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July 19, 2007

Ms. Eileen A. Donovan
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

      Re: Security Futures Products Rule Submission and Rule Certification

Dear Ms. Donovan:

On behalf of my client, OneChicago, LLC, and pursuant to section5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and section 41.24 of the regulations promulgated by the Commission under the Act, submitted herewith is a rule amendment to the OneChicago, LLC ("OneChicago") Block Trade Reporting Procedures ("Reporting Procedures") and EFP Transactions: Guidelines and Reporting Procedures ("EFP Reporting Procedures") to permit reporting of block trades and Exchange of Futures for Physical ("EFP") transactions through the OneChicago Block & EFP Trading System ("OneChicago BETS") and make conforming amendments to OneChicago Policies: Block Trades, Pre-Execution Discussions and Cross Trades. These changes are being made in conjunction with the initiation of OneChicago BETS, an electronic system which will permit authorized traders to trade and report block and Block Roll trades and provide a matching and reporting system for EFP transactions. OneChicago Rules 416 dealing with EFPs and 417 dealing with block trades will apply to OneChicago BETS. Thus, each party to a block trade or Block Roll on OneChicago BETS must qualify as an "eligible contract participant" as such term is defined in Section 1a(12) of the Act.

The rule amendments will be effective on July 20, 2007.

There are no opposing views that are not incorporated into this rule amendment. This rule change has also been filed with the Securities and Exchange Commission.

On behalf of OneChicago, I hereby certify that that the amendment to the Reporting Procedures has been filed with Securities and Exchange Commission and complies with the Act and regulations promulgated thereunder.

Regards,

/s/ <u>Madge M. Piro</u>[*]

Attachment A

OneChicago
Block Trade Reporting Procedures
Last Modified: July 20, 2007 ~~September 25, 2003~~

Block Trade Prerequisite

Prior to executing Block trades, firms guaranteeing either side of such a transaction must file a registration list of Authorized Block/EFP Trade Reporters ("Block Trade Reporter") with OneChicago. This list must be signed and submitted by a Responsible Trader (see OneChicago Rule 513) of the clearing member firm. That form must also contain a default value to be used by OneChicago in the event that the registered reporter does not have a unique broker ID.

Block Trade Reporting Procedure:

The Block Trade Reporters must report Block Trades without delay following their execution by entering the trade into the OneChicago Block & EFP Trading System ("OneChicago BETS") or telephonically in accordance with the procedures below as permitted by OneChicago, or in a form and method approved by OneChicago.

OneChicago BETS Reporting

1. Block Trade Reporters may enter bids/offers into OneChicago BETS, which are automatically matched. These trades are automatically reported to OneChicago by OneChicago BETS and thus fulfill the Block Trade Reporters obligation to report the trade to OneChicago.

2. Block Trade Reporters may also use OneChicago BETS as an approved form and method of reporting block trades. This type of transaction is called a "Bi-Lateral" transaction on OneChicago BETS. For Bi-Lateral transactions one of the Block Trade Reporters to the transaction must enter the information into OneChicago BETS and the counter-party Block Trade Reporter must confirm the transaction on OneChicago BETS..

Telephonic Reporting

1. The Block Trade Reporter for the *selling* firm, unless otherwise agreed to by the counterparty, must call the OneChicago Operations Management (OOM) Help Desk at 866-728-2263 without delay following the execution of a Block Trade to verbally notify OneChicago of the trade. If the transaction is a spread or combination, such as when one party is rolling a position into another contract month*, the seller of the month closest to expiration is responsible for reporting the entire transaction, unless otherwise agreed to by the counterparty. In this call,

the Block Trade Reporter will supply his/her password and the OOM will verbally take and record the trade terms, including the Reporter ID of *both buyer and seller*. The OOM will then give the caller a unique Block Trade ID. The seller records this Trade ID and must report it back to the buyer/contra party in the transaction. *Block Trades will not be accepted if the seller's Trade Reporter cannot provide individual reporter IDs for both the seller and the buyer/contra party.*

2.   The OOM Help Desk will report the Block Trade to the OneChicago match engine, which will disseminate the trades to the price reporting tape and record the trade as matched. Until the trade report is disseminated to the market by the trade engine, no party with information related to the pending Block may enter or withhold any order in the product or related products where such placement or withholding would have been influenced by knowledge of the pending Block Trade. (See OneChicago's Official Rules and Block Trade Policy for details).

3.   Trade Reporters for *both the seller and buyer* must follow up within five minutes of the verbal trade report with a completed Block Trade Reporting Form. This form can be submitted via email to OOM@CBOE.com or fax 312-786-7050. Both forms must include the unique Block Trade ID.

Provisions Applicable to All Forms of Reporting

4. 1.   *Both the buyer and seller* should contact their respective back office to ensure that the trade details are reviewed in ~~past-trade~~ post-trade processing for accuracy. Failure to do so may cause the Block transaction to be reported to clearing with transcription errors.

5. 2.   Any attempt to circumvent the procedures, represent a transaction as a Block Trade or otherwise misrepresent a true Block Trade transaction as a standard transaction will be forwarded to the appropriate parties for investigation.

6. 3.   OneChicago considers busting Block Trades to be a serious matter and may deny a bust request based on the factors surrounding the request, including but not limited to the market impact of the original report, the amount of variation between the Block Trade price and the market price at the time of the report and the length of time transpiring since the Block Trade was reported to the public. Fees will be levied for busting a Block Trade.

* For purposes of this policy, the total quantity of the legs of a spread or a combination must meet the ~~500~~ minimum contracts size requirement, as stated in OneChicago Policies: Block Trades, Pre-Execution Discussions and Cross Trades.

OneChicago EFP Transactions:
Guidelines and Reporting Procedures

Last Modified: ~~May 9, 2005~~ July 20, 2007

EFP Transaction Prerequisite

Prior to executing Exchange of Futures for Physical (EFP) transactions, firms guaranteeing either side of such a transaction must file a registration list of Authorized Block/EFP Trade Reporters with OneChicago. This list must be signed and submitted by a Responsible Trader (See OneChicago Rule 513). That form must also contain a default value to be used by OneChicago in the event that the registered reporter does not have a unique broker ID. Only OneChicago member firms with a clearing relationship at The Options Clearing Corporation or the Chicago Mercantile Exchange Clearing Division or OneChicago members with a reporting ID that are trading for their proprietary account(s) will be allowed to report an EFP trade. Notwithstanding the foregoing, OneChicago members may directly contact OneChicago and at OneChicago's discretion may receive a reporting ID in order to report EFP transactions for their own proprietary account(s).

Procedures:

1. ~~All parties to the transaction ("The Parties") must exchange their respective Trade Reporter IDs and agree upon a unique trade ID (up to six characters in length) while recording their trade terms.~~

2. The Parties must then deliver to OneChicago a completed EFP Transaction Report in a form and manner approved by the Exchange within a reasonable period of time. Entering into an EFP via OneChicago Block & EFP Trading System ("OneChicago BETS") fulfills the requirement to complete an EFP Transaction Report in a form and manner approved by the Exchange. If a transaction is matched by OneChicago BETS, then the party that traded against the resting bid or offer (the "Aggressor") is obligated to enter the base price into OneChicago BETS from which a futures price will be generated by adding the matched differential. If the transaction is an EFP that is only reported on OneChicago BETS, i.e., a Bi-lateral transaction, then one of the traders must enter the information into OneChicago BETS and the counter-party trader must confirm the transaction on OneChicago BETS.

3. 2. In the event of a non-OneChicago BETS reported trade, Tthe OOM Help Desk will compare the details and of the parties' reports and -- if these reports match -- will post the EFP transaction to the OneChicago match engine as a locked-in trade. This will cause the EFP transaction to be disseminated in OneChicago's market data stream and sent to post-trade processing and clearing. Trades reported after 3:30 p.m. Central Time, however, may not be posted until the following day. Post trade modification of EFP trades will be subject to the same cutoff constraints as all other reported trades for the day. On expiration Fridays, EFPs must be reported to the OOM by 3:00 p.m. Central Time for expiring contracts.

4. 3. The Parties should contact their respective back offices to insure that the trade details are reviewed in post-trade processing for accuracy. Failure to do so may cause the EFP transaction to be reported to clearing with transcription errors.

5. 4. The Parties must compile and retain accurate records of the associated physical asset transfer for audit purposes.

6. 5. Any attempt to misrepresent a non-EFP transaction as an EFP or otherwise misrepresent a true EFP transaction as a standard transaction will be forwarded to appropriate parties for investigation.

7. 6. Requests for breaking or "busting" EFP trades will be considered a serious matter. In determining whether or not to bust an EFP, OOM may consider factors such as the size of the initial report, the variation of the price from the market price at the time of the report, the length of time that has transpired from the trade report and market impact of the initial report. Fees may be levied to discourage erroneous reports and bust requests.

OneChicago Policies:
Block Trades, Pre-Execution Discussions and Cross Trades

Block Trades

Pursuant to OneChicago Rule 417, the Exchange permits eligible contract participants, see Rule 417(a), to execute block trades away from the public auction market in privately negotiated transactions, which would include OneChicago BETS, for a minimum of 100 contracts per transaction, or a minimum number of contracts equivalent to 10,000 shares of the underlying security (or combined securities if a relevant corporate event has occurred) for futures contracts based on a single security ("Single Stock Futures") that have trading units greater than 100 shares of the underlying security (or combined securities if a relevant corporate event has occurred). All block trades must be executed no earlier than one-half hour before trading begins in the Contract of the block trade on the Business Day of execution and no later than one-half hour after trading ends in the Contract of the block trade on the Business Day of execution.

Each firm executing a side of a block trade must have at least one designated person preauthorized to report block trades. Only OneChicago member firms with a clearing relationship at The Options Clearing Corporation or the Chicago Mercantile Exchange Clearing Division will be allowed to report a block trade.

All block trades must be reported to OneChicago without delay after the trade is executed and must include the basic terms of the trade, including the relevant Contract, contract month, price,[1] quantity, time of execution, counterparty clearing member for each block trade and, if applicable, the underlying commodity. Except for electronically generated forms and unless otherwise agreed, the seller is obligated to call OneChicago Operations Management ("OOM") Help Desk without delay after the trade is negotiated to notify the Exchange of the basic terms of the trade, including the Contract, contract month, price, quantity, time of execution and contra-party information. If the transaction is a spread or combination, such as when one party is rolling a position into the next contract month,[2] unless otherwise agreed, the seller of the month closest to expiration is responsible for reporting the entire transaction. In the case of phoned in reports, the OOM Help Desk will provide the caller a Trade Identification ("Trade ID") for the block trade. If the parties have reported a block trade telephonically, Aafter the parties have reported a block trade, the OOM Help Desk will report both sides of the trade to the OneChicago

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[1] In some cases a combination of trades may be necessary to achieve a specific price differential for the overall trade event. In these cases, sufficient information must be provided to link related legs to the block trade event.

[2] For purposes of this policy, regardless of the type of form used to report the trade, the total quantity of the legs of a spread or a combination must meet the minimum contracts requirement.

trade engine. The trade engine will then relay the block trade terms to the OneChicago price distribution mechanism, and OneChicago's matched trade database.

In all cases, the buyer and seller must complete and transmit a Block Trade Report in a form and method approved by OneChicago. ~~In case of a phoned-in trade report, both sides must include the Trade ID given by the OOM Help Desk to the seller at the time of his call.~~ It is the responsibility of the buying and selling firms to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing their chosen post-trade processing system.

To protect market integrity during the negotiation and reporting period, any party with knowledge of the pending block trade is prohibited from entering offsetting orders in the specific or any related OneChicago product for the benefit of the account or accounts related to a party to the block trade until the block trade has been reported to and disseminated by the OneChicago price distribution mechanism. Additionally, no party with knowledge of the pending block trade report is allowed to exercise discretion by withholding (or placing) orders for any account that would have (or would not have) been placed but for the knowledge of the pending block trade until the block trade has been reported to and disseminated by the OneChicago price distribution mechanism. Parties subject to the jurisdiction of a member or an affiliate of the Intermarket Surveillance Group ("ISG") are further prohibited from submitting related offsetting orders on OneChicago if they utilize block trade reporting facilities of any other ISG participant exchange until such trades have been disseminated to the marketplace via the standard public reporting mechanism for that exchange.

OneChicago considers busting block trades to be a serious matter and may deny a bust request based on the factors surrounding the request, including but not limited to the market impact of the original report, the amount of variation between the block trade price and the market price at the time of the report and the length of time transpiring since the block trade was reported to the public. Fees may be levied for busting a block trade.

Any attempt to circumvent this policy or misrepresent a transaction as a block trade will be forwarded to the appropriate party for investigation.

Pre-Execution Discussions

No Change

Cross Trades

No Change