

1900 Market Street
Philadelphia, PA 19103-3584
Telephone: 215-496-5000
Fax: 215-496-5399

PBOT Memorandum No.: 01-07R
Notice to Members: 001-07

M E M O R A N D U M

TO: Philadelphia Board of Trade Members and Member Organizations

FROM: Legal Department

DATE: January 4, 2007

RE: SR-PBOT-2007-01: Amendments to PBOT By-Laws and Rules

On January 3, 2007, the Philadelphia Board of Trade filed amendments to the PBOT By-Laws and Rules with the Commodity Futures Trading Commission.

Specifically, PBOT By-Laws Article V, and Rules 101, 104, 105, 107, 111-14, 116, 118, 120-22, 125-26, 130, 406 and 457-58 were amended to reflect: (i) the Board of Directors' delegation of its authority to the Executive Committee when the Board is not in session; (ii) the Audit Committee to be the Audit Committee of its parent, the PHLX; and (iii) the elimination of the Admissions, Margin and Commodity Floor Procedure Committees, and the assumption of their previous functions by the Executive Committee and various PBOT departments. These amendments are effective immediately.

Questions regarding these PBOT By-Laws and Rules amendments should be directed to Mark L. Prior, Assistant Corporate Secretary, at (215) 496-5160.

New text underlined, deleted text bracketed.

PHILADELPHIA BOARD OF TRADE BY-LAWS

ARTICLES I through IV - No Change

ARTICLE V Committees

Sec. 1. Committees

(a) The Standing Committees of the Exchange shall consist of an [Admissions] Audit Committee, a Business Conduct Committee, [a Commodity Floor Procedure Committee,] an Executive Committee, a Finance Committee, [a Margin Committee] and a Nominating Committee. Except as otherwise provided in the By-Laws, each of such committees shall be composed of not less than three individuals, at least one of whom shall be a director of the Exchange.

Unless otherwise specified in the By-Laws, members of such committees may be directors of the Exchange, members or general partners or officers of member organizations of the Exchange or other individuals who are considered to be qualified. The Chairman of the Board and the President of the Exchange shall be ex-officio members of each such Standing Committee.

With respect to the Business Conduct Committee, no person shall serve on that committee who is subject to any of the conditions specified in Commodity Futures Trading Commission Regulation 1.63(b)(1) through (6). Should any member of the Business Conduct Committee thus become ineligible to serve, the chairman of that committee shall remove such member and fill the resulting vacancy.

(b) through (d) – no change

(e) Subject always to the control and supervision of the Board of Directors, each Standing Committee, exclusive of the Finance Committee and the Audit Committee, and each Special Committee shall determine the manner and form in which its proceedings shall be conducted, and may act at a meeting or without a meeting, and through a quorum composed of a majority of all its members then in office, exclusive of ex-officio members. Except as otherwise specifically provided in the By-Laws or Rules, the decision of a majority of those present at a meeting at which a quorum is present, or the decision of a majority of those participating when at least a quorum participates, shall be the decision of the Committee. One or more members of any such committee may participate in any meeting thereof by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

(f) no change

Sec. 2. [Admissions Committee] Reserved.

[The Admissions Committee shall have jurisdiction over the admission of members and member organizations to the Exchange. All applications for admission to membership in the Exchange or for the status of a member organization of the Exchange, all applications for

reinstatement of members and member organizations suspended in member responsibility actions and any application for readmission shall be referred to the Admissions Committee for review and action. The Admissions Committee shall also have jurisdiction over the organizational arrangements of member organizations.]

Sec. 3. Business Conduct Committee – No Change

Sec. 4. [Commodity Floor Procedure Committee] Reserved.

[The Commodity Floor Procedure Committee shall have such authority as is provided in the Rules of the Exchange.]

Sec. 5. Executive Committee

(a) No change.

(b) When the Board of Directors is not in session, the Executive Committee shall have and may exercise all power and authority of the Board, which may lawfully be delegated to it by the Board and which are not in conflict with the limitations created by the Board, the Certificate of Incorporation or By-Laws. All actions of the PBOT Executive Committee shall be reported to the Board of Directors within ten (10) days thereof but not later than the start of the next Board meeting.

Sec. 6. Finance Committee – No change

Sec. 7. [Margin Committee] Reserved.

[The Margin Committee shall set and alter levels of margin with respect to each commodity futures or option contract traded on the Exchange.

Sec. 8. Nominating Committee – No Change

Sec. 9. Audit Committee

The Audit Committee shall be the Audit Committee of its parent, the Philadelphia Stock Exchange, Inc., as constituted in, and with the responsibilities and powers granted by PHLX By-Law Section 10-9 and the supplementary materials thereto.

ARTICLES VI through XII – No Change

New text underlined, deleted text bracketed.

DEFINITIONS (Rules 1—59)

Rule 1 – Rule 59 No Change

EMERGENCIES (Rules 60—100)

Rule 60 – 100 No Change

MEMBERSHIP RULES (Rules 101—200)

Rule 101. Membership Application Procedures

(a) Every applicant for membership shall file an application in writing with the staff of the Exchange in such form as the [Admissions Committee] Exchange may prescribe, [shall appear before the Admissions Committee if required,] and shall submit such information as the [Admissions Committee] Exchange may direct.

(b) [All applicants will be reviewed preliminarily by the staff of the Exchange.] The Exchange will notify applicants of acceptance or denial within 30 business days of their application. If the [staff] Exchange [recommends] determines that the applicant not be admitted as a member, he shall be notified in writing of the reasons therefor and may, within fifteen (15) days of the receipt thereof, file a request with the [Admissions] Executive Committee for its consideration of his application, together with a written statement in such form as the [Admissions] Executive Committee may prescribe setting forth his opinion as to why the [staff recommendation] Exchange's decision is in error or insufficient to preclude his admission to membership.

(c) If [the staff of the Exchange recommends that the applicant be admitted to membership or if] the applicant files a request with the [Admissions] Executive Committee pursuant to paragraph (b), the [Admissions] Executive Committee shall review and act upon the application for membership. If the [Admissions] Executive Committee votes favorably upon the applicant, he shall be sent written notice thereof and his admission to membership shall become effective upon his purchase or lease of a membership share in the Exchange in accordance with the By-Laws and Rules of the Exchange, subject to all other requirements for membership as set forth in the By-Laws and Rules of the Exchange.

(d) If the [Admissions] Executive Committee votes unfavorably upon the applicant, he shall be notified in writing of the specific grounds for denial of membership and shall have a right to a hearing before the [Admissions] Executive Committee thereon by filing with the [office of the Secretary] Exchange's designated department a written request therefor within ten (10) days after the serving of such notice. The applicant shall be entitled to appear personally at such hearing. The Exchange shall also be represented at the hearing. The Exchange staff shall identify the specific facts put into issue by the application, and with respect to those facts only, both the applicant and the Exchange staff may produce witnesses and other evidence relevant to the grounds for disapproval of the application and they may examine and cross-examine any witnesses so produced. The applicant shall have the right to be represented by legal counsel or any other representative of his choosing before the [Admissions] Executive Committee.

(e) If the applicant does not timely file a written request (1) with the [Admissions] Executive Committee for its consideration of his application pursuant to paragraph (b) of this Rule or (2) with the [office of the Secretary] Exchange's designated department for a hearing pursuant to paragraph (d) of this Rule, the [Admissions] Exchange staff shall take appropriate action with respect to the application and shall notify the applicant of such action, which action shall be the final action of the Exchange upon the serving of such notice.

(f) The Exchange shall make a record of any proceedings conducted under this Rule. The record need not be transcribed unless a transcript is requested by the Commission staff or the applicant, or the decision of the [Admissions] Executive Committee is reviewed by the Board of Directors or the Commission. If an applicant requests a transcript or applies for and is granted review of his membership denial by the Board of Directors or the Commission, the cost of transcribing the record of the hearing shall be borne by the applicant.

(g) In the event of a favorable vote by the [Admissions] Executive Committee, the applicant shall be sent written notice thereof and his admission to membership shall become effective pursuant to the provisions of paragraph (c) of this Rule.

(h) In the event of a second unfavorable vote by the [Admissions] Executive Committee, the applicant shall be sent written notice of such determination which notice shall specify the grounds therefor. This decision of the [Admissions] Executive Committee shall become the final decision of the Exchange ten (10) days after notice is served on the applicant unless within that time the applicant petitions the Board of Directors for review of the [Admissions] Executive Committee's decision.

(i) If the applicant petitions the Board of Directors for review of the [Admissions] Executive Committee's decision, such petition shall consist of a copy of the record of the hearing before the [Admissions] Executive Committee and a written statement setting forth his opinion as to why the [Admissions] Executive Committee's decision is in error or insufficient to preclude his admission to membership. After service upon it of such petition, the Board may, on its own motion, decide to review the matter. Should the Board decide to review the matter, such review shall be conducted solely on the record of the hearing before the [Admissions] Executive Committee and the Board shall thereafter issue a decision by vote of a majority of its members either affirming or reversing the decision of the [Admissions] Executive Committee which shall be a final decision of the Exchange. If the Board takes no action on a petition for review of a decision of the [Admissions] Executive Committee for ninety (90) days after service upon it of such a petition, the decision of the [Admissions] Executive Committee shall become a final decision of the Exchange.

(j) An applicant for membership must deposit with the Exchange in full all fees required by the [Admissions] Executive Committee prior to consideration of its application.

(k) and (l) – no change

Rule 102 – 103 No Change

Rule 104. Member Organizations

(a) A member or applicant for membership who is or intends to become affiliated with an organization as a general partner or officer or in another capacity which may be acceptable to the [Admissions Committee] Exchange may apply to register his membership for such organization, provided that no member or applicant may register a membership for more than one organization. Subject to the provisions of the Disciplinary Rules, a member shall be liable to the same discipline

and penalties for any act or omission of such organization or any general partner, officer, director or employee thereof, as for his own personal act or omission.

(b) Every organization which is not a member organization and for which a member or applicant for membership proposes to register its membership shall apply for approval as a member organization and shall submit such information in such form as may be required by the [Admissions Committee] Exchange in accordance with the procedures set forth in Rule 101.

(c) No organization shall be approved as a member organization unless the application for registration of a membership for such organization is approved by the [Admissions] Exchange or the Executive Committee pursuant to the procedures set forth in Rule 101.

(d) and (e) – no change

(f) A member whose membership has been registered for a member organization pursuant to this Rule may terminate such registration by giving written notice stating the desired date of such termination to the Exchange and said member organization not less than thirty (30) days in advance of such date. Subject to the approval of the [Admissions Committee] Exchange, the status of the member organization shall terminate on the date of termination stated in the member's notice unless another membership is then registered for the member organization or unless such member organization has been granted continued member organization status pursuant to Rule 113.

(g) no change

Rule 105. Purchase, Sale or Transfer of Membership Shares

(a) no change

(b) Outstanding membership shares which are transferable may be purchased only through the [office of the Secretary] Exchange's designated department. Bids must be submitted in writing to the [office of the Secretary] Exchange's designated department, which[. The Secretary] will file all bids according to the highest price and the earliest submission date. All bids remain in effect until written revocation thereof is received by the [office of the Secretary] Exchange's designated department, except that such bids shall not be binding in any transfer of a membership share by the [Admissions Committee] Exchange pursuant to Rule 116.

(c) and (d) - no change

(e) Written notice of a proposed transfer, either voluntary or by the [Admissions Committee] Exchange, including the purchase of a membership share from the Exchange, shall be sent to each member and member organization and posted on the Floor for not less than seven (7) consecutive days immediately preceding the effective date of such transfer, which notice shall specify such date.

(f) and (g) – no change

Rule 106. No Change

Rule 107. Priorities in Disposition of Proceeds of Transfer of Membership Shares

(a) Upon any transfer of a membership share other than the transfer of legal title pursuant to a lease or any reversion thereof or the transfer of legal title only to a membership share subject to an ABC Agreement, whether made voluntarily or pursuant to a transfer of a membership share by the [Admissions Committee] Exchange, the proceeds thereof shall be applied by the Exchange to the following purposes and in the following order of priority:

(1) – (3) no change

(b) – (d) no change

Rule 108 – Rule 110 No Change

Rule 111. Claims by Former or Deceased Members

When a member is in debt to another member, the death of the creditor member or the transfer of its membership share, either by himself voluntarily or by the [Admissions Committee] Exchange, shall not affect the rights of such creditor member, his firm, or estate, to share in the proceeds of the membership share of the debtor member under Rule 107, in the same manner and to the same extent as if such creditor member had not died or his membership share had not been transferred.

Rule 112. Membership Share of Deceased Member

(a) When a member dies, all rights and privileges of membership in the Exchange shall terminate, except as otherwise expressly provided in the By-Laws and Rules of the Exchange and if he is holding his membership share otherwise than by lease or subject to an ABC Agreement, his membership share may be transferred by the [Admissions Committee] Exchange, upon ten (10) days' written notice to such member's executor or administrator if such member's executor or administrator does not transfer the membership share within ninety (90) days from the later of:

- (1) the member's date of death, or
- (2) the date on which another member of the Exchange who is a general partner or officer of the organization for which such membership share was registered or affiliated with such member organization in another capacity which is acceptable to the [Admissions Committee] Exchange registers his membership for it, or on which such member organization ceases to be a member organization.

(b) and (c) no change

(d) The [Admissions Committee] Exchange may direct the sale of any membership share of a deceased member for value if legal title to such membership share has not been transferred within two (2) years of the date of death of such member.

Rule 113. Death or Disaffiliation of Sole Member

(a) A member organization whose sole member, the membership of whom is registered for such organization pursuant to Rule 104, has died or, except where such member has notified the [Admissions Committee] Exchange of his desire to terminate such registration under paragraph (f) of Rule 104, has ceased to be affiliated with such member organization, shall immediately notify the [Admissions Committee] Exchange of such event and shall continue to have the status of a member organization in the Exchange for a period of thirty (30) business days from the member's date of death or cessation of affiliation with the member organization.

(b) The [Admissions Committee] Exchange in its discretion and on application of such member organization, may permit such organization to continue to have the status of a member organization for up to an additional sixty (60) days to enable another member of the Exchange who is a general partner or officer of the organization or who is affiliated with the organization in another capacity which is acceptable to the [Admissions Committee] Exchange to register his membership for the organization.

(c) Any partnership which is permitted to continue to have the status of a member organization pursuant to paragraph (b) of this Rule must meet the following requirements if the deceased or disaffiliated member was a general partner in the member organization:

- (1) the partnership articles of such firm must provide for the continuance of the firm as a partnership by the surviving partners, and
- (2) the deceased or disaffiliated member shall have agreed in the partnership articles of such firm that such continuing firm, if permitted by the [Admissions Committee] Exchange to continue to have the status of a member organization, shall be entitled to the use of his membership from the date of his death or disaffiliation from the partnership until the termination of such status of such continuing firm or until another member of the Exchange who is a general partner of the firm or who is affiliated with the firm in another capacity which is acceptable to the [Admissions Committee] Exchange registers his membership for such firm; and that, insofar as may be necessary for the protection of creditors of the continuing firm and subject to the By-Laws and Rules of the Exchange, the proceeds of his membership share shall be an asset of the continuing partnership during such period.

(d) Any corporation which is permitted to continue to have the status of a member organization pursuant to paragraph (b) of this Rule must meet the following requirements if the deceased or disaffiliated member was an officer in the member organization:

- (1) the member organization must continue in business and
- (2) the deceased or disaffiliated member shall have agreed with the corporation that said corporation, if permitted by the [Admissions Committee] Exchange to continue to have the status of a member organization, shall be entitled to the use of his membership from the date of his death or disaffiliation from the corporation until the termination of such status of such corporation or until another member of the Exchange who is an officer of the corporation or who is affiliated with the corporation in another capacity which is acceptable to the [Admissions Committee] Exchange registers his membership for the corporation; and that, insofar as may be necessary for the protection of the creditors of the corporation and subject to the By-Laws and Rules of the Exchange, the proceeds of his membership share shall be an asset of the corporation during such period.

(e) Any partnership or corporation which is permitted to continue to have the status of a member organization pursuant to paragraph (b) of this Rule must meet the following requirements if the deceased or disaffiliated member was affiliated with the partnership or corporation in a capacity acceptable to the [Admissions Committee] Exchange other than as a general partner or officer, respectively:

- (1) the member organization must continue in business and
- (2) the deceased or disaffiliated member shall have agreed with the partnership or the corporation that said partnership or corporation, if permitted by the [Admissions Committee] Exchange to continue to have the status of a member organization, shall be entitled to the use of his membership from the date of his death or disaffiliation from the partnership or the corporation until the termination of such status of such partnership or corporation, or until another member of the Exchange who is a general partner of the partnership or who is an officer of the corporation, or who is affiliated with the partnership or the corporation in another capacity which is acceptable to the [Admissions Committee] Exchange registers his membership for the partnership or the corporation; and that, insofar as may be necessary for the protection of the creditors of the partnership or the corporation and subject to the By-Laws and Rules of the Exchange, the proceeds of his membership share shall be an asset of the partnership or the corporation during such period.

(f) Upon the transfer of the membership share of such deceased or disaffiliated member, the proceeds thereof shall be applied to the same purposes and in the same order of priority as if such member had continued to be a member of the Exchange and a general partner, or an officer, or affiliated with said organization in a capacity acceptable to the [Admissions Committee] Exchange until the date of termination of the status of said organization as a member organization or until another member of the Exchange who is a general partner or an officer of said organization, or who is affiliated with said organization in another capacity which is acceptable to the [Admissions Committee] Exchange registers his membership for said organization, whichever event occurs first.

(g) In the event the [Admissions Committee] Exchange does not permit an organization to continue to have the status of a member organization under paragraph (b) of this Rule, the [Admissions Committee] Exchange shall notify such organization forthwith and give the reasons for such denial.

(h) As used herein, the cessation of affiliation of a member with a member organization shall include the suspension or expulsion of such member from the Exchange.

Rule 114. Rights of Members or Member Organizations Following Suspension or Expulsion

(a) no change

(b) When a member is expelled or is suspended and becomes ineligible for reinstatement, his membership share may be transferred by the [Admissions Committee] Exchange on at least fifteen (15) days' written notice mailed to such member at such member's address registered with the Exchange.

(c) no change

(d) If the [Admissions Committee] Exchange determines that the protection of those persons entitled to make claims against the proceeds of a transfer of the membership share of a suspended member requires the transfer of such membership share, such membership share may be transferred by the [Admissions Committee] Exchange, on at least fifteen (15) days' written notice mailed to such member at such member's address registered with the Exchange, unless within such time the member requests a hearing pursuant to such procedures as the [Admissions Committee] Exchange shall prescribe which shall be set forth in such notice.

Rule 115 No Change

Rule 116. Transfer of Membership Share by [Admissions Committee] the Exchange

(a) Whenever the transfer of a membership share is directed by the [Admissions Committee] Exchange, any bid for a membership share then on file with the [Secretary] Exchange's designated department or any bid received by the [Secretary] Exchange's designated department within thirty (30) days thereafter, may be accepted for such membership share by the [Secretary] Exchange's designated department, subject to the provisions of the By-Laws and Rules of the Exchange, and if at the time such sale is directed, offers of sale of other membership shares shall have been filed with the [Secretary] Exchange's designated department and are still open, such bid for a membership share shall be available for the sale of the membership share whose sale has been directed by the [Admissions Committee] Exchange in priority over the sale of such other membership shares. The proceeds of such transfer shall be distributed in the manner provided in Rule 107.

(b) and (c) no change

(d) If within thirty (30) days after the [Admissions Committee] Exchange shall have directed the transfer of such membership share, no bids in writing for a membership share shall have been filed with the [Secretary] Exchange's designated department, such membership share may be purchased by the Exchange for such sum as the Board of Directors shall, in its sole discretion, deem proper.

Rule 117 No Change

Rule 118. Leasing of Membership Shares

(a) no change

(b) A person shall notify the Exchange in writing prior to any leasing of his membership share and shall register with the Exchange as an approved lessor in accordance with the provisions of Rule 119. A fully executed copy of the lease agreement and any amendment thereto shall be filed with and approved by the [Admissions Committee] Exchange prior to the effectiveness of the lease agreement or any amendment thereto.

(c) In order to be approved by the [Admissions Committee] Exchange, a lease agreement shall include provisions stating:

(1) – (9) no change

(d) Upon termination of the lease agreement for any reason, the legal title to the membership share subject to the lease agreement shall not be considered for transfer to any person, including reversion to the lessor, unless and until the lessor, or his legal representative, has provided the Exchange with written notice of the name of the person applying to hold legal title to the membership share and such person has made application therefor. Such written notice shall be provided to the Exchange within sixty (60) days after the date of termination of the lease agreement or at any time prior to the termination of the lease agreement. Failure to provide such notice or for such person to make application within thirty (30) days after such notice shall authorize the [Admissions Committee] Exchange to dispose of the membership share formerly subject to the lease agreement, including the lessor's interest therein.

(e) no change.

Rule 119 No Change

Rule 120. Subordination and Sale Agreement

(a) The subordination and sale agreement shall be in a form acceptable to the Exchange. It shall be executed by the lessor and filed with the [Admissions Committee] Exchange with the accompanying executed lease agreement pursuant to Rule 118.

(b) and (c) no change

Rule 121. ABC Agreement

(a) Every applicant who is financing part or all of the cost of his membership share through an ABC Agreement shall file the ABC Agreement along with his application for membership for review by the [Admissions Committee] Exchange.

(b) no change

Rule 122. Standard Terms of ABC Agreement

An ABC Agreement shall comply with the following terms:

- (a) The parties to an ABC Agreement shall be (1) a general partner or officer of a member organization, or an individual who is affiliated with the member organization in another capacity which is acceptable to the [Admissions Committee] Exchange and (2) the member organization with which such person is affiliated;
- (b) – (g) no change

Rule 123 – Rule 124 No Change

Rule 125. Transfer of Membership Share Subject to Leasing Agreement or ABC Agreement by [Admissions Committee] the Exchange

The [Admissions Committee] Exchange is authorized to direct the transfer of a membership share subject to a leasing agreement or a membership share subject to an ABC Agreement, including the equitable interest therein, at the time legal title to the membership share is transferred voluntarily or in accordance with the By-Laws and Rules of the Exchange. Such transfer shall take place pursuant to the procedures set forth in Rule 116, except that the transfer shall not take place until a reasonable time has elapsed during which the Exchange may consider any claims against the lessee. Absent special circumstances, such period of time shall be presumed to be the posting period required under paragraph (e) of Rule 105. The lessor shall not have any right to such proceeds during this time period.

Rule 126. Transfer of Equitable Title

A transfer of equitable title to a membership share may be made upon submission of the name of the candidate to the [Admissions Committee] Exchange and notice thereof to the membership of the Exchange by posting such notice on the Floor in accordance with the provisions of paragraph (e) of Rule 105. Such a transfer may not be effected pursuant to a leasing agreement. The Exchange may disapprove any such transfer if it determines that such transfer would be contrary to the Act or the Commission's Regulations or to the By-Laws and Rules of the Exchange, or for other good cause.

Rule 127 – Rule 129 No Change

Rule 130. Failure to Pay Dues, Etc.

A member or member organization which fails to pay its dues, fees, charges, fines or other assessments within ninety (90) days after the same become payable shall be notified in writing of such arrearages. If such arrearages have not been paid within twenty (20) days after such notice, the Board of Directors may suspend the delinquent member or member organization, which suspension shall continue until the monies owed the Exchange, together with any other sums which accrued and remain unpaid since the suspension became effective, are paid. Should payment of dues, fees, charges, fines or other assessments not be paid within one (1) year after payment is due, the membership share may be disposed of by the [Admissions Committee] Exchange upon at least ten (10) days' written notice mailed to him at his address registered with the Exchange.

Rule 131 – Rule 200 No Change

RECORDS; REPORTS; RESPONSIBILITY (Rules 201—219)

Rule 201 – Rule 219 No Change

CUSTOMER PROTECTION RULES (Rules 250—300)

Rule 250 – Rule 300 No Change

GENERAL TRADING RULES (Rules 301—400)

Rule 301 – Rule 400 No Change

DISCIPLINARY RULES (Rules 401—412)

Rule 401 – Rule 405 No Change

Rule 406. Summary Disciplinary Proceedings

(a) – (c) No Change.

(d) Summary Violations.

(A) Floor Officials. The [Commodity Floor Procedure Committee] Exchange may designate Floor Members to serve as Floor Officials. Floor Officials shall resolve floor trading disputes that are not resolved among the parties and administer Floor Advices. In addition, Floor Officials may issue fines for decorum offenses.

(d)(B)(1) – (d)(B)(4) No Change.

(5) Visitors

Non-member visitors will be permitted on the trading floor at the discretion of the [Commodity Floor Procedure Committee] Exchange. All visitors must be signed in by a member or Exchange official and accompanied at all times by a member, associated person of a member or an Exchange official.

1st Occurrence	Official Warning
2nd Occurrence	\$ 50.00
3rd Occurrence	\$100.00
4th and Thereafter	\$200.00
5th and Thereafter	Sanction is discretionary with Business Conduct Committee

(d)(B)(6) – (d)(C)(7) No Change.

Rule 407 – Rule 412 No Change

MEMBER AND MEMBER ORGANIZATION RESPONSIBILITY ACTIONS (Rules 450—500)

Rule 450 – Rule 456 No Change

Rule 457. Time for Settlement of Suspended Member

(a) If a member or member organization suspended under the provisions of these member responsibility rules fails to settle with its creditors and apply for reinstatement within six months from the time of its suspension, or within such further time as the Board of Directors may grant, or fails to obtain reinstatement as hereinafter provided, its membership share may be sold by the [Admissions Committee] Exchange.

(b) The Board of Directors may, by the affirmative vote of two-thirds of the Directors present at a regular or special meeting of the Board, extend the time of settlement for periods not exceeding one year each.

Rule 458. Reinstatement of Suspended Member

(a) When a member or member organization suspended under the provisions of these member responsibility rules applies for reinstatement, notice thereof shall be sent by the [Secretary] designated department of the Exchange to each member or member organization of the Exchange and posted on the Floor at least fourteen (14) days prior to the consideration by the [Admissions] Executive Committee of said application. The applicant shall furnish to said Committee a list of creditors, a statement of the amounts originally owing and the nature of the settlement in each case. If satisfactory proof of settlement with all creditors is furnished, said Committee may approve his reinstatement.

(b) If the application for reinstatement is denied by the [Admissions] Executive Committee, the applicant may appeal within ten (10) days thereafter to the Board of Directors, which may act on its reinstatement.

Rule 459 – Rule 500 No Change

ARBITRATION RULES (Rules 501—1112)

Rule 501 – 1112 No Change

FOREIGN CURRENCY FUTURE CONTRACTS (Rules 1201—1300)

Rule 1201 – Rule 1300 No Change