



**For Immediate Release**

September 1, 2004

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**NQLX To De-list Security Futures products, Retains Designated Contract Market Status**

Chicago, September 1, 2004 – NQLX announces that it will suspend trading in all of its security futures products in an orderly fashion and consistent with its market obligations. The Exchange will aim to suspend trading following the expiry of the December 2004 contracts on December 17, 2004. The Exchange will continue to retain its Designated Contract Market (DCM) status.

Robert Fitzsimmons, NQLX CEO, said, "We will be delisting security futures products because it is no longer commercially viable to continue to trade these contracts. NQLX will consult with its members, customers and regulators on the orderly management of existing open interest. A plan to wind down security futures open interest will be announced shortly."

Hugh Freedberg, NQLX Chairman and Euronext.liffe Chief Executive, said, "NQLX will retain its status as a Designated Contract Market (DCM) in anticipation of listing other contracts in the future. We remain fully committed to meeting the needs of US customers. Euronext.liffe's core business in the United States is flourishing. Trading this year by US customers has increased by more than 50% over last year. Through LIFFE CONNECT®, we are able to offer fast and efficient trading of a wide range of products on a democratic electronic market."

**Note to Editors:**

The growing use of LIFFE CONNECT® in North America is a key element of the ongoing development of Euronext.liffe's business. LIFFE CONNECT® will shortly service more North American exchanges than any other electronic trading platform as a result of its use by the Chicago Board of Trade (CBOT) and the CBOT's hosting arrangements with exchanges in Kansas City, Minneapolis and Winnipeg. LIFFE CONNECT® continues to be the platform of choice of more exchanges around the world because of its speed and functionality. It is now available in 29 countries and five continents.

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VIA E-MAIL: [secretary@cftc.gov](mailto:secretary@cftc.gov)

September 1, 2004

Ms. Jean A. Webb  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Re: Security Futures Product Rule Submission  
Rule Certification Amending NQLX Rule 901(a)

Dear Ms. Webb:

In accordance with Commission Regulations 38.4(b), 40.6(a)(2) and (3) and 41.24, NQLX LLC ("NQLX") hereby files with the Commission the amendments to NQLX rules and contract specifications as described below and as set forth on Exhibit A hereto (note: deletions are shown by bracketing and strike-through; amendments and/or additions are shown in bold and underline). NQLX intends to implement these amendments on September 2, 2004 (the "Effective Date"). There were no substantive opposing views expressed with respect to the rule amendments. NQLX hereby certifies that the rule amendments, and the NQLX security futures products, comply with the Commodity Exchange Act ("CEA") and the rules and regulations of the Commission adopted thereunder.

#### Description of Rule Amendments

The purpose of the rule amendments is to effectuate NQLX's plan to delist all of its SFP contracts in an orderly fashion with the goal that all SFPs cease trading as soon as possible following the close out of open interest in each such SFP contract month (please refer to the NQLX press release dated September 1, 2004, a copy of which is attached hereto). Accordingly, the rule amendments set forth in Exhibit A amend the specifications of all NQLX SFPs to provide that (i) for SFPs with no open interest in any contract month prior to the opening of trading on NQLX on the Effective Date, such SFPs will be delisted and unavailable for trading

as of the Effective Date and (ii) for those SFPs that have open interest in any contract month prior to the opening of trading on NQLX on the Effective Date, at such time that the open interest in any such contract month is reduced to zero as determined by NQLX, such contract month will then be delisted and unavailable for trading as of the business day following the day on which NQLX determined that the open interest was reduced to zero, provided that, with respect to this subsection (ii), no SFP contract months with expiration dates occurring prior to December 17, 2004 will be so delisted unless all contract months for that particular SFP have no open interest. In addition, NQLX will not list any new SFP contracts or contract months for trading after the Effective Date.

Please note that as SFPs and SFP contract months are delisted pursuant to the amended rule, we will provide the CFTC on a continuing basis with a notice of product suspension identifying each SFP and SFP contract month and the date after which such SFP and SFP contract month will no longer be listed for trading. NQLX will also post this information on its website.

Please call me with any questions you may have regarding this matter.

Very truly yours,

Robert Ledvora  
Executive Vice President and Chief Financial Officer

Attachments

cc: Richard Shilts, Acting Director, Division of Market Oversight  
Rosemary Hollinger, Associate Director, CFTC  
Elizabeth King, Associate Director, Office of Market Supervision, Securities and Exchange Commission  
De'Ana Dow, Associate VP and Chief Counsel, Futures Regulation, NASD  
Michael Cahill, President, The Options Clearing

## EXHIBIT A

### NQLX Rule 901      **Contract Specifications: Physically-Settled Security Futures Contracts**

- (a) Security Futures Contracts (1) have a contract size of either (i) 100 shares of common stock, shares of an exchange-traded fund, shares of a registered closed-end management investment company, or 100 trust-issued receipts or American Depositary Receipts, or (ii) 1,000 shares of an exchange-traded fund, shares of a registered closed-end management investment company or 1,000 trust-issued receipts; (2) trade in U.S. Dollars with a minimum price increment of one penny per share (or one dollar per contract); and (3) settle physically. The Security Futures Contracts may have delivery months of the first five quarterly months in a cycle of March, June, September, and December and the nearest two serial months (e.g., in December the nearest two serial months are January and February)[-]; **provided, however, that (i) with respect to those Security Futures Contracts that have no open interest in any contract month prior to the opening of trading on NQLX on September 2, 2004, such Security Futures Contracts will be delisted and cease trading as of such date, and (ii) with respect to those Security Futures Contracts that have open interest in any contract month prior to the opening of trading on NQLX on September 2, 2004, at such time that the open interest in any such contract month is reduced to zero as determined by NQLX, such contract month will be delisted and cease trading as of the business day following the day on which the open interest was reduced to zero, provided that, with respect to this subsection (ii), NQLX will not delist any Security Futures Contract with an expiration date occurring on or prior to December 17, 2004 unless all contract months for such Security Futures Contract have no open interest. No new Security Futures Contracts will be listed for trading on or after September 2, 2004.** There is no daily price limits for Security Futures Contracts.