U.S. COMMODITY FUTURES TRADING COMMISSION
Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
Facsimile: (202) 418-5521

May 22, 2009

David J. Gilbert, Esquire
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004

Re: Application of ELX Futures, L.P. for Designation as a Contract Market and Request for approval of the ELX Rules submitted as part of the ELX's application for designation as a contract market.

Dear Mr. Gilbert:

By submissions dated November 26, 2009 through May 19, 2009 (collectively the "DCM application"), and Part 38 of the Commission's regulations, ELX Futures, L.P. ("ELX") has applied to the Commodity Futures Trading Commission ("Commission"), pursuant to Sections 5(b) and 6(a) of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 7(b) and 8(a), for designation as a contract market. The Commission has reviewed the materials submitted and has determined to designate ELX as a contract market, pursuant to Section 5(b) of the Act, 7 U.S.C. § 7(b), subject to the terms and conditions of the accompanying order.

Concurrent with designation, the Commission approved, pursuant to Section 5c(c) of the Act, 7 U.S.C. §7a-2(c), the following documents submitted as part of the DCM application:

-ELX Rules: I-1 through I-4; II-1 through II-12; III-1 through III-14; IV-1 through IV-33; V-1 through V-8; VI-1 through VI-14; VII-1 through VII-20; VIII-1 through VIII-5; IX-1 through IX-3; X-1 through X-5

- Amended and Restated Limited Liability Partnership Agreement of ELX Futures, L.P.

The Commission's designation is based upon, among other things, written submissions, explanations, demonstrations and representations provided by ELX describing the manner in which it will operate as well as specific representations as set forth in the Commission's Order. The Commission's designation is also based upon written submissions, explanations, demonstrations, and representations provided by:

(1) Options Clearing Corporation ("OCC'), a derivatives clearing organization that will perform clearing and settlement services for transactions trading on ELX pursuant to a Clearing Agreement;

(2) The National Futures Association ("NFA"), a registered futures association that, pursuant to a Regulatory Services Agreement, will provide trade practice and market surveillance, other compliance services, and arbitrations for member/customer disputes and member/member disputes; and

(3) BGC Partners, Inc. ("BGC"), a company that will provide technical support, pursuant to a Technology Services Agreement, to the electronic trading platform.

In approving ELX's application, the Commission is not approving the agreements covering services between ELX and third parties, including but not limited to agreements between ELX and OCC, ELX and the NFA or between ELX and BCG.

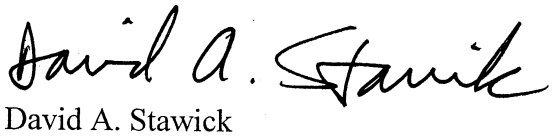
Moreover, it is important to note that ELX itself shall remain directly responsible for ensuring the performance of all self-regulatory functions required of it as a designated contract market under the Act and the Commission's regulations, including enforcement of all ELX rules. The Commission points out that ELX's responsibility for compliance with all designation criteria and core principles, as required by the Act and its Order of Designation, includes those for which relevant functions have been contracted out, whether the party performing the relevant function does so within or without the jurisdiction of the United States. The Commission notes this responsibility includes the responsibility to make available directly to Commission staff, upon request, for all third party entities that provide such regulatory services to ELX: (i) information and records concerning their role in performing services for ELX; and (ii) direct contact and access to offices, both as the Commission staff deems necessary and appropriate in the conduct of its regulatory oversight responsibilities relating to ELX.

The Commission notes that the following items are considered "rules" under Part 40 of the Commission's regulations and that, accordingly, changes thereto should be submitted to the Commission for review pursuant to 5c(c) of the Act, 7 U.S.C. § 7a-2(c), and Part 40 of the Commission's regulations: (1) the exchange trading system; (2) any policies and procedures; (3) the no-bust range for error trades and the trade matching algorithm; (4) the minimum contract size thresholds and reporting times for block trades; (5) the identity of regulatory service providers or the regulatory services they provide to the Exchange; and (6) any modification to its trading system. In addition, the Commission reminds the Exchange that Position Limits or Position Accountability procedures must be specified for futures contracts listed by the Exchange. All Position Limits or Position Accountability procedures should be submitted to the Commission in connection with the listing of each futures contract submitted under the Commission's certification or approval procedures.

The Commission further notes that ELX must inform the Commission of any material modification to the operation of the Exchange, including changes in the trading algorithm, the

clearing and settlement arrangements provided by the OCC, the arbitration services provided by the NFA or ELX's self-regulatory program.

Sincerely,



David A. Stawick
Secretary of the Commission

UNITED STATES OF AMERICA

Before the

COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Request of ELX Futures, L.P.
for Designation as a Contract Market Under Section 5(b)
of the Commodity Exchange Act and Part 38 of the Rules
of the Commodity Futures Trading Commission

ORDER OF DESIGNATION AS A CONTRACT MARKET

ELX Futures, L.P. ("ELX"), a Delaware limited liability company, submitted an application, pursuant to Section 5(b) of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 7(b), requesting designation as a contract market, which includes submissions dated November 26, 2008 through May 19, 2009 (the "Application"). Having reviewed the Application, the accompanying ELX representations, and the complete record in this matter, the Commission adopts the reasons set forth in the May 18, 2009, Memorandum of the Division of Market Oversight as the basis for the following findings and rulings:

The Commission FINDS that, as required by Section 6(a) of the Act, 7 U.S.C. § 8(a), ELX's Application provides a showing that it complies with the conditions set forth in the Act and the Commission's regulations thereunder applicable to it for designation as a contract market, and ELX provides sufficient assurances that it will continue to comply with the requirements of the Act and the Commission's regulations;

THEREFORE,

IT IS HEREBY ORDERED that ELX's Application for designation as a contract market is approved;

IT IS ALSO ORDERED, that this designation as a contract market is subject to ELX's compliance with representations it made to the Commission including, but not limited to, the following specific representations made by way of a letter dated May 13, 2009:

(1) ELX's Regulatory Oversight Committee will consist solely of Public Directors, as defined by the Commission's regulations, and that the Chief Executive Officer of ELX will not be a member of the Regulatory Oversight Committee;

(2) ELX will require that each member of the Supervisory Board of ELX Futures Holdings, LLC ("ELX Holdings") consent to be subject to the Commission's jurisdiction and be accountable to the Commission to the same extent as if the Supervisory Board was maintained at the Exchange level;

(3) The only provisions of the Amended and Restated Limited Liability Company Operating Agreement of ELX Holdings (the "LLC Agreement") that implicate ELX are Article V and Article XII, which have been incorporated into the Rules of ELX by reference pursuant to Rule II-1(f). In the event that those Articles of the LLC Agreement are amended, the changes to those Articles and any revision to the Rules will be submitted to the Commission. If amendments to other Articles of the LLC Agreement result in other provisions of the LLC Agreement implicating ELX, such provisions will similarly be incorporated into the Rules of ELX by reference and the changes to such provisions of the LLC Agreement and revised Rules will similarly be submitted to the Commission;

(4) ELX will, upon the Commission's request and within ten business days, provide the Commission's staff with access to the minutes and to documentation related to the decisions of ELX Holdings' Supervisory Board and the reasons for those decisions, and will provide the Commission's staff with notification and the minutes of any Supervisory Board meetings at which a budget recommendation of the Regulatory Oversight Committee is overturned by the Supervisory Board;

(5) By the end of July, 2009, the Options Clearing Corporation ("OCC") will ensure that all of its clearing members clearing ELX products have established approved delivery banking arrangements; by July 15, 2009, the OCC will have the ability to process deliveries on a manual basis, based on ELX's Delivery Procedures, and will provide the Commission with copies of its policies and procedures for the manual processing of deliveries; by July 15, 2009, OCC will also determine whether automated delivery system functionality for the processing of deliveries in connection with ELX products will be fully operational by August 31, 2009, provided that (a) if the OCC determines by July 15, 2009, that such functionality will not be fully operational, it will take all necessary steps to process deliveries in connection with ELX products on a manual basis, including but

not limited to notifying all market participants of the manner in which deliveries will be processed, and will continue to process such deliveries on a manual basis until such time as the automated delivery system functionality is fully operational, (b) as necessary, during July 2009, OCC will train clearing members on manual processing of deliveries; and (c) if during July, 2009, OCC determines that automated delivery system functionality will be fully operational by August 31, 2009, it will train clearing members on such functionality during August, 2009; and (d) by the end of August, 2009, ELX's Delivery Procedures for the U.S. Treasuries traded on ELX will be fully incorporated into the OCC delivery system functionality.

(6) ELX agrees to provide the Commission with trade data on a T+1 basis, either directly or through its agent, in a form, content, and manner acceptable to the Commission. ELX acknowledges the Commission's transition to a new FIXML data standard and commits to use of such standard within 60 days of the Commission staff's formal written request;

(7) ELX will establish a Control Desk that will have responsibility not only for systems-related issues but also for real-time monitoring and surveillance. Prior to commencement of ELX's operations as a Designated Contract Market approved by the Commission, ELX will hire four new employees, each having appropriate experience in exchange or futures commission merchant control functions (i.e., compliance, operations or risk management), to staff its Control Desk and to conduct regulatory surveillance of the ELX electronic trading system (the "ELX System") at all times during which the ELX System is open for trading. The Control Desk will be supervised at all times during which the ELX System is open for trading by a Control Desk Supervisor who will have employment experience with a Designated Contract Market, including compliance-related experience in the areas within the responsibility of the Control Desk, and will have the requisite background and understanding of the relevant Exchange and Commission rules and regulations in order to conduct and supervise real-time market monitoring and surveillance as well as a comprehensive understanding of futures markets and futures trading; and

(8) ELX will, within one year following the commencement of ELX's operations as a Designated Contract Market approved by the Commission, have an appropriate audit trail and recordkeeping enforcement program in place to enforce the compliance of ELX's Participants, Authorized Traders and Authorized Customers with the electronic audit trail and recordkeeping requirements applicable to each trade executed on the ELX System under the Rules of ELX and the Commission. This enforcement program will be applicable to all entities subject to ELX's electronic audit trail and recordkeeping requirements. Furthermore, Commission staff will be given the opportunity to review this enforcement program before implementation, and will be provided updates by ELX with respect to the status of the enforcement program upon their request during the period before the implementation of the enforcement program.

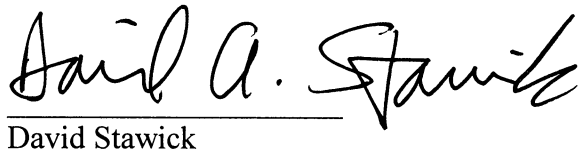
IT IS FURTHER ORDERED, that ELX will demonstrate to the Commission, at the end of each ELX fiscal quarter after the date of this Order, that it has sufficient financial resources to operate in compliance with all core principles applicable to designated contract markets under

Section 5(d) of the Act and the Commission's regulations thereunder, by demonstrating that it has sufficient financial resources to cover its projected operating costs, as calculated for the following twelve months, and by demonstrating that its financial resources include unencumbered, liquid assets equal to at least six months of such projected operating costs. In the event that the Commission promulgates a regulation under the Act concerning the financial resources that a designated contract market must hold to demonstrate its ability to operate in compliance with all core principles applicable to designated contract markets under Section 5(d) of the Act and the Commission's regulations thereunder, then such regulation will, to the extent it applies, supersede any obligation of ELX under this paragraph; and

IT IS FINALLY ORDERED that this approval of the application for contract market designation is subject to compliance by ELX with all sections of the Act and the Commission's regulations thereunder, including all regulatory services performed by third party service providers, within or without the jurisdiction of the United States and all submissions made by ELX in support of this application, applicable to ELX as a designated contract market.

Issued in Washington, D.C., this 22 day of May, 2009.

By the Commission



David Stawick
Secretary