

**AMENDMENTS TO CME RULES 588 AND 622
AND ADOPTION OF CBOT RULES 588 AND 622
IN CONNECTION WITH MIGRATION OF CBOT PRODUCTS TO CME GLOBEX**

Effective on Sunday, January 13, 2008, for Monday's business of January 14, 2008, electronic trading of CBOT equity and agricultural products will be migrated from e-cbot to CME Globex. Subsequently, electronic trading of CBOT financial products will be migrated from e-cbot to CME Globex on Sunday, January 27, 2008, for Monday's business of January 28, 2008. As of January 28, 2008, only CBOT metals products will continue to trade on e-cbot.

In connection with the migration of CBOT products to CME Globex, CME and CBOT are adopting a fully harmonized trade cancellation and price adjustment rule that will cover products traded on CME Globex and e-cbot, effective on January 13, 2008. This Special Executive Report provides information on the changes being made to CME Rule 588 ("Trade Cancellations and Price Adjustments") and the adoption of CBOT Rule 588, which will be identical to CME Rule 588. Additionally, this document describes changes to CME Rule 622 ("Claims Relating to Trade Cancellations or Price Adjustments"), the adoption of CBOT Rule 622 (also identical to CME Rule 622) and a series of changes to the rules and interpretations in CBOT Chapter 5B ("e-cbot").

The text of the amendments to CME and CBOT rules, with additions underscored and deletions overstruck begin on page 3 of this document. Clean copies of revised CME and new CBOT Rules 588 and 622 begin on page 22.

Questions regarding the information in this Special Executive Report should be directed to Paul Millhuff, Michael McDonald, Giuseppe Scimeca or Brian Wolf, Associate Directors, Globex Control Center ("GCC"), at 312.456.2391. Specific questions concerning CME and CBOT Rule 622 and CME and CBOT arbitration should be directed to Michael Conti, Arbitration Administrator, Market Regulation Department, at 312.930.4553.

CME & CBOT Rule 588

The significant changes to fully harmonized CME & CBOT Rule 588 include the following:

- In Section B ("Review of Trades"), the time period for reporting an error trade in CBOT products has been expanded from 5 minutes to 8 minutes for liquid contracts and to one hour for illiquid contracts, consistent with the current CME rule. The CME rule has been modified to adopt a provision from existing CBOT rules which allows the GCC, in its discretion, to review trades in illiquid contracts that are not reported within one hour in circumstances where the trade price is egregiously out of line with fair value.

- In Section C ("Trade Price Adjustment and Cancellation Process"), the CME rule has been modified to adopt the CBOT practice of price adjusting, rather than busting, options errors; however, the harmonized rule modifies the prior CBOT practice by establishing a Bid/Ask Reasonability Allowance for use in determining the parameters of the no bust range and the corresponding price adjustments. Under the harmonized rule, the no bust range is based, in part, on the premium value of the option rather than exclusively on a specific tick value. The Bid/Ask Reasonability Allowances and no bust ranges for options contracts are set forth at the end of Section K ("No Bust Ranges"). Please see the examples below which describe the application of the new Bid/Ask Reasonability Allowance and the corresponding price adjustments in connection with options error trades.
- Section C also adopts a provision affording the GCC the flexibility, in its discretion, to bust rather than re-price trades in options contracts and implied-eligible futures contracts if the trades in question involve multiple parties, prices and/or contracts. Additionally, Subsection C.3. ("Liability for Losses Resulting from a Price Adjustment or Trade Bust") has been modified to incorporate new language concerning liability for losses resulting from trade price adjustments.
- In Section K, the no bust range for CBOT Treasury futures has been reduced from 3 full points to 30/32nds in the case of Treasury Bond and Ten-Year Note futures and to 15/32nds in the case of Five-Year and Two-Year Note futures. The no bust range for CBOT Dow Jones Industrial Average Index futures has been reduced from 250 points to 60 points. The reduction in the no bust ranges for these products is based on CME Globex employing Stop Order Logic functionality which helps to mitigate artificial market spikes that can occur because of the continuous triggering, election and trading of stop orders. On CME Globex, if elected stop orders would result in execution prices that exceed pre-defined thresholds, the market automatically enters a very brief reserved state. During this period, new orders are accepted but trades do not occur until the reserve state expires, thereby providing an opportunity for the market to regain equilibrium.
- Section K now includes the no bust ranges for all contracts trading on CME Globex or e-cbot, including CBOT metals and CBOT-hosted Exchange products from the Kansas City Board of Trade and the Minneapolis Grain Exchange.

Price Adjustment Examples for Options Error Trades

Example 1: Treasury Bond Options

Bid/Ask Reasonability Allowance: 4/64ths

No Bust Range: 20% of premium up to 2/64ths with a minimum of 1 tick

Scenario: The market in a particular Treasury Bond put option is 18 bid at 22, with a quantity of 500 contracts on the bid and the offer.

In error, a market user enters a 28 bid for 2,000 contracts and receives fills of 22 on 500 contracts, 24 on 500 contracts, 26 on 500 contracts and 28 on 500 contracts.

Given that the initial market (18 bid at 22) was within the Bid/Ask Reasonability Allowance of 4/64ths, the price of 22 would be deemed a reasonable offer from which the no bust range would be applied. Because this is a buy side error, the no bust range is the lesser of 20% of the premium or 2/64ths above the offer price of 22. 20% of the premium of 22 is 4.4/64ths, which is greater than 2/64ths. Accordingly, the lesser value of 2/64ths above the offer price would be used to determine the value to which prices would be adjusted. In this example, all the trades above 24/64ths would be adjusted down to a price of 24/64ths.

Example 2: E-mini Standard & Poor's 500 Stock Price Index Options

Bid/Ask Reasonability Allowance: 2.00 index points
No Bust Range: 20% of premium up to 1.00 index point

Scenario: In error, a market user offers 500 in the January 2008 1375 calls at a price of 62.00 at a time in which there are no resting orders in the book. The price of 62.00 is significantly below fair value and the order is subsequently filled at 62.00. The user intended to enter the order in the January 2008 1385 calls.

The GCC calculates a fair value price of 71.00 for the 1375 calls. Using a 2.00 index point Bid/Ask Reasonability Allowance, the reasonable bid/offer spread is therefore determined to be 70.00 at 72.00.

In order to determine the parameters of the no bust range, the lesser of 20% of the premium or 1.00 index point would be subtracted from the bid price of 70. 20% of 70 is 14.00 index points which is larger than 1.00 index point. Accordingly the lesser value of 1.00 index point is subtracted from the bid price to determine the value to which prices would be adjusted. Therefore all trades below 69.00 would be adjusted to a price of 69.00

CME & CBOT Rule 622

Based on the adoption of the Option Contracts section in CME and CBOT Rule 588.C.2.c. and C.3.c., modifications to CME Rule 622.A., B. and C. were required to clarify that claims for losses on price-adjusted trades will be handled pursuant to the specific provisions of Rule 622. Additionally, CBOT is adopting new CBOT Rule 622 effective January 13. CME and CBOT Rule 622 are identical.

CBOT Rule 5B.21 and Related Interpretations

CBOT Rule 5B.21, formerly titled "Error Trade Policy" has been renamed "Trade Cancellations and Price Adjustments." The language in the rule has been harmonized with the introductory language in Rule 588, and the rule has incorporated a reference to the provisions of Rule 588. Additionally, based on the CBOT adoption of Rule 588, three legacy e-cbot interpretations have been deleted from CBOT Chapter 5B.

Text of Approved Rule Changes

Marked changes to CME Rule 588:

588. TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

588.A. Globex Control Center Trade Cancellation Authority

The following policy shall be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations that executed transactions will not be cancelled. The Exchange's trade cancellation policy authorizes the Globex Control Center ("GCC") to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the electronic trading system or by system defects. Notwithstanding any other provisions of this rule, the GCC may adjust trade prices or cancel any trade if the GCC determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. The decision of the GCC shall be final.

588.B. Review of Trades

The GCC may review a trade based on its analysis of market conditions or a request for review by a user of the electronic trading system. A request for review must be made within eight minutes of the execution of the trade. The GCC shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, the GCC will promptly issue an alert indicating that the trade is under review.

In the case of illiquid contracts, the GCC may initiate a review up to one hour after the execution of the trade, and has the authority, but not the obligation, to review trades reported more than one hour following execution if it determines that the trade price was egregiously out of line with fair value.

588.C. Trade Price Adjustment and Cancellation Process

The GCC will first determine whether the trade price is within the No Bust Range for futures or within the Bid/Ask Reasonability Allowance for options, as described in Section K. The Bid/Ask Reasonability Allowance for an option is the maximum width of the bid/ask range which will be considered reasonable for use in applying the parameters necessary to establish the no bust range for the option. During fast market conditions, upon the release of significant news, or in other circumstances in which the GCC determines it is appropriate, the GCC may, without prior notice, temporarily double the published No Bust Range or Bid/Ask Reasonability Allowance.

In applying the No Bust Range, the GCC shall determine the actual or implied market price for that contract immediately before the trade under review. The GCC may consider any relevant information, including, but not limited to, the existing market conditions, the volatility of the market, the prices of related instruments in other markets, the last trade price on the electronic trading system, a better bid or offer price, a more recent price in a different contract month, the price of the same or related contract established in open outcry trading, theoretical value of an option based on the most recent implied volatility, responses to RFQs, and any other factors that the GCC deems relevant.

1. Trade Price Inside the No Bust Range

If the GCC determines that the price of the trade was inside the No Bust Range, the GCC will promptly issue an alert indicating that the trade shall stand.

2. Trade Price Outside the No Bust Range

a. Implied-Eligible Futures Contracts

If the GCC determines that a trade price is outside the applicable No Bust Range for an implied-eligible contract, the trade price shall be adjusted to a price that equals the actual or implied market price for that contract at the time of the questioned trade, plus or minus the standard or doubled No Bust Range, as applicable. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to bust rather than price adjust such transactions. The GCC will promptly issue an alert indicating that the prices of the trades outside the No Bust Range have been adjusted to the No Bust Range limit or have been busted.

b. All Other Futures Contracts

If the GCC determines that the trade price is outside the No Bust Range for a non-implied-eligible futures contract, the GCC shall bust the trade. The GCC will promptly issue an alert indicating that trades outside the No Bust Range have been busted.

c. Option Contracts

If the GCC determines that a trade price is outside the applicable No Bust Range for an option contract, the trade price shall be adjusted. In the case of a buy error, the price will be adjusted to the determined ask price plus the applicable no bust parameter. In the case of a sell error, the price will be adjusted to the determined bid price minus the applicable no bust parameter. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to bust rather than price adjust such transactions. The GCC will promptly issue an alert indicating that the prices of the trades outside the No Bust Range have been adjusted to the No Bust Range limit or have been busted.

- d. Notwithstanding the above, trades consummated pursuant to Rule 585 that are determined by the GCC to be outside the No Bust Range will stand, and a reciprocal trade negating the original trade will be consummated by means of a "type 8 transfer."
- 3. Liability for Losses Resulting from a Price Adjustment or Trade Bust

A party responsible for entering an order that results in a trade price adjustment shall not be liable for losses incurred by persons whose trade prices were adjusted, except as provided in 3.a., 3.b. and 3.c. below.

 - a. Implied Eligible Contracts – Price Adjusted Stop Orders

A party responsible for an order(s) that results in a trade price adjustment shall be liable for actual losses incurred by persons whose stop orders were elected as a result of the order(s). The compensable loss on each futures contract executed as part of a stop order shall be the difference between the adjusted price, as determined by the GCC, and the price in the market at the time the person knew or should have known that his stop order was erroneously elected.
 - b. Implied Eligible Contracts – Price Adjusted Spread Trades

A party responsible for an order that results in a trade price adjustment shall not be liable to persons whose spread orders were executed and adjusted unless the adjusted execution price of the spread is less favorable than the market equilibrium price for the relevant spread. The liability of the party responsible for an order that results in a price adjustment shall be limited to the difference between the adjusted price and the equilibrium market price, but shall not exceed the relevant No Bust Range.
 - c. Option Contracts – Price Adjusted Trades

A party responsible for an order that results in a trade price adjustment shall not be liable to persons whose option orders were executed and adjusted unless the adjusted execution price of the option is less favorable than the market equilibrium price for the relevant option. The liability of the party responsible for an order that results in a price adjustment shall be limited to the difference between the adjusted price and the market equilibrium price, but shall not exceed the relevant No Bust Range.
 - d. Busted Trades

A party responsible for an order that results in a trade bust may be liable for the reasonable out-of-pocket losses incurred by persons whose trades were busted or persons whose stop orders were elected and not busted. Issues of liability in such cases will be determined based upon all relevant facts and circumstances, including the conduct of the respective parties.

588.D. Claim Process

A claim for a loss pursuant to Sections C.3.a., b. and c. must be submitted to the Exchange, on an Exchange claim form, within five business days of the event giving rise to the claim. The Exchange shall reject any claim that is not permitted by Sections C.3.a., b. or c. and such decision shall be final. All claims, which are not rejected by the Exchange, shall be forwarded to the party responsible for the order(s) that resulted in a trade bust or a price adjustment and to the clearing member through which the trade was placed. Such party, or the clearing member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. The liability for losses for a single incident shall be limited to \$500,000.

To the extent that liability is admitted, payment shall be made within ten business days. If liability is admitted but the total claims exceed \$500,000, the claims shall be reduced pro rata so that the total payment does not exceed \$500,000. To the extent that liability is denied, the claims shall be submitted to arbitration in accordance with Rule 622.

A claim for a loss pursuant to Section C.3.d. must be pursued under the applicable arbitration rules of Chapter 6.

588.E. Trade Cancellation or Offset Procedures

Upon a determination by the GCC that a trade shall be busted or that trade prices shall be adjusted, that decision will be implemented. The busted trade price and any price quotes that have been adjusted will be reflected as cancelled in the Exchange's official record of time and sales. Time and

sales will reflect the trades at the adjusted price.

If the trade is not busted, the parties to the transaction cannot reverse the transaction by using a "type 8 transfer" except as provided in Section C.2.d. and Section F. Additionally, if the trade is not busted, the parties may not reverse the trade by entering into a prearranged offsetting transaction unless such transactions are permitted and effected in accordance with Rule 539.C.

588.F. "Type 8 Transfers"

Positions that result from a trade determined by the GCC to be outside the No Bust Range that cannot be busted because the trade was not reported within eight minutes of the execution of the trade may be transferred between the parties using a "type 8 transfer" upon agreement of the parties. The transfer must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by the GCC to be inside the No Bust Range may not be reversed using a "type 8 transfer."

588.G. Arbitration of Disputes Regarding "Type 8 Transfers"

If a party does not agree to transfer a position pursuant to Section F., any other party to the trade may file an arbitration claim against the member or clearing member representing the other side of the trade. Written notice of such claim must be provided to the Exchange within five business days of the execution of the trade. Failure to file the claim within five business days shall be deemed a waiver of all claims. The arbitration claim will be dismissed by the Exchange if the owner of the account on the other side of the trade is not deemed a Member as defined in Rule 400 or a person otherwise subject to the Exchange's jurisdiction. If not dismissed, the arbitration claim will be conducted in accordance with Rule 622.

In deciding the claim, the Arbitration Committee may consider, among other factors, the reasonableness of the actions taken by each party and what action the party on the other side of the error trade took before being notified that the trade was being questioned.

588.H. Voluntary Adjustment of Trade Price

When a trade outside of the No Bust Range is busted in accordance with this rule, the parties to the trade may agree voluntarily to reestablish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

1. The GCC approves the adjustment.
2. The quantity of the position being reestablished is the same as the quantity of the trade that was busted.
3. In the case of a trade below the actual or implied market price, the adjusted price must be the lowest price that traded at or about the time of the trade without being busted. In the case of a trade above the actual or implied market price, the adjusted price must be the highest price that traded at or about the time of the trade without being busted.
4. The parties to the adjusted trade must report it to the clearing system using a "type 8 transfer" with a "G" transfer code not later than the close of business on the business day after the trade occurred.

588.I. Busting Trades After System Freeze

In the event that the matching engine freezes with live orders in the queue waiting to be matched, such orders may be matched when the system is unfrozen before the GCC can halt the matching engine. The GCC is authorized to bust trades resulting from such matches if the price of such trades is outside of the No Bust Range at the time that a confirmation of the trades was sent.

588.J. Schedule of Administrative Fees

When GCC busts a trade, the party responsible for entering the order into the electronic trading system that gave rise to the trade bust shall pay an administrative fee to the Exchange in accordance with the following schedule. The fee is \$250 for each of the first five occasions in a calendar year where a party's order entry results in a trade bust, \$500 for each of the next three occasions within the same calendar year where a party's order entry results in a trade bust, and \$1,000 for each subsequent occasion within the same calendar year where a party's order entry results in a trade bust.

If a non-member customer responsible for entering an order that results in a trade bust fails to pay the fee in accordance with this section, the clearing member carrying the customer's account shall be responsible for payment of the fee.

588.K. No Bust Ranges

<u>Futures Contract</u>	<u>No Bust Range</u>
Eurodollar, E-mini Eurodollar and LIBOR	2.5 basis points
U.S. T-Bond	30/32nds
10 Yr. T-Note	30/32nds
5 Yr. T-Note	15/32nds
2 Yr. T-Note	15/32nds
30-Day Fed Funds	5 basis points
Interest Rate Swaps (30 Yr., 10 Yr., and 5 Yr.)	10/32nds
Credit Default Swap Index	1 point
E-mini Eurodollar Bundle	2.5 basis points
Euroyen	2.5 basis points
T-Bills	5 basis points
Swaps	5 basis points
CME Lehman Brothers U.S. Aggregate Index	2.00 index points
Eurozone HICP Futures	25 basis points
Currency Futures (except British pound and Mexican Peso)	20 ticks
British Pound Futures and Mexican Peso Futures	30 ticks
Spot FX	20 pips
S&P 500 and E-mini S&P 500	6.00 index points
DJIA (\$5, \$10, \$25)	60 index points
S&P Citigroup Growth	4.00 index points
S&P Citigroup Value	4.00 index points
S&P Midcap 400 and E-mini S&P Midcap 400	4.00 index points
S&P Smallcap 600 and E-mini S&P Smallcap 600	4.00 index points
E-Mini S&P Asia 50	12.00 index points
E-Mini MSCI EAFE	12.00 index points
E-Mini MSCI Emerging Markets	12.00 index points
S&P 500 Depository Receipts	0.60 index points
Russell 2000 and E-mini Russell 2000	4.00 index points
iShares Russell 2000	0.40 index points
Nasdaq-100 and E-mini Nasdaq-100	12.00 index points
E-mini Nasdaq Composite	12.00 index points
E-mini Nasdaq Biotechnology	12.00 index points
Nasdaq-100 Index Tracking Stock	0.30 index points
Nikkei 225 (\$ and ¥)	60.00 index points
FTSE / Xinhua China 25	100 index points
S&P 500 Technology SPCTR	3.00 index points
S&P 500 Financial SPCTR	3.00 index points
Kansas City Value Line	40 index points
Housing Futures	2.00 index points
Dow Jones US Real Estate Index	4 points
TRAKRS Futures	25 cents
Goldman Sachs Commodity Index	2.50 index points
CME Weather	25.00 index points
Weekly Average Temperature Index	1 degree

<u>Futures Contract</u>	<u>No Bust Range</u>
CME Snowfall	50 ticks or 5 inches
Carvill Hurricane Index	0.50 index points
Carvill Hurricane Index Seasonal	0.50 index points
Carvill Hurricane Index Seasonal Maximum	0.50 index points
Credit Index Event Futures	10 basis points
Corn & Mini-sized Corn	10 cents per bushel
Wheat & Mini-sized Wheat	10 cents per bushel
Soybeans & Mini-sized Soybeans	10 cents per bushel
Oats	10 cents per bushel
Rough Rice	20 cents per hundredweight
Soybean Meal	\$8.00 per ton
Soybean Oil	.80 cents per pound
South American Soybeans	20 cents per bushel
Lean Hogs	\$0.0050 per pound
Live Cattle	\$0.0050 per pound
Feeder Cattle	\$0.0050 per pound
Pork Bellies	\$0.0050 per pound
Dow AIG-ER Commodity Index	4 Points
Milk	\$0.20 per cwt.
Dry Milk	\$0.00750
Butter (Cash-Settled)	\$0.0075 per pound
Dry Whey	\$0.00750
Softwood Pulp	\$15.00 per ton
Ethanol	4 cents per gallon
CBOT 100 oz. Gold and mini-sized Gold	\$4.00 per ounce
CBOT 5,000 oz. Silver and mini-sized Silver	\$0.10 per ounce
Kansas City Hard Red Winter Wheat	10 cents per bushel
Minneapolis Hard Red Spring Wheat	10 cents per bushel
Minneapolis National Corn Index	10 cents per bushel
Minneapolis National Soybean Index	10 cents per bushel
Minneapolis Hard Red Spring Wheat Index	10 cents per bushel
Minneapolis Hard Red Winter Wheat Index	10 cents per bushel
Minneapolis Soft Red Winter Wheat Index	10 cents per bushel
NYMEX Crude Oil and NYMEX miNY Crude Oil	\$0.25
NYMEX Brent	\$0.25
NYMEX REBCO	\$0.25
NYMEX 3-2-1 PLUS	\$0.25
NYMEX Heating Oil and NYMEX miNY Heating Oil	\$0.01
NYMEX Gulf Coast ULSD	\$0.01
NYMEX New York ULSD	\$0.01
NYMEX Gulf Coast Gasoline	\$0.01
NYMEX Singapore 380 Fuel Oil	\$2.00
NYMEX RBOB Gasoline and NYMEX miNY RBOB Gasoline	\$0.01
NYMEX Natural Gas and NYMEX miNY Natural Gas	\$0.05
NYMEX Natural Gas (last-day) futures	\$0.05
NYMEX Propane	\$0.01
NYMEX Uranium	\$2.50

<u>Futures Contract</u>	<u>No Bust Range</u>
NYMEX Ardour Global Index	12.5 index points
COMEX Gold and miNY Gold	\$4.00
COMEX Asian Gold	\$0.40
COMEX Silver and miNY Silver	\$0.10
NYMEX Platinum	\$10.00
NYMEX Asian Platinum	\$0.40
NYMEX Palladium	\$5.00
NYMEX Asian Palladium	\$0.40
COMEX Copper and miNY Copper	\$0.02
COMEX London Copper Grade A	\$40.00
COMEX Aluminum	\$0.01
COMEX London Primary Aluminum	\$40.00
COMEX London SHG Zinc	\$40.00
NYMEX Cocoa	\$40.00
NYMEX Coffee	\$0.01
NYMEX Cotton	\$0.008
NYMEX Sugar 11	\$0.0035
NYMEX CAT Risk	50.00 index points
 <u>Futures Combinations</u>	
Eurodollar Combinations & E-mini Eurodollar Bundles	2.5 basis points
Non-Eurodollar, Non-Implied Eligible, Intra-Commodity Futures Spreads	5 ticks
Implied Eligible Inter- and Intra-Commodity Futures Spreads	Same as the no bust range of the individual legs
Inter-Commodity Futures Spreads	The wider of the no bust ranges of the two individual legs

Futures Contract

No Bust Range

<u>Option Contract</u>	<u>Bid/Ask Reasonability</u>	<u>No Bust Range</u>
Eurodollars	2 basis points	2 minimum ticks
U.S. Treasuries (2, 5, 10 and 30Yr)	4/64ths	20% of premium up to 2/64ths with minimum of 1 tick
30-Day Fed Funds	4 basis points	20% of premium up to 2 basis points with a minimum of 1 tick
Binary Fed Funds	10 ticks	20% of premium from nearest endpoint (0 or 100) stated in positive terms
5Yr and 10Yr Swaps	10/64ths	20% of premium up to 5/64ths with a minimum of 1 tick
Equities (excluding DJIA)	2.00 index points	20% of premium up to 1.00 index point with a minimum of 1 tick
DJIA	10 points	20% of premium up to 5 points with a minimum of 1 tick
FX	8 ticks	20% of premium up to 4 ticks with a minimum of 1 tick
Agricultural (excluding Grains, Oil & Meal)	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
Grains	\$0.02	20% of premium up to \$0.01 with a minimum of 1 tick
Soybean Oil	\$0.001	20% of premium up to \$0.0005 with a minimum of 1 tick
Soybean Meal	\$1.00	20% of premium up to \$0.50 with a minimum of 1 tick
Ethanol	\$0.05	20% of premium up to \$0.025 with a minimum of 1 tick
CBOT Gold	\$4.00	20% of premium up to \$2.00 with a minimum of 1 tick
CBOT Silver	\$0.10	20% of premium up to \$0.05 with a minimum of 1 tick
MGEX Options	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
KCBT Options	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
NYMEX Crude Oil	\$0.25	20% of premium up to \$0.125 with a minimum of 1 tick
NYMEX Heating Oil	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
NYMEX RBOB	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
NYMEX Natural Gas	\$0.05	20% of premium up to \$0.025 with a minimum of 1 tick
COMEX Gold	\$4.00	20% of premium up to \$2.00 with a

		minimum of 1 tick
COMEX Silver	\$0.10	20% of premium up to \$0.05 with a minimum of 1 tick
COMEX Copper	\$0.02	20% of premium up to \$0.01 with a minimum of 1 tick

Marked changes to CME Rule 622:

622. CLAIMS RELATING TO TRADE CANCELLATIONS OR PRICE ADJUSTMENTS

622.A. General

All claims relating to certain price adjustments or trade busts pursuant to Rule 588.C.3.a., b. and c. shall be arbitrated in accordance with the specific requirements of this Rule 622 and, to the extent not inconsistent with such requirements, the rules of this Chapter. All claims pursuant to Rule 588.C.3.d. shall be arbitrated in accordance with the rules of this Chapter.

622.B. Initiation of Claim

Any claim for loss under Rule 588.C.3.a., b. or c. must first be submitted to the Exchange as described in Rule 588.D. Following a denial of liability by a party responsible for a trade bust or price adjustment and by the clearing firm through which the trade was placed as described in Rule 588.D., the dispute shall be referred to arbitration. The Exchange shall administer the arbitration and provide notice to all parties.

The party alleged to have made the trade that caused the trade bust or price adjustment and the clearing firm through which that trade was placed both may be respondents in such arbitration. Any party responsible for a trade bust or price adjustment who is not otherwise subject to arbitration under these rules may voluntarily submit to such arbitration by filing a submission agreement with the Exchange within 21 days of that party's receipt of notice of the referral to arbitration. In the absence of the voluntary submission to arbitration by such party, the arbitration shall proceed solely against the clearing firm through which the trade was placed, and that firm shall be liable for any damages awarded by the panel.

622.C. Selection of Arbitration Panel

All claims under Rule 588.C.3.a., b. and c. shall be heard by a Mixed Panel as defined in Rule 601.A.3.

622.D. Related Claims

All claims arbitrable under this rule that arise out of a trade bust or price adjustment that was caused by the same incident shall, to the extent practicable in the determination of the chairman, be consolidated in a single arbitration.

622.E. Award

Within 30 days of completion of the hearing, the panel shall issue a written decision signed by a majority of the arbitrators.

The total award for a single incident shall not exceed \$500,000. Except as provided below, the claims shall be limited to out-of-pocket losses. If the claimants' allowable losses exceed \$500,000, the amount awarded to each claimant shall be reduced pro rata so that the total award does not exceed \$500,000. Any award shall be made jointly and severally against the respondents. In the event the panel finds the respondent(s) liable for the full amount of the claim (or the capped amount of \$500,000), the panel shall also award the claimants their costs and attorneys fees incurred in connection with arbitrating the claim. Punitive damages, loss of profits, loss of use, and indirect, incidental or consequential damages shall not be awarded. The decision of a majority of the panel shall be final and may not be appealed.

A party may move, within three business days of the award, for an order correcting or modifying the award to remedy any miscalculation or misdescription or where the award is otherwise imperfect in a matter of form not affecting the merits of the award.

Marked changes to CBOT Rule 5B.21:

5B.21. TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

In order to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations that executed transactions will not be cancelled, the Globex Control Center ("GCC") may adjust trade prices or cancel (bust) trades in accordance with the procedures detailed in Rule 588 when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the electronic trading systems employed by the Exchange or by system defects.

Deletion of CBOT Chapter 5B Interpretations – e-cbot Error Trade Policy, Tick Breakdown per CBOT Product and Example of Autoleg Error:

Clean Version of CME & CBOT Rules 588 and 622:

588. TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

588.A. Globex Control Center Trade Cancellation Authority

The following policy shall be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations that executed transactions will not be cancelled. The Exchange's trade cancellation policy authorizes the Globex Control Center ("GCC") to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the electronic trading system or by system defects. Notwithstanding any other provisions of this rule, the GCC may adjust trade prices or cancel any trade if the GCC determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. The decision of the GCC shall be final.

588.B. Review of Trades

The GCC may review a trade based on its analysis of market conditions or a request for review by a user of the electronic trading system. A request for review must be made within eight minutes of the execution of the trade. The GCC shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, the GCC will promptly issue an alert indicating that the trade is under review.

In the case of illiquid contracts, the GCC may initiate a review up to one hour after the execution of the trade, and has the authority, but not the obligation, to review trades reported more than one hour following execution if it determines that the trade price was egregiously out of line with fair value.

588.C. Trade Price Adjustment and Cancellation Process

The GCC will first determine whether the trade price is within the No Bust Range for futures or within the Bid/Ask Reasonability Allowance for options, as described in Section K. The Bid/Ask Reasonability Allowance for an option is the maximum width of the bid/ask range which will be considered reasonable for use in applying the parameters necessary to establish the no bust range for the option. During fast market conditions, upon the release of significant news, or in other circumstances in which the GCC determines it is appropriate, the GCC may, without prior notice, temporarily double the published No Bust Range or Bid/Ask Reasonability Allowance.

In applying the No Bust Range, the GCC shall determine the actual or implied market price for that contract immediately before the trade under review. The GCC may consider any relevant information, including, but not limited to, the existing market conditions, the volatility of the market, the prices of related instruments in other markets, the last trade price on the electronic trading system, a better bid or offer price, a more recent price in a different contract month, the price of the same or related contract established in open outcry trading, theoretical value of an option based on the most recent implied volatility, responses to RFQs, and any other factors that the GCC deems relevant.

1. Trade Price Inside the No Bust Range

If the GCC determines that the price of the trade was inside the No Bust Range, the GCC will promptly issue an alert indicating that the trade shall stand.

2. Trade Price Outside the No Bust Range

a. Implied-Eligible Futures Contracts

If the GCC determines that a trade price is outside the applicable No Bust Range for an implied-eligible contract, the trade price shall be adjusted to a price that equals the actual or implied market price for that contract at the time of the questioned trade, plus or minus the standard or doubled No Bust Range, as applicable. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to bust rather than price adjust such transactions. The GCC will promptly issue an alert indicating that the prices of the trades outside the No Bust Range have been adjusted to the No Bust Range limit or have been busted.

b. All Other Futures Contracts

If the GCC determines that the trade price is outside the No Bust Range for a non-implied-eligible futures contract, the GCC shall bust the trade. The GCC will promptly issue an alert indicating that trades outside the No Bust Range have been busted.

c. Option Contracts

If the GCC determines that a trade price is outside the applicable No Bust Range for an option contract, the trade price shall be adjusted. In the case of a buy error, the price will be adjusted to the determined ask price plus the applicable no bust parameter. In the case of a sell error, the price will be adjusted to the determined bid price minus the applicable no bust parameter. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to bust rather than price adjust such transactions. The GCC will promptly issue an alert indicating that the prices of the trades outside the No Bust Range have been adjusted to the No Bust Range limit or have been busted.

d. Notwithstanding the above, trades consummated pursuant to Rule 585 that are determined by the GCC to be outside the No Bust Range will stand, and a reciprocal trade negating the original trade will be consummated by means of a "type 8 transfer."

3. Liability for Losses Resulting from a Price Adjustment or Trade Bust

A party responsible for entering an order that results in a trade price adjustment shall not be liable for losses incurred by persons whose trade prices were adjusted, except as provided in 3.a., 3.b. and 3.c. below.

a. Implied Eligible Contracts – Price Adjusted Stop Orders

A party responsible for an order(s) that results in a trade price adjustment shall be liable for actual losses incurred by persons whose stop orders were elected as a result of the order(s). The compensable loss on each futures contract executed as part of a stop order shall be the difference between the adjusted price, as determined by the GCC, and the price in the market at the time the person knew or should have known that his stop order was erroneously elected.

b. Implied Eligible Contracts – Price Adjusted Spread Trades

A party responsible for an order that results in a trade price adjustment shall not be liable to persons whose spread orders were executed and adjusted unless the adjusted execution price of the spread is less favorable than the market equilibrium price for the relevant spread. The

liability of the party responsible for an order that results in a price adjustment shall be limited to the difference between the adjusted price and the equilibrium market price, but shall not exceed the relevant No Bust Range.

c. Option Contracts – Price Adjusted Trades

A party responsible for an order that results in a trade price adjustment shall not be liable to persons whose option orders were executed and adjusted unless the adjusted execution price of the option is less favorable than the market equilibrium price for the relevant option. The liability of the party responsible for an order that results in a price adjustment shall be limited to the difference between the adjusted price and the market equilibrium price, but shall not exceed the relevant No Bust Range.

d. Busted Trades

A party responsible for an order that results in a trade bust may be liable for the reasonable out-of-pocket losses incurred by persons whose trades were busted or persons whose stop orders were elected and not busted. Issues of liability in such cases will be determined based upon all relevant facts and circumstances, including the conduct of the respective parties.

588.D. Claim Process

A claim for a loss pursuant to Sections C.3.a., b. and c. must be submitted to the Exchange, on an Exchange claim form, within five business days of the event giving rise to the claim. The Exchange shall reject any claim that is not permitted by Sections C.3.a., b. or c. and such decision shall be final. All claims, which are not rejected by the Exchange, shall be forwarded to the party responsible for the order(s) that resulted in a trade bust or a price adjustment and to the clearing member through which the trade was placed. Such party, or the clearing member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. The liability for losses for a single incident shall be limited to \$500,000.

To the extent that liability is admitted, payment shall be made within ten business days. If liability is admitted but the total claims exceed \$500,000, the claims shall be reduced pro rata so that the total payment does not exceed \$500,000. To the extent that liability is denied, the claims shall be submitted to arbitration in accordance with Rule 622.

A claim for a loss pursuant to Section C.3.d. must be pursued under the applicable arbitration rules of Chapter 6.

588.E. Trade Cancellation or Offset Procedures

Upon a determination by the GCC that a trade shall be busted or that trade prices shall be adjusted, that decision will be implemented. The busted trade price and any price quotes that have been adjusted will be reflected as cancelled in the Exchange's official record of time and sales. Time and sales will reflect the trades at the adjusted price.

If the trade is not busted, the parties to the transaction cannot reverse the transaction by using a "type 8 transfer" except as provided in Section C.2.d. and Section F. Additionally, if the trade is not busted, the parties may not reverse the trade by entering into a prearranged offsetting transaction unless such transactions are permitted and effected in accordance with Rule 539.C.

588.F. "Type 8 Transfers"

Positions that result from a trade determined by the GCC to be outside the No Bust Range that cannot be busted because the trade was not reported within eight minutes of the execution of the trade may be transferred between the parties using a "type 8 transfer" upon agreement of the parties. The transfer must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by the GCC to be inside the No Bust Range may not be reversed using a "type 8 transfer."

588.G. Arbitration of Disputes Regarding "Type 8 Transfers"

If a party does not agree to transfer a position pursuant to Section F., any other party to the trade may file an arbitration claim against the member or clearing member representing the other side of the trade. Written notice of such claim must be provided to the Exchange within five business days of the execution of the trade. Failure to file the claim within five business days shall be deemed a waiver of all

claims. The arbitration claim will be dismissed by the Exchange if the owner of the account on the other side of the trade is not deemed a Member as defined in Rule 400 or a person otherwise subject to the Exchange's jurisdiction. If not dismissed, the arbitration claim will be conducted in accordance with Rule 622.

In deciding the claim, the Arbitration Committee may consider, among other factors, the reasonableness of the actions taken by each party and what action the party on the other side of the error trade took before being notified that the trade was being questioned.

588.H. Voluntary Adjustment of Trade Price

When a trade outside of the No Bust Range is busted in accordance with this rule, the parties to the trade may agree voluntarily to reestablish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

1. The GCC approves the adjustment.
2. The quantity of the position being reestablished is the same as the quantity of the trade that was busted.
3. In the case of a trade below the actual or implied market price, the adjusted price must be the lowest price that traded at or about the time of the trade without being busted. In the case of a trade above the actual or implied market price, the adjusted price must be the highest price that traded at or about the time of the trade without being busted.
4. The parties to the adjusted trade must report it to the clearing system using a "type 8 transfer" with a "G" transfer code not later than the close of business on the business day after the trade occurred.

588.I. Busting Trades After System Freeze

In the event that the matching engine freezes with live orders in the queue waiting to be matched, such orders may be matched when the system is unfrozen before the GCC can halt the matching engine. The GCC is authorized to bust trades resulting from such matches if the price of such trades is outside of the No Bust Range at the time that a confirmation of the trades was sent.

588.J. Schedule of Administrative Fees

When GCC busts a trade, the party responsible for entering the order into the electronic trading system that gave rise to the trade bust shall pay an administrative fee to the Exchange in accordance with the following schedule. The fee is \$250 for each of the first five occasions in a calendar year where a party's order entry results in a trade bust, \$500 for each of the next three occasions within the same calendar year where a party's order entry results in a trade bust, and \$1,000 for each subsequent occasion within the same calendar year where a party's order entry results in a trade bust.

If a non-member customer responsible for entering an order that results in a trade bust fails to pay the fee in accordance with this section, the clearing member carrying the customer's account shall be responsible for payment of the fee.

588.K. No Bust Ranges

<u>Futures Contract</u>	<u>No Bust Range</u>
Eurodollar, E-mini Eurodollar and LIBOR	2.5 basis points
U.S. T-Bond	30/32nds
10 Yr. T-Note	30/32nds
5 Yr. T-Note	15/32nds
2 Yr. T-Note	15/32nds
30-Day Fed Funds	5 basis points
Interest Rate Swaps (30 Yr., 10 Yr., and 5 Yr.)	10/32nds
Credit Default Swap Index	1 point
E-mini Eurodollar Bundle	2.5 basis points
Euroyen	2.5 basis points
T-Bills	5 basis points

<u>Futures Contract</u>	<u>No Bust Range</u>
Swaps	5 basis points
CME Lehman Brothers U.S. Aggregate Index	2.00 index points
Eurozone HICP Futures	25 basis points
Currency Futures (except British pound and Mexican Peso)	20 ticks
British Pound Futures and Mexican Peso Futures	30 ticks
Spot FX	20 pips
S&P 500 and E-mini S&P 500	6.00 index points
DJIA (\$5, \$10, \$25)	60 index points
S&P Citigroup Growth	4.00 index points
S&P Citigroup Value	4.00 index points
S&P Midcap 400 and E-mini S&P Midcap 400	4.00 index points
S&P Smallcap 600 and E-mini S&P Smallcap 600	4.00 index points
E-Mini S&P Asia 50	12.00 index points
E-Mini MSCI EAFE	12.00 index points
E-Mini MSCI Emerging Markets	12.00 index points
S&P 500 Depository Receipts	0.60 index points
Russell 2000 and E-mini Russell 2000	4.00 index points
iShares Russell 2000	0.40 index points
Nasdaq-100 and E-mini Nasdaq-100	12.00 index points
E-mini Nasdaq Composite	12.00 index points
E-mini Nasdaq Biotechnology	12.00 index points
Nasdaq-100 Index Tracking Stock	0.30 index points
Nikkei 225 (\$ and ¥)	60.00 index points
FTSE / Xinhua China 25	100 index points
S&P 500 Technology SPCTR	3.00 index points
S&P 500 Financial SPCTR	3.00 index points
Kansas City Value Line	40 index points
Housing Futures	2.00 index points
Dow Jones US Real Estate Index	4 points
TRAKRS Futures	25 cents
Goldman Sachs Commodity Index	2.50 index points
CME Weather	25.00 index points
Weekly Average Temperature Index	1 degree
CME Snowfall	50 ticks or 5 inches
Carvill Hurricane Index	0.50 index points
Carvill Hurricane Index Seasonal	0.50 index points
Carvill Hurricane Index Seasonal Maximum	0.50 index points
Credit Index Event Futures	10 basis points
Corn & Mini-sized Corn	10 cents per bushel
Wheat & Mini-sized Wheat	10 cents per bushel
Soybeans & Mini-sized Soybeans	10 cents per bushel
Oats	10 cents per bushel
Rough Rice	20 cents per hundredweight
Soybean Meal	\$8.00 per ton
Soybean Oil	.80 cents per pound
South American Soybeans	20 cents per bushel
Lean Hogs	\$0.0050 per pound
Live Cattle	\$0.0050 per pound
Feeder Cattle	\$0.0050 per pound

<u>Futures Contract</u>	<u>No Bust Range</u>
Pork Bellies	\$0.0050 per pound
Dow AIG-ER Commodity Index	4 Points
Milk	\$0.20 per cwt.
Dry Milk	\$0.00750
Butter (Cash-Settled)	\$0.0075 per pound
Dry Whey	\$0.00750
Softwood Pulp	\$15.00 per ton
Ethanol	4 cents per gallon
CBOT 100 oz. Gold and mini-sized Gold	\$4.00 per ounce
CBOT 5,000 oz. Silver and mini-sized Silver	\$0.10 per ounce
Kansas City Hard Red Winter Wheat	10 cents per bushel
Minneapolis Hard Red Spring Wheat	10 cents per bushel
Minneapolis National Corn Index	10 cents per bushel
Minneapolis National Soybean Index	10 cents per bushel
Minneapolis Hard Red Spring Wheat Index	10 cents per bushel
Minneapolis Hard Red Winter Wheat Index	10 cents per bushel
Minneapolis Soft Red Winter Wheat Index	10 cents per bushel
NYMEX Crude Oil and NYMEX miNY Crude Oil	\$0.25
NYMEX Brent	\$0.25
NYMEX REBCO	\$0.25
NYMEX 3-2-1 PLUS	\$0.25
NYMEX Heating Oil and NYMEX miNY Heating Oil	\$0.01
NYMEX Gulf Coast ULSD	\$0.01
NYMEX New York ULSD	\$0.01
NYMEX Gulf Coast Gasoline	\$0.01
NYMEX Singapore 380 Fuel Oil	\$2.00
NYMEX RBOB Gasoline and NYMEX miNY RBOB Gasoline	\$0.01
NYMEX Natural Gas and NYMEX miNY Natural Gas	\$0.05
NYMEX Natural Gas (last-day) futures	\$0.05
NYMEX Propane	\$0.01
NYMEX Uranium	\$2.50
NYMEX Ardour Global Index	12.5 index points
COMEX Gold and miNY Gold	\$4.00
COMEX Asian Gold	\$0.40
COMEX Silver and miNY Silver	\$0.10
NYMEX Platinum	\$10.00
NYMEX Asian Platinum	\$0.40
NYMEX Palladium	\$5.00
NYMEX Asian Palladium	\$0.40
COMEX Copper and miNY Copper	\$0.02
COMEX London Copper Grade A	\$40.00
COMEX Aluminum	\$0.01
COMEX London Primary Aluminum	\$40.00
COMEX London SHG Zinc	\$40.00
NYMEX Cocoa	\$40.00
NYMEX Coffee	\$0.01
NYMEX Cotton	\$0.008
NYMEX Sugar 11	\$0.0035
NYMEX CAT Risk	50.00 index points

Futures Contract

No Bust Range

Futures Combinations

Eurodollar Combinations & E-mini Eurodollar Bundles	2.5 basis points
Non-Eurodollar, Non-Implied Eligible, Intra-Commodity Futures Spreads	5 ticks
Implied Eligible Inter- and Intra-Commodity Futures Spreads	Same as the no bust range of the individual legs
Inter-Commodity Futures Spreads	The wider of the no bust ranges of the two individual legs

<u>Option Contract</u>	<u>Bid/Ask Reasonability</u>	<u>No Bust Range</u>
Eurodollars	2 basis points	2 minimum ticks
U.S. Treasuries (2, 5, 10 and 30Yr)	4/64ths	20% of premium up to 2/64ths with minimum of 1 tick
30-Day Fed Funds	4 basis points	20% of premium up to 2 basis points with a minimum of 1 tick
Binary Fed Funds	10 ticks	20% of premium from nearest endpoint (0 or 100) stated in positive terms
5Yr and 10Yr Swaps	10/64ths	20% of premium up to 5/64ths with a minimum of 1 tick
Equities (excluding DJIA)	2.00 index points	20% of premium up to 1.00 index point with a minimum of 1 tick
DJIA	10 points	20% of premium up to 5 points with a minimum of 1 tick
FX	8 ticks	20% of premium up to 4 ticks with a minimum of 1 tick
Agricultural (excluding Grains, Oil & Meal)	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
Grains	\$0.02	20% of premium up to \$0.01 with a minimum of 1 tick
Soybean Oil	\$0.001	20% of premium up to \$0.0005 with a minimum of 1 tick
Soybean Meal	\$1.00	20% of premium up to \$0.50 with a minimum of 1 tick
Ethanol	\$0.05	20% of premium up to \$0.025 with a minimum of 1 tick
CBOT Gold	\$4.00	20% of premium up to \$2.00 with a minimum of 1 tick
CBOT Silver	\$0.10	20% of premium up to \$0.05 with a minimum of 1 tick
MGEX Options	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
KCBT Options	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
NYMEX Crude Oil	\$0.25	20% of premium up to \$0.125 with a minimum of 1 tick

NYMEX Heating Oil	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
NYMEX RBOB	\$0.01	20% of premium up to \$0.005 with a minimum of 1 tick
NYMEX Natural Gas	\$0.05	20% of premium up to \$0.025 with a minimum of 1 tick
COMEX Gold	\$4.00	20% of premium up to \$2.00 with a minimum of 1 tick
COMEX Silver	\$0.10	20% of premium up to \$0.05 with a minimum of 1 tick
COMEX Copper	\$0.02	20% of premium up to \$0.01 with a minimum of 1 tick

622. CLAIMS RELATING TO TRADE CANCELLATIONS OR PRICE ADJUSTMENTS

622.A. General

All claims relating to certain price adjustments or trade busts pursuant to Rule 588.C.3.a., b. and c. shall be arbitrated in accordance with the specific requirements of this Rule 622 and, to the extent not inconsistent with such requirements, the rules of this Chapter. All claims pursuant to Rule 588.C.3.d. shall be arbitrated in accordance with the rules of this Chapter.

622.B. Initiation of Claim

Any claim for loss under Rule 588.C.3.a., b. or c. must first be submitted to the Exchange as described in Rule 588.D. Following a denial of liability by a party responsible for a trade bust or price adjustment and by the clearing firm through which the trade was placed as described in Rule 588.D., the dispute shall be referred to arbitration. The Exchange shall administer the arbitration and provide notice to all parties.

The party alleged to have made the trade that caused the trade bust or price adjustment and the clearing firm through which that trade was placed both may be respondents in such arbitration. Any party responsible for a trade bust or price adjustment who is not otherwise subject to arbitration under these rules may voluntarily submit to such arbitration by filing a submission agreement with the Exchange within 21 days of that party's receipt of notice of the referral to arbitration. In the absence of the voluntary submission to arbitration by such party, the arbitration shall proceed solely against the clearing firm through which the trade was placed, and that firm shall be liable for any damages awarded by the panel.

622.C. Selection of Arbitration Panel

All claims under Rule 588.C.3.a., b. and c. shall be heard by a Mixed Panel as defined in Rule 601.A.3.

622.D. Related Claims

All claims arbitrable under this rule that arise out of a trade bust or price adjustment that was caused by the same incident shall, to the extent practicable in the determination of the chairman, be consolidated in a single arbitration.

622.E. Award

Within 30 days of completion of the hearing, the panel shall issue a written decision signed by a majority of the arbitrators.

The total award for a single incident shall not exceed \$500,000. Except as provided below, the claims shall be limited to out-of-pocket losses. If the claimants' allowable losses exceed \$500,000, the amount awarded to each claimant shall be reduced pro rata so that the total award does not exceed \$500,000. Any award shall be made jointly and severally against the respondents. In the event the panel finds the respondent(s) liable for the full amount of the claim (or the capped amount of \$500,000), the panel shall also award the claimants their costs and attorneys fees incurred in connection with arbitrating the claim. Punitive damages, loss of profits, loss of use, and indirect, incidental or consequential damages shall

not be awarded. The decision of a majority of the panel shall be final and may not be appealed.

A party may move, within three business days of the award, for an order correcting or modifying the award to remedy any miscalculation or misdescription or where the award is otherwise imperfect in a matter of form not affecting the merits of the award.