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November 28, 2007

David Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

RE: Certification of Market Maker Agreements — USFE Submission #07-12

Dear Mr. Stawick:

United States Futures Exchange, LLC ("USFE"), pursuant to Commission Regulation 40.6(a), is filing the attached as representative of the agreements which it has executed with market makers in the following contract markets:

- Futures on ISE Sector Indexes
- Futures on Morningstar Indexes
- Foreign Exchange Spot Equivalent Futures

The agreements were made in accordance with USFE Rule 312. USFE certifies that the agreements it has executed with market makers comply with the Commodity Exchange Act and regulations thereunder.

Yours Truly,

Matthew Lisle
Chief of Compliance

CC: Riva Adriance, CFTC

MARKET MAKER AGREEMENT

_____

(Name of Company/Member Firm)

_____

(Address)

_____

(Representative)

- **hereinafter Market Maker ("MM") –**

and

U.S. Futures Exchange, L.L.C.

141 W. Jackson Blvd, Suite 1460

Chicago, IL 60604

Legally Represented by Mr. Satish Nandapurkar (CEO)

- **hereinafter "USFE" –**

- **MM and USFE hereinafter together "Parties" -**

agree to enter into an agreement where MM shall become a MM in at least one USFE product as designated in Attachment 1 in accordance with the terms and conditions as follows:

Preamble:

Whereas USFE is a Designated Contract Market in accordance with Sec. 5 of the U.S. Commodity Exchange Act (hereinafter **"CEA"**).

Whereas the Parties have entered into a membership agreement granting certain rights to and requiring certain duties of the Parties that is governed by the USFE Bylaws, the USFE Rules and any applicable law, rule or regulation, including, but not limited to the CEA and the rules and **regulations of the U.S. Commodity Futures Trading Commission (hereinafter "CFTC").**

Whereas USFE has listed or intends to launch trading in certain derivative products (hereinafter **"Products')**.

Whereas the Parties intend **to enter into a market making agreement (hereinafter the "MM Agreement") pursuant to USFE Rule 312 for the Products listed in Attachment 1 in accordance with** the terms and conditions herein.

1. Obligations

The Parties are subject to the following obligations:

a. MM Obligations

(1) MM will, in good faith, commit the necessary resources and capital to ensure that it will be able to provide the trading activity as contemplated by this Agreement to the USFE Trading System.[1] Such readiness will include the connection **to USFE's** simulation environment at least ___ days prior to the commencement of activities under this Agreement. MM must also exercise diligence in ensuring that it has installed a USFE-**compatible version of a trading "front-end" in time for use in USFE's** simulation environment. After connecting to the simulation environment, MM will test its models, systems, trading algorithms and strategies for at least __ days prior to the commencement of activities under this Agreement.

(2) At the commencement of activities under this Agreement, MM shall provide bid and ask prices as defined in the Attachment(s):

i. For the minimum number of contracts;

ii. In compliance with the maximum spreads; and

iii. For the specified period of time.

(3) MM shall:

i. Provide USFE with the name of a manager who has the authorization and expertise necessary to make decisions, to act as the MM coordinator, and who will be available to USFE with respect to this Agreement. In addition, MM must also provide USFE with the name and contact details of a new coordinator in case of a change;

ii. Ensure that a qualified trader is available for market making and such trader is directly connected to the USFE Trading System; and

[1] **The Trading System means the Exchange's electronic trading system for matching futures and options contracts.**

iii. Inform USFE within one business day if the MM can no longer fulfill its obligations under this Agreement.

b. Benefits

(1) USFE will provide to the MM the following benefits:

i. The execution of a certain proportion of all orders where the MM matches the best bid or offer price any time prior to the entry of such order regardless of when the MM entered the market compared to other non-privileged limit orders.[2] The proportion of orders allotted will be as follows:

1. From the outset of this Agreement, the MM will be entitled to __% of all orders as outlined above;

2. If daily average trading volume[3] meets or exceeds _____ contracts per day, then the MM will be entitled to __% of all orders;

3. If daily average trading volume meets or exceeds _____ contracts per day, then the MM will be entitled to __% of all orders.

ii. Rebate of all trading fees[4] for the months in which the MM complies with its obligations for the first three years of this Agreement. Trading fees include fees for transactions executed in the Electronic Order Book as well as fees **charged for transactions executed on the Exchange's Block Trading and** Exchange for Physical (EFP) Facility but apply only to the Products that the MM has selected in this Agreement. This fee rebate may be subject to an extension at the discretion of the Exchange. For the remainder of this Agreement, the MM shall be obligated to pay only the lowest applicable transaction fees charged by the Exchange.

iii. One rebated connection to either the Host[5] or the MISS.

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[2] USFE may, at its discretion, implement an additional function of its trade matching algorithm that gives a higher preference to the first order featuring the best execution price, whether or not it is originated by a MM. Such a preference may be limited to a certain number of contracts, which can be modified by the Exchange at its discretion. The Exchange will give prior notice to all market participants if it makes such modifications.

[3] For purposes of this Agreement, the Exchange shall decide the daily average trading volume.

[4] **For purposes of this Agreement, the term "trading fees" shall mean only those fees in Products incurred for the** execution of trades originating from an account as defined by CFTC Regulation 1.3(y).

[5] For purposes of this Agreement, the Host is the server that hosts the Trading System. The MM may use the Host **connection to execute transactions in Products in which the MM is not making markets ("Non-MM Products"), but the** Exchange reserves the right to prohibit use of the Host connection for executing transactions in Non-MM Products if, in its discretion, the Exchange determines that the MM is acting in an overly-aggressive or predatory manner in any Non-MM Product market.

iv. **Access to the Exchange's "quote" functionality.**

v. Heartbeat[6] and Delta[7] protections in options.

(2) USFE may assume that it can specify the name and/or logo of the MM in connection with any advertising or information related to the MM program, unless the MM requests that the Exchange keep its participation confidential by checking the following box:

☐ By checking this box, the MM requests that its participation in the MM program be kept confidential by the Exchange and may only be used with the prior written approval of the MM.

2. Acceptance

Acceptance of this offer is solely at the discretion of USFE, which may assign its rights and obligations under the resulting agreement to any successor to its exchange business, including any successor by merger or other business combination.

3. Term

The Agreement will terminate eight (8) years after the execution of this Agreement, or earlier, if:

a. The MM fails to comply with its obligations under this Agreement in any two months of a given quarter throughout the first two years of this Agreement and in any one month for the remainder of the term of this Agreement;

b. The terms or conditions of the Products materially change;

c. The law or regulations with respect to the Products materially change;

d. By operation of law or regulation, including any regulatory action by the U.S. Commodity Futures Trading Commission, that impacts the Offer, rendering it no longer valid. In such an event, USFE will notify the MM of such regulatory action or

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[6] Trading functionality that constantly monitors the connection to the Trading System and deletes all standing quotes if the connection fails.

[7] Protects options MMs, who are required to post bids or offers across multiple strikes, from having too many bids/offers being filled within a short period of time. The actual parameters of this function are set by the Exchange and remain constant.

determination. Nothing will prohibit the Parties from re-negotiating another agreement in connection with market making.

e. The MM serves USFE with written notice of its cancellation of this agreement, which cancellation shall take effect either at a date specified by the MM or within 30 days of **USFE's receipt of such written notice, whichever period is longer.**

f. If after two years of the effective date of this agreement the product(s) for which the MM is making markets average less than 2,000 contracts per day as measured on a quarterly basis, then USFE may terminate this agreement, in whole or as to the particular product(s).

4. Contact

a. MM

For the MM, the manager who has the authorization and expertise necessary to make decisions and acts as coordinator with respect to the Agreement is:

_____(Name)

_____(Position)

_____(Work Phone)

_____(Mobile phone)

The Acceptance and other notices with regard to the Agreement can be sent to:

_____

b. USFE

For USFE the managers who have the authorization and expertise necessary to make decisions and act as coordinators with respect to the Agreement are:

R. Sean Smith

James Falvey

The notices with regard to the Agreement can be sent to USFE via fax to: 312.356.3901 to the attention of _____.

5. Miscellaneous

a. Governing Law

This Offer shall be governed by the laws of the State of Illinois (without regard to its choice of law principles), the CEA and CFTC regulations, and any applicable USFE Rules.

b. Disputes

Any disputes or disagreements arising under or related to this Offer that the Parties cannot mutually resolve shall be resolved through binding arbitration as administered by, and under the rules of, the National Futures Association (NFA). If for any reason the NFA is unable to accept this dispute or disagreement for arbitration, then it shall be heard by a panel of three arbitrators. Each party shall select one arbitrator and the two party-selected arbitrators shall select a third neutral arbitrator. The neutral arbitrator shall serve as chair of the arbitration panel. While it is the intent of the parties that the arbitration be conducted without the necessity of administration by the American Arbitration Association, the arbitrators shall use the Commercial Arbitration Rules of the American Arbitration Association to the extent applicable. The arbitration shall be conducted in Chicago, Illinois. Each party shall pay the costs of the arbitrator selected by it/them and the costs of the third arbitrator shall be split evenly between the parties. The decision and any award of the arbitrators shall be final and binding upon the parties. Judgment upon the arbitration award may be entered and enforced in any court having jurisdiction thereof. The parties agree that any arbitration conducted hereunder shall be governed by the Federal Arbitration Act, Title 9 United States Code §§ 1-16, as now existing or hereinafter amended.

c. General

This Agreement is the entire and complete Agreement with respect to the subject matter hereof and supersedes any prior or contemporaneous agreements or understandings between the Parties, whether written or oral, with respect to the subject matter hereof and may not be modified in any way unless:

(1) By means of written addendum, signed and dated by duly authorized representatives of both Parties; or

(2) USFE, in its sole discretion, decides that an amendment to the Agreement would be necessary to improve the Product(s) or to comply with its regulatory obligations, e.g. a decision, rule or regulation of the CFTC. Amendments made in accordance with this provision by USFE shall only become valid and binding if made in accordance with reasonable commercial practice and such amendments apply equally to all MMs. Such amendments only become effective upon reasonable notice to all MMs and if the MM does not opt against the amended Agreement with notice in writing. In the latter case, the notice of the MM will be seen as cancellation of the Agreement to the end of the next calendar month.

If any portion of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in effect and the Parties shall immediately begin negotiations to replace

any invalid or unenforceable portions that are essential parts of this Agreement. If either Party fails to enforce any right or remedy hereunder, such failure shall not be deemed a waiver of such right or remedy.

d. Confidentiality of Trade Secrets and Intellectual Property

Both parties agree that during the negotiation, and throughout the period, of the Agreement certain materials and information in connection with the subject matter of this Agreement, including derivative contract specifications and details of trading incentives, will be exchanged between the parties. Such materials and information may contain the trade secrets and/or confidential commercial or financial information of the party providing such material or information. To the extent that such material or information is of the nature of a trade secret and/or confidential commercial or financial information of one of the parties, the party receiving such material or information shall:

i. Treat the material or information as being strictly private and confidential, and shall take precautions to maintain its status as such;

ii. Not disclose, or otherwise make available to any third party any of the material or information.

SHOULD BE FILLED OUT BY DESIGNATED REPRESENTATIVES OF THE PARTIES:

MM:

Name	Position
Phone	Fax
(Signature)	E-mail address

USFE:

Name	Position
Phone	Fax
(Signature)	E-mail address

Attachment 1

Quotation Obligations for MM

MM must quote binding bid and ask prices in the Products of their choice for a specified minimum number of contracts within maximum spreads during a specified period of time as follows:

					Development Stage[8]			Step-Up Threshold			Mature Stage		
	Product	Delivery Months or Expiries	# of Strikes (Options Only)	Time Period*	Max Bid/Ask Spread	Minimum Contract Size	Percentage of Time Period	Max Bid/Ask Spread	Minimum Contract Size	Percentage of Time Period	Max Bid/Ask Spread	Minimum Contract Size	Percentage of Time Period
☐	ISE Homebuilders												
☐	ISE SINdex												
☐	ISE Gold												
☐	ISE Water												
☐	ISE-Revere Natural Gas												

[8] For purposes of this agreement, if average daily Exchange volume (as averaged over the entire previous quarter) exceeds the following number of contracts executed on the Exchange over the preceeding quarter, then MM will be required to meet the criteria for the next level:

Development Stage to Step-Up Threshold: _____

Step-Up Threshold to Mature Stage:_____

☐	Morningstar Large Value												
☐	Morningstar Large Core												
☐	Morningstar Large Growth												
☐	Morningstar Mid Value												
☐	Morningstar Mid Core												
☐	Morningstar Mid Growth												
☐	Morningstar Small Value												
☐	Morningstar Small Core												
☐	Morningstar Small Growth												

*(**US** = 7:00 am to 4:00 pm; **Non-US** = 5:15 pm to 7:00 am; or **All** = 5:15 pm to 4:00 pm) (All times are Chicago time)