



Rule Self-Certification

June 20, 2007

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OFFICE OF THE SECRETARY

Office of the Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, D.C. 20581

Re: Certification of Amendment to Rule E10, Market Makers
Reference File SR-PBOT-2007-10

Ladies and Gentlemen:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and Section 40.6 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, the Philadelphia Board of Trade, Inc. ("PBOT" or "Exchange") hereby submits amendments to Rule E10, Market Makers. The amendments replace the existing text it in its entirety and will become effective on Monday, June 25, 2007.

No substantive opposing views were expressed to PBOT by its governing board or committee members, members of PBOT or market participants, that were not incorporated into the rule.

PBOT hereby certifies that these rule amendments comply with the Commodity Exchange Act and regulations thereunder.

Yours truly,

A handwritten signature in cursive script that reads 'C. Robert Paul'.

C. Robert Paul
Executive Vice President
and General Counsel

cc: Mr. Allen J. Cooper
Ms. Jane Croessmann
Mr. Edward J. Dasso

Rule E10.
Market Makers

~~(a) To facilitate liquidity and orderliness, the Exchange may, in its sole discretion, appoint one or more Members or Member Organizations to act as Market Makers for one Contract or more.~~

~~(b) The Exchange may enter into a written agreement with a Market Maker establishing the Market Maker's rights and obligations. Among other possible obligations, the Exchange may require a Market Maker to (1) facilitate a liquid and orderly market, (2) enter into a written agreement specifying the frequency and competitiveness of its Quotes, and (3) maintain records sufficient to prove compliance with the written agreement.~~

~~(c) Through a Notice to Members, the Exchange will describe the type and nature of obligations imposed on, and rights received by, Market Makers.~~

~~(d) The Exchange may suspend or revoke a Market Maker's designation if, in the Exchange's sole discretion, a Market Maker fails to satisfy any obligations to the Exchange, including any contractual or other obligations.~~

(a) The Exchange may from time to time approve such number of Members or Member Organizations as Market Makers and allocate to such Market Makers such number and types of Contracts, as it may deem necessary or appropriate. Any and all such approvals or allocations may be reviewed, conditioned or terminated at any time in accordance with this Rule.

(b) A Member or Member Organization desiring to act as a Market Maker shall file an application with the Exchange in such form as the Exchange may from time to time prescribe. Market Makers shall be selected by the Exchange from among the applications from time to time on file with the Exchange, based on the Exchange's judgment as to which applicant or applicants is or are most qualified to perform the functions of a Market Maker. Factors to be considered in making such selection may include, but are not limited to, any one or more of the following:

- (i) the adequacy of each applicant's capital;
- (ii) each applicant's operational capacity;
- (iii) the trading experience of, and observance of generally accepted standards of conduct by, each applicant, in particular the individual or individuals who would represent such applicant in its capacity as a Market Maker (each, a "Market Maker Designee");

- (iv) the number and experience of support personnel of each applicant who will be performing functions related to its Market Maker business;
- (v) if applicable, the regulatory history of, and history of adherence to the Rules of the Exchange, rules of other self-regulatory organizations and applicable law by, each applicant, in particular its Market Maker Designees;
- (vi) the willingness and ability of each applicant to promote the Exchange as the marketplace of choice;
- (vii) the market performance commitments of each applicant; and
- (viii) if applicable, any performance evaluations conducted pursuant to the Rules of the Exchange or rules of other self-regulatory organizations.

(c) In approving any applicant as a Market Maker, the Exchange may place one or more conditions or limitations on the approval, including but not limited to:

- (i) conditions concerning the capital, operations or personnel of such applicant, satisfaction of market performance commitments or benchmarks by such applicant, and the number or types of Contracts which may be allocated to such applicant; and
- (ii) limitations regarding the time period for which such applicant is approved as a Market Maker (which time period may be subsequently extended by the Exchange at its sole discretion).

(d) Each Member or Member Organization approved as a Market Maker shall retain such status until it resigns as a Market Maker and the Exchange relieves such Market Maker of its obligations to act as Market Maker, or the Exchange suspends or terminates such Market Maker's status.

(e) In allocating Contracts to Market Makers approved in accordance with the above, the Exchange may: (i) consider any relevant information, including but not limited to performance, volume, capacity, market performance commitments, operational factors, efficiency, competitiveness and recommendations of committees of the Board or of the Exchange; (ii) place one or more conditions or limitations of the type specified in paragraph (c) above on the approval; or (iii) allocate any Contract to more than one Market Maker, such that the different Market Makers serve at the same time but with respect to different contract months or in different time zones, or such that each of the Market Makers serves as the Market Maker for such Contract on a rotating basis.

(f) No Market Maker may sell, transfer or assign any of its rights or obligations as a Market Maker (including but not limited to its allocation of any Contracts by virtue of its status as a Market Maker) without the prior written approval of such sale, transfer or assignment (including but not limited to the approval of the Person to which such rights, obligations or allocation are intended to be sold, transferred or assigned) by the Exchange. Any purported sale, transfer or assignment in violation of the foregoing

sentence shall be void from the outset. For purposes of this paragraph (f), the following transactions shall be deemed to constitute a transfer of a Market Maker's rights or obligations:

- (i) Any sale, transfer or assignment of five percent of the equity or profits or losses of a Market Maker (or any series of smaller changes that in the aggregate amount to a change of at least such percentage); provided that any sale, transfer or assignment of an interest of less than such percentage may be found by the Exchange to constitute a transfer of a Market Maker's rights or obligations if the particular facts and circumstances warrant such a determination;
- (ii) Any change in, or transfer of, control of a Market Maker; and
- (iii) Any merger, sale of assets or other business combination or reorganization involving a Market Maker.

(g) The Exchange may from time to time evaluate a Market Maker's performance with respect to, among other things, one or more of the following: quality of markets, market share (taking into account all contracts similar to the relevant Contract or Contracts), administrative factors and observance of ethical standards. In this connection, the Exchange may consider any relevant information, including but not limited to market share and trading data, a Market Maker's regulatory history and such other factors and data as may be pertinent under the circumstances.

(h) The Exchange may terminate, place conditions upon or otherwise limit a Member or Member Organization approval to act as a Market Maker or a Market Maker's allocation of Contracts, under any one or more of the following circumstances:

- (i) if the Exchange finds in connection with an evaluation under paragraph (g) above that such Member or Member Organization's performance as a Market Maker has been unsatisfactory;
- (ii) if such Member or Member Organization becomes subject to a material financial, operational or personnel change;
- (iii) if such Member or Member Organization fails to comply with any conditions previously placed upon its approval as a Market Maker or its allocation of Contracts or perform its obligations; or
- (iv) if for any reason such Member or Member Organization is no longer eligible for approval as a Market Maker or to be allocated a particular number or type of Contracts.

(i) Each applicant for approval as a Market Maker pursuant to the above shall be given an opportunity to present any matter which it wishes the Exchange to consider in conjunction with the application. Prior to taking any remedial action against a Market Maker pursuant to the above, such Market Maker shall be given notice thereof and an

opportunity to present any matter which it wishes the Exchange to consider in determining whether to take such action. The Exchange may require that any presentation under this paragraph be made partially or entirely in writing, and may require the submission of additional information from any Person wishing to make a presentation under this paragraph. Formal rules of evidence shall not apply to any proceeding involving such a presentation. Notwithstanding the foregoing, the Exchange shall have the authority to immediately terminate, condition or otherwise limit a Member or Member Organization approval to act as a Market Maker in accordance with the above, without prior notice or opportunity to make a presentation under this paragraph, if the financial, operational or personnel change in question warrants such action.

(j) Market Makers shall have such rights and obligations as the Exchange may specify in connection with their approval or prescribe from time to time in any Notice to Members.