or ask price may be included in the permissible MCC trading range.

Agricultural options traded during the MCC may be executed at prices within the daily trading limits. The closing range and the settlements for agricultural options will be based upon the relevant activity during the regular closing period.

Order Execution During the MCC

Individual members may initiate trades for their own accounts and enter new orders for their own accounts during the MCC.

Member firms, and those entities that are wholly-owned by member firms, that wholly own member firms, or that are wholly-owned by the same parent company as a member firm, may initiate trades or enter new orders for the firms' or entities' proprietary account during the MCC.

No new customer orders may be entered after the regular close for execution during the MCC, unless such orders are for contracts that are trading concurrently on e-cbot during the MCC.

For those contracts that do not trade concurrently on e-cbot during the MCC, all customer orders executed during the MCC must be time stamped and received in the trading pit before the closing bell. However, a new order may be entered during the MCC to cover an error which occurred as a result of the mishandling of an order or an error in the clearing firm's floor personnel's transmission of an order. It is not permissible to modify execution instructions for a customer order after the close of the regular trading session to facilitate the execution of the order during the MCC. The quantity of an order may be reduced or the order may be canceled.

Brokers are required to bid/offer all executable orders during the regular close. A broker may not refrain from attempting to execute such orders until the MCC.

If a broker receives an order within a reasonable time prior to the regular session close for which he should be held to a fill, then the broker also may be held accountable if he does not attend the MCC, or does participate and still is unable to fill the order. An order accepted by a broker on a "not held" basis which is not filled or receives only a partial fill prior to the regular session close will maintain its not held status during the MCC because the level of liquidity during the MCC may not allow the broker to fully execute the order during this period. It is anticipated that a floor broker will participate in the MCC and continue to work the order in fulfillment of his or her duty to the customer.

Spread Trading During the MCC

Futures spreads may be executed during the MCC provided that either the spread has previously traded during the session or the legs comprising the spread have previously opened during the trading day. The differential at which a spread trades on the MCC can establish a new high or low for the spread.

Futures spreads must be priced so that one leg is priced within the MCC range and one leg is priced within the daily price limits (for contracts with price limits). If a spread is used to correct an erroneous transaction during the MCC, then both legs may be priced outside of the MCC range, but must be within the daily limits (for contracts with price limits).

Agricultural option spreads that are available to trade during the regular trading session may trade during the MCC.

MCC for Expiring Futures and Options

Closing Procedures at Futures Expiration – A bell will be rung at the designated time to indicate the beginning of the close in an expiring futures contract. Trading shall then be permitted for a period of one minute and quotations during this period shall constitute the close. New orders may be entered during this one minute time frame.

Eight minutes following the completion of the close in the expiring future, there will be a two minute MCC. The Pit Committee may delay the beginning of the MCC until 12 minutes after the completion of the close.

No new customer orders may be entered in any expiring contract following the regular close on an expiration day.

For expiring Treasury and Fed Fund futures contracts, if the contract has not traded in the pit, but has traded on e-cbot on the date of the expiration, the pit may conduct an MCC, during which the expiring contract can trade as an outright or leg of a spread. The MCC range for an expiring contract that has not previously traded in the pit on the date of expiration will be the range of prices traded on e-cbot during the last minute of trading. The Exchange Market Operations Department will communicate this information to the Market Report staff in time for the MCC.

There will be no MCC on the last day in an expiring agricultural option.

Questions regarding the Modified Closing Call may be directed to Jennifer Baum (341-3124) or Shelly Goodwin (347-4123) of the Office of Investigations and Audits.

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Vice President and Secretary