

MEMORANDUM

TO: All Members and Member Organizations of
The Philadelphia Board of Trade, Inc.

FROM: Walt Smith, Vice President and General Manager

DATE: September 27, 2006

SUBJECT: Membership Dues and Fee Modifications

The below fees modifications were approved by the Executive Committee (the "Committee") of the Philadelphia Board of Trade ("PBOT" or the "Exchange") Board of Directors for filing with the Commodity Futures Trading Commission:

- ✓ **Eliminate the following fees:** (1) the annual membership dues of \$100 per annum that was effective on the first of June each year; (2) the initiation fee of \$1,500; (3) The NFA Fee that applied to Firms and Registered Commodities Trader of \$.01 per contract on all buy or sell transactions, and; (4) the floor brokerage assessments fee of \$.05 per contract on all contracts on which floor brokerage is earned or for floor brokers executing transactions for their own member firms.
- ✓ **Impose membership¹ dues of \$500 per month to be effective on November 1, 2006.** In addition, a credit of \$1 per contract side traded will be applied against the total membership dues paid in a calendar year, but the credit is not to exceed the total membership dues paid in a calendar year. PBOT members and member organizations that are also clearing members of the Options Clearing Corporation ("OCC") are exempt from the aforementioned membership dues
- ✓ **The Application Fee was raised from \$200 to \$350.** These fees will be applicable to all new members, even those firms or persons that are members of the Philadelphia Stock Exchange ("Phlx") or are Phlx Options Foreign Currency Participants
- ✓ **The Seat Transfer Fee was reduced from \$500 to \$250²** and will be waived until January 1, 2007

¹ A member organization needs to have only one approved member on a membership to qualify the member organization for PBOT membership, even if the member has multiple traders executing orders on its behalf or acting as agents for its customers.

² The buyer pays the fee along with the purchase amount when the transaction becomes effective

- ✓ On October 6, 2006, the below referenced fees changes will become effective:

TRANSACTION CHARGES

A. LIBOR based-products

- a. Customer: \$1.50 per contract side
- b. Firm: \$0.50 per contract side
- c. Market Marker: \$0.20 per contract side

- ✓ The Committee authorized the Exchange to lease seats currently held in the treasury for \$100 per month.

If you have any questions on the above modifications, please feel free to contact myself at 215-496-5532 or William N. Briggs, Jr, President at 215-496-5199.