



MINNEAPOLIS GRAIN EXCHANGE

June 1, 2007

Via Electronic Mail

Ms. Eileen A. Donovan  
Acting Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, D.C. 20581

SUBJECT: Rule Certification

Dear Ms. Donovan:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), the Minneapolis Grain Exchange ("MGEX") hereby certifies that the attached amended Articles of Incorporation, section III, Chapter 1 Definitions and Rules 200.00 Annual Election., 200.01. Annual Election: Notice Of., 201.01. Vacancies: Nominations Committee To Determine., 201.02. Nominations Committee: To Consult Interests., 201.03. Candidates: Number to Be Recommended., 201.05. Nominating Petitions: Requirements For., 201.06. Nominating Petitions: Filing Of., 202.00. Ballot: Form Of., 210.00. Board Of Directors: Compositions And Terms Of Office., 210.03. Vacancies: Occurring During Term Of Office., 211.02. Quorum. and 252.00. Executive Committee., and deleted Rules 201.00. Interests To Be Represented. and 201.08. Nominations: Other Candidates. comply with the CEAct and the regulations thereunder. Additions have been underlined while deletions were marked through.

The purpose for amending the Articles of Incorporation and the Rulebook is to meet the Board of Directors and Executive Committee composition requirements contained within CFTC Core Principle 15 safe harbor provisions. Full compliance will occur over two election cycles beginning with the October 2007 Annual Election and ending after the October 2008 Annual Election. MGEX rules requiring specific interest group representation will be eliminated immediately.

OFFICE OF THE SECRETARY

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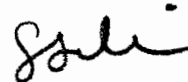
Certification Letter

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Pursuant to the authority of Minnesota Statute 317A.133 and MGEX Rule 204.01., the Board of Directors unanimously approved amending the Articles of Incorporation, Definition and Rules. Additionally, the Ownership overwhelmingly approved the Rule amendments. The MGEX plans to implement the changes the next business day after receipt of this submission to the Commission.

If there are any questions regarding this submission, please contact Layne G. Carlson, Corporate Secretary, at (612) 321-7169. Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "S Sullivan". The signature is fluid and cursive, with a prominent initial "S" and a dot above the final "i".

Sandra S. Sullivan  
Director, Market Regulation

Enclosure

cc: Thomas J. Bloom  
Anne Reuter

- Additions are underlined and appear in green
- Deletions are strikethrough and appear in red

## Articles of Incorporation

### III.

The Board of Directors of this Corporation shall consist of ~~fourteen~~eleven (14~~11~~11) members, all of whom shall be Members of the Corporation at the time of their election. The ~~fourteen~~eleven (14~~11~~11) Directors shall hold their offices for a term of two (2) years and until their successors are elected and qualified. The Directors shall be elected at the Annual Election. The Board as a whole shall elect annually at the first meeting of the new Board a Chairman, a First Vice Chairman and a Second Vice Chairman. The election shall be under the supervision of the Senior Director.

The ~~fourteen~~eleven (14~~11~~11) Directors may, in their discretion, elect additional Directors, none of whom shall be Members of the Corporation, and the term of each Director so elected shall end on the second Thursday of October. The salaried President of the Exchange shall automatically serve on the Board as a nonvoting Member.

All vacancies on the Board of Directors shall be filled by the Board of Directors for the unexpired term of the person whose office becomes vacant.

The Annual Election shall be held in the Exchange Room of the Corporation on the first Thursday in October in each year or may be held by mailed ballot of the entire Membership. The Board of Directors shall elect annually at their first meeting after the Annual Election a Secretary and a Treasurer and, in their discretion, a President and/or Vice Presidents of the Corporation who shall not be Members of the Corporation and who shall hold their respective offices for one year or until their successors are elected and qualified or, in the case of a President and/or Vice Presidents, until the Board of Directors at any such first meeting determines not to reelect or to elect successor(s). At any time when no President and/or Vice Presidents have been elected or when a vacancy exists in those offices, the Board of Directors, at a special meeting thereof called for such purpose, may elect a President and/or Vice Presidents who shall hold office until the election and qualification of successor(s) or until the determination of the Board of Directors not to reelect or to elect successor(s) as above provided. The President and/or Vice Presidents shall not succeed to the office of Chairman and shall have such duties and powers as may be conferred upon him (them) by the general Rules or customs of the Corporation or by the Board of Directors from time to time. The offices of President and/or Vice Presidents, Secretary and Treasurer, or any two of them, may be held by the same person.

## CHAPTER 1 DEFINITIONS

**PUBLIC DIRECTOR:** An individual meeting the qualifications as described in Core Principle 15, Appendix B to Part 38 of CFTC Regulations and in other Regulations promulgated by the CFTC and adopted by the Board.

**CHAPTER 2  
GOVERNMENT**

The following Rule is effective immediately until October 1, 2008:

**200.00. ANNUAL ELECTION.**

An Annual Election shall be held on the first Thursday in October in each year.

Insofar as practicable, at each Annual Election not more than ~~seven-four~~ (74) Directors, who are Members of the Corporation, shall be elected for terms of two (2) years each, so that said Directors, who are Members of the Corporation, shall at all times total ~~fourteen~~ eleven (1411) in number. See **Rule 372.00.N.**

All vacancies on the Board of Directors shall be filled by the Board of Directors for the unexpired term of the person whose office becomes vacant.

After each Annual Election and after the newly elected Directors who are Members of the Corporation are qualified, the Board of Directors shall elect annually, by secret ballot, a Chairperson, a First Vice Chairperson and a Second Vice Chairperson. The election of the Officers shall be under the supervision of the Senior Director. No Director may serve more than three (3) consecutive one year (1) terms as Chairperson. No Director shall be a candidate for Chairperson or Vice Chairperson unless the Director has served at least one (1) two-year (2) term as a Director.

After each Annual Election or to fill vacancies, the Chairperson and President shall nominate persons ~~who are not Members of the Corporation~~ for the position of Public Director. Such nominees may then be elected to the Board of Directors by the ~~fourteen~~ eleven (1411) members of the Board, who are Members of the Corporation. Each Director thus elected by the Board shall serve through the second Thursday of October. There shall be a total of four (4) Public Directors ~~who are not Members of the Corporation.~~

The following Rule shall replace the above Rule on October 2, 2008:

**200.00. ANNUAL ELECTION.**

An Annual Election shall be held on the first Thursday in October in each year.

Insofar as practicable, at each Annual Election not more than four (4) Directors, who are Members of the Corporation, shall be elected for terms of two (2) years each, so that said Directors, who are Members of the Corporation, shall at all times total ~~eleven~~ eight (1418) in number. See **Rule 372.00.N.**

All vacancies on the Board of Directors shall be filled by the Board of Directors for the unexpired term of the person whose office becomes vacant.

After each Annual Election and after the newly elected Directors who are Members of the Corporation are qualified, the Board of Directors shall elect annually, by secret ballot, a Chairperson, a First Vice Chairperson and a Second Vice Chairperson. The election of the Officers shall be under the supervision of the Senior Director. No Director may serve more than three (3) consecutive one year (1) terms as Chairperson. No Director shall be a candidate for Chairperson or Vice Chairperson unless the Director has served at least one (1) two-year (2) term as a Director.

After each Annual Election or to fill vacancies, the Chairperson and President shall nominate persons for the position of Public Director. Such nominees may then be elected to the Board of Directors by the ~~eleven~~<sup>eight</sup> (11~~8~~) members of the Board, who are Members of the Corporation. Each Director thus elected by the Board shall serve through the second Thursday of October. There shall be a total of ~~four~~<sup>five</sup> (4~~5~~) Public Directors.

**200.01. ANNUAL ELECTION: NOTICE OF.**

Notice of the Annual Election shall be posted on the Official Bulletin Board and ~~given~~<sup>disseminated</sup> to Members at least three (3) weeks before the date of such Election. This notice shall give the date of the Annual Election, the vacancies to be filled, shall indicate thereon the term of office and the Interest, if any, to be represented in filling each of the vacancies and ~~quote~~<sup>cite</sup> the Rules of the Corporation relative to the procedure for nominating candidates.

~~201.00. INTERESTS TO BE REPRESENTED.~~

~~Nine (9) members of the Board of Directors, who are Members of the Corporation, shall be apportioned and representative of each of the following Interests:-~~

- ~~\_\_\_\_\_ A. \_\_\_\_\_ Floor Brokers (1)~~
- ~~\_\_\_\_\_ B. \_\_\_\_\_ Floor Traders (2)~~
- ~~\_\_\_\_\_ C. \_\_\_\_\_ Futures Commission Merchants (2)~~
- ~~\_\_\_\_\_ D. \_\_\_\_\_ Producers, Consumers, Processors, Distributors and Merchandisers (4).~~

~~The nine (9) forementioned Interests must be represented on the Board at all times. No candidate may be placed on the ballot by petition (Rule 201.08. NOMINATIONS: OTHER CANDIDATES.)~~

~~Five (5) members of the Board of Directors, who are Members of the Corporation, shall be elected "At Large" from the Membership without regard to the forementioned Interests.~~

~~No firm, including divisions, affiliates or subsidiaries, shall have more than two (2) employees on the Board of Directors at any one time.~~

~~Interests, as used above, shall mean those Members and Registered Firms and Corporations who are engaged in the kind of activity so designated. Each of such Interests shall include, but not be limited to, the organized trade groups or associations, if any, of such Members, Firms or Corporations.~~

~~Futures Commission Merchants Interests must be represented by a Member who is an officer, general partner or equivalent level personnel.~~

~~When necessary, each Interest will meet to nominate individual(s) to represent the Interest.~~

**201.01. VACANCIES: NOMINATIONS COMMITTEE TO DETERMINE.**

At least thirty (30) days prior to each Annual Election, the Secretary shall ~~furnish~~<sup>provide</sup> the Nominations Committee with a list containing the names of all members of the Board of Directors, who are Members of the Corporation, indicating thereon the Interests, if any, that are represented by each and the dates when their terms of office will expire. The Nominations Committee shall give due consideration to this list and shall determine, in accordance with the Rules of the Corporation

and in order that the provisions of ~~Rule 201.00~~ shall be complied with, the vacancies that are to be filled at such Annual Election, the Interest, if any, that is to be represented in filling each vacancy and the term of office for each vacancy to be filled. Such vacancies so determined shall be filled at each Annual Election.

**201.02. NOMINATIONS COMMITTEE: TO CONSULT INTERESTS CANDIDATES.**

It shall be the duty of the Nominations Committee to confer, either through a subcommittee or otherwise, with the Interests mentioned in ~~Rule 201.00~~. The Nominations Committee shall establish the guidelines for attendance at Interest meetings and the nomination process. The Committee shall give due consideration to the recommendations received and if a candidate qualifies place on the ballot the candidate(s) recommended by the respective Interests; provided, however, the provisions of ~~Rules 201.01, 201.03, and 201.05, 201.06~~ have been fulfilled. If an Interest recommends only one (1) candidate for a vacancy, the candidate will run unopposed. If two (2) candidates are recommended, the authorized voters will elect the individual to represent the respective Interest and seat. No individual can be placed on the ballot to represent an Interest unless the individual has been nominated by the respective Interest. In the event an Interest fails to nominate a candidate, the Nominations Committee can nominate a candidate to represent the Interest.

The Nominations Committee shall direct the Secretary to solicit from the Membership individuals to represent the At Large category serve on the Board of Directors. Such individuals must provide written confirmation to the Secretary of their intention to be nominated. See Rule 372.00.N.

**201.03. CANDIDATES: NUMBER TO BE RECOMMENDED NOMINATED.**

The Nominations Committee shall recommend for nomination the name of only one (1) individual for a vacancy occurring on the Board of Directors if the individual whom the Nominations Committee is recommending has been nominated by an Interest, unless the Interest suggests a second nomination.

The Nominations Committee may recommend for nomination two (2), but not more than two (2), candidates for each vacancy that is to be filled on the Board of Directors from the "At Large" category.

The Nominations Committee shall nominate any number of candidates. Except by petition, no individual can be placed on the ballot without being nominated by the Committee.

**201.05. NOMINATING PETITIONS: REQUIREMENTS FOR.**

Nominating Petitions for candidates to fill any "At Large" vacancy shall indicate the name of the candidate and the vacancy to be filled, including the term of office.

**201.06. NOMINATING PETITIONS: FILING OF.**

Nominating Petitions, with the required signatures, must be filed with the Secretary not later than twelve o'clock (12:00) Noon on the second Thursday before the Annual Election. The Secretary shall record on each Nominating Petition the date and time at which it was filed and cause each name to be examined to verify the signer's eligibility to sign. Not fewer than twenty (20) Record Holders must sign a petition to have a candidate placed on the ballot.

**~~201.08. NOMINATIONS: OTHER CANDIDATES.~~**

~~In addition to the candidates who have been nominated under the provisions of Rules 201.01., 201.03. and 201.05., 201.06., inclusive, names of other candidates shall be placed in nomination to fill any of the vacancies that are to be filled in the "At Large" category at the Annual Election, when Nominating Petitions naming such other candidates and bearing the signatures of not fewer than fifty five (55) Members have been prepared, signed and filed in accordance with the provisions of Rules 201.05. and 201.06. See Rule 372.00.N.~~

**202.00. BALLOT: FORM OF.**

~~When Upon expiration of the time for filing Nominating Petitions has expired, the Secretary shall prepare a form of ballot. The section of the ballot listing candidates representing interests shall be divided into sections, each of which shall be allotted the vacancy(ies) that is to be filled at such Election. Each section of the ballot shall be marked to indicate the vacancy(ies) which it has been allotted, the term of office of and the interest to be represented by the candidate or candidates to fill such vacancy(ies), and in each section shall be listed in alphabetical order the names of the candidate or candidates duly nominated to fill the vacancy(ies) represented by such section. If the candidate is running for re-election to represent the same interest, the word incumbent shall be used. Voting shall be for only one (1) candidate for each vacancy in each of said sections on the ballot. Failure to vote for a particular interest candidate will not void the ballot. Voting for more than one (1) candidate for each vacancy will cause that interest section of the ballot to be null and void.~~

~~The portion of the ballot shall listing all candidates "At Large" shall be in one (1) section. The section shall be marked to indicate the number of candidates to be elected, the term of office and, if the candidate is running for re-election, the word incumbent shall be used. The candidates running "At Large" shall be listed in alphabetical order. The candidates receiving the most votes shall be declared elected. Voting for more than the indicated number of candidates "At Large" shall cause the "At Large" section of the ballot to be null and void.~~

The following Rule is effective immediately until October 1, 2008:

**210.00. BOARD OF DIRECTORS: COMPOSITION AND TERMS OF OFFICE.**

The government of the Corporation shall be vested in a Board of ~~fourteen~~ eleven (411) Directors, all of whom shall be Members of the Corporation at the time of their election, together with four (4) additional Public Directors, ~~none of whom shall be Members of the Corporation and each of all of~~ whom shall be elected by the ~~fourteen~~ eleven (411) Directors in accordance with Article III of the Corporation's **Articles of Incorporation.**

The terms of office of the ~~fourteen~~ eleven (411) Directors who are Members of the Corporation shall commence on the second Monday succeeding their election and continue until their successors have been elected and qualified.

Non-Member Directors may not be persons who are:

A. ~~currently salaried employees of the Corporation;~~

B. ~~primarily performing services to the Corporation in a capacity other than as a member of the Board of Directors; or~~

~~C. officers, principals or employees of a firm or corporation holding Membership either in its own name or through an employee on behalf of the firm or corporation.~~

The following Rule shall replace the above Rule on October 2, 2008:

**210.00. BOARD OF DIRECTORS: COMPOSITION AND TERMS OF OFFICE.**

The government of the Corporation shall be vested in a Board of ~~eleven~~ eight (418) Directors, all of whom shall be Members of the Corporation at the time of their election, together with ~~four~~ five (45) Public Directors all of whom shall be elected by the ~~eleven~~ eight (418) Directors in accordance with Article III of the Corporation's Articles of Incorporation.

The terms of office of the ~~eleven~~ eight (418) Directors who are Members of the Corporation shall commence on the second Monday succeeding their election and continue until their successors have been elected and qualified.

**210.03. VACANCIES: OCCURRING DURING TERM OF OFFICE.**

A. Officers: If a vacancy occurs in the office of Chairperson, other than by expiration of the term of office, the First Vice Chairperson, or if the First Vice Chairperson is unable to act, then the Second Vice Chairperson, shall assume all the duties and powers of the Chairperson until such time as the Board of Directors elects a successor to fill the vacancy pursuant to **Rule 200.00**.

B. ~~Board Members~~ Member Directors:

1. If a vacancy occurs on the Board of Directors, the Secretary shall promptly notify the Nominations Committee.

~~2. The Nominations Committee shall then determine the Interest, if any, to be represented in filling such vacancy in compliance with **Rule 201.00**, and shall consult with such Interest. The Committee shall give due consideration to the recommendations received and if a candidate qualifies, forward to the Board of Directors the candidate(s) recommended by the Interest. If only one (1) candidate is recommended by the Interest, the Board of Directors will elect the Interest's recommendation to fill the unexpired term. If two (2) individuals are recommended, the Board shall elect a candidate to fill the unexpired term. No individual can be placed on the ballot to represent an Interest unless the individual has been nominated by the respective Interest.~~

or

2. In the event a vacancy occurs in the "At Large" category, the Nominations Committee shall direct the Secretary to solicit from the Membership individuals to serve on the Board of Directors. Such individuals must provide written confirmation to the Secretary of their intention to be nominated. See **Rule 372.00.N**. shall solicit recommendations from the Membership, through a subcommittee or



~~otherwise, and shall give due consideration to the recommendations received. The Committee shall recommend to the Board of Directors one (1) but not more than two (2) Members to fill the vacancy. The Board of Directors, before voting to fill the vacancy, shall give due consideration to the recommendations of the Committee.~~

3. ~~A minimum of seven (7) members of the Board of Directors casting affirmative votes is required to fill any vacancy occurring in the "At Large" category.~~

The following Rule is effective immediately until October 1, 2008:

**211.02. QUORUM.**

~~Nine~~Eight (98) members of the Board of Directors shall constitute a quorum for the transaction of business at any regular or special meeting of such Board, but a lesser number may meet and adjourn such meeting, from time to time, up to the time of the next regular meeting of the Board of Directors.

The following Rule shall replace the above Rule on October 2, 2008:

**211.02. QUORUM.**

~~Eight~~Seven (87) members of the Board of Directors shall constitute a quorum for the transaction of business at any regular or special meeting of such Board, but a lesser number may meet and adjourn such meeting, from time to time, up to the time of the next regular meeting of the Board of Directors.

The following Rule is effective immediately until October 1, 2008:

**252.00. EXECUTIVE COMMITTEE.**

There shall be established a Committee of the Board of Directors to be known as the Executive Committee which shall meet monthly, or more often as deemed necessary. It shall be composed of the Chairperson of the Board, the First and Second Vice Chairpersons of the Board, ~~the President and two (2) additional Directors~~one (1) additional Member Director and one (1) Public Director elected by the Board. The Chairperson of the Board shall be the Chairperson of the Executive Committee and shall have voting privileges.

The Committee shall have the duties and powers to:

- A. Investigate issues and pursue opportunities related to the business of the Corporation, and recommend actions to the Board.
- B. Recommend changes to any guidelines, policies or procedures of the Corporation, including those which may govern employee conduct, donations and participation in trade or industry associations.
- C. Reallocate funds within the approved budgets as priorities change. However, reallocation of more than ten (10) percent of the annual budget shall require approval from the Finance Committee.

- D. Act on behalf of the Board of Directors when an emergency exists and the Board is unable to convene in a timely manner. Emergencies shall include, but not be limited to: discovery of possible illegal activities, security of the building, threats to the financial integrity of the Corporation, or threats to Exchange trading activity due to inclement weather, transportation breakdown or market manipulation. In such instances the Committee may take such actions as necessary including: not opening the markets, delaying the open of the markets, closing the markets early, or order liquidation of a party's positions. Such actions shall not continue beyond such time as the emergency warrants and shall not violate applicable laws and regulations.
- E. Offer guidance and provide consultation to the officers of the Corporation.
- F. Announce, extend or delay the opening of river or lake navigation.
- G. Prescribe and approve the forms required by Exchange Rules and Regulations.
- H. Approve an applicant or Delegate for membership, provided there are no objections or any unresolved issues to be heard by the Board.
- I. Approve changes in Exchange margins as market conditions require, giving due consideration to Clearing House Committee recommendations.
- J. Report and make recommendations to the Board of Directors.

The following Rule shall replace the above Rule on October 2, 2008:

**252.00. EXECUTIVE COMMITTEE.**

There shall be established a Committee of the Board of Directors to be known as the Executive Committee which shall meet monthly, or more often as deemed necessary. It shall be composed of the Chairperson of the Board, the First and Second Vice Chairpersons of the Board, ~~one (1)~~ additional Member-Director and ~~one~~two (2) Public Directors elected by the Board. The Chairperson of the Board shall be the Chairperson of the Executive Committee and shall have voting privileges.

The Committee shall have the duties and powers to:

- A. Investigate issues and pursue opportunities related to the business of the Corporation, and recommend actions to the Board.
- B. Recommend changes to any guidelines, policies or procedures of the Corporation, including those which may govern employee conduct, donations and participation in trade or industry associations.
- C. Reallocate funds within the approved budgets as priorities change. However, reallocation of more than ten (10) percent of the annual budget shall require approval from the Finance Committee.

- D. Act on behalf of the Board of Directors when an emergency exists and the Board is unable to convene in a timely manner. Emergencies shall include, but not be limited to: discovery of possible illegal activities, security of the building, threats to the financial integrity of the Corporation, or threats to Exchange trading activity due to inclement weather, transportation breakdown or market manipulation. In such instances the Committee may take such actions as necessary including: not opening the markets, delaying the open of the markets, closing the markets early, or order liquidation of a party's positions. Such actions shall not continue beyond such time as the emergency warrants and shall not violate applicable laws and regulations.
- E. Offer guidance and provide consultation to the officers of the Corporation.
- F. Announce, extend or delay the opening of river or lake navigation.
- G. Prescribe and approve the forms required by Exchange Rules and Regulations.
- H. Approve an applicant or Delegate for membership, provided there are no objections or any unresolved issues to be heard by the Board.
- I. Approve changes in Exchange margins as market conditions require, giving due consideration to Clearing House Committee recommendations.
- J. Report and make recommendations to the Board of Directors.