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February 26, 2009

**Via Electronic Mail**

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

Re: CBOE Futures Exchange, LLC Rule Certification  
Submission Number CFE-2009-06

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission ("Commission") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits this rule change ("Amendment") to amend:

(i) CFE Policy and Procedure III and CFE Rules 1202(l), 1302(l), 1602(l), 1702(l) and 2302(l) to permit CFE's Help Desk to consider the prices of related contracts trading on CFE as well as other markets when applying CFE's error trade policy;

(ii) CFE Rules 1202(c), 1602(c) and 1702(c) to make clear that the individual legs and net prices of Spread Orders in CFE volatility index futures contracts may be in increments of 0.01 index points;

(iii) CFE Rules 1202(j), 1602(j) and 1702(j) to change minimum price increment for Exchange of Contract for Related Position ("ECRP") transactions in those futures contracts in which ECRP transactions are permitted from 0.01 index points to 0.05 index points pursuant to CFE Rules 1202(c), 1602(c) and 1702(c), as applicable; and

(iv) CFE Rule 1202(d) to provide that positions in the CBOE Volatility Index ("VIX") futures contract and in the Mini CBOE Volatility Index ("Mini VIX") futures contract shall be aggregated when calculating position accountability levels.

The Amendment will become effective on March 2, 2009.

CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

\* \* \* \* \*

**CFE Policy and Procedure III. Resolution of Error Trades (Rule 416)**

A. General Policy

1. No change.
2. *Procedure Followed by Help Desk*

When a potential error trade is brought to the help desk's attention, the help desk will determine whether the trade price is in the "no bust range" for the relevant Contract, as set forth in the Rules governing such Contract. With respect to trades involving a Spread Order (e.g., a combination order and not independent, separate legs), the help desk may also consider the theoretical net price of the Spread Order and apply the "no bust range" in relation to that theoretical net price (such that if the net trade price of the Spread Order was inside (outside) that "no bust range", all of the trades involving the Spread Order would be treated as inside (outside) the "no bust range"). In making a determination regarding the theoretical net price of a Spread Order, the help desk may consider all relevant factors, including the net of the true market prices of the Contracts that comprise the individual legs of the Spread Order (each determined in the manner described above) and the net price of other Spread Orders of the same type.

In determining whether the trade price is within the "no bust range," the help desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making such determination, the help desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month or series and the prices of related contracts trading [in] on the Exchange or other markets.

3. – 6. No change.
- B. – F. No change.

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**CFE Rule 1202. CBOE Volatility Index Futures Contract Specifications**

- (a) – (b) No change.
- (c) *Minimum Increments.* Except as provided in the following sentence, [T]he minimum fluctuation of the VIX futures contract is 0.05 index points, which has a value of \$50.00.  
  
The individual legs and net prices of spread trades in the VIX futures contract may be in increments of 0.01 index points, which has a value of \$10.00.
- (d) *Position Accountability.* VIX futures are subject to position accountability under Rule 412A.

A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than [25,000] the number of contracts net long or net short in all VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 25,000 VIX futures contracts or (ii) the person owns or controls more than [15,000] the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 15,000 VIX futures contracts, commencing on the Friday prior to the final settlement date of the expiring VIX futures and Mini VIX futures contract months. Under this Rule, one Mini VIX futures contract shall be deemed to be equivalent to one-tenth (0.10) of one VIX futures contract.

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding shall be cumulated.

(e) – (i) No change.

(j) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to VIX futures contracts. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

[The minimum price increment for an Exchange of Contract for Related Position involving the VIX futures contract is 0.01 index points.]

(k) No change.

(l) *No-Bust Range.* Pursuant to Rule 416, the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable VIX futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading [in] on the Exchange or other markets.

(m) – (o) No change.

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#### **CFE Rule 1302. CBOE S&P 500 Three-Month Variance Futures Contract Specifications**

(a) – (k) No change.

(l) *No-Bust Range.* Pursuant to Rule 416, the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable CBOE S&P 500 Three-Month Variance futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the

last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading [in] on the Exchange or other markets.

(m) – (o) No change.

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**CFE Rule 1602. CBOE Russell 2000 Volatility Index Futures Contract Specifications**

(a) – (b) No change.

(c) *Minimum Increments.* Except as provided in the following sentence, [T]the minimum fluctuation of the RVX futures contract is 0.05 index points, which has a value of \$50.00.

The individual legs and net prices of spread trades in the RVX futures contract may be in increments of 0.01 index points, which has a value of \$10.00.

(d) – (i) No change.

(j) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to RVX futures contracts. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

[The minimum price increment for an Exchange of Contract for Related Position transaction involving the RVX futures contract is 0.01 index points.]

(k) No change.

(l) *No-Bust Range.* Pursuant to Rule 416, the CFE error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable RVX futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading [in] on the Exchange or other markets.

(m) – (o) No change.

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**CFE Rule 1702. CBOE DJIA Volatility Index Futures Contract Specifications**

(a) – (b) No change.

(c) *Minimum Increments.* Except as provided in the following sentence, [T]the minimum fluctuation of the VXD futures contract is 0.05 index points, which has a value of \$50.00.

The individual legs and net prices of spread trades in the VXD futures contract may be in increments of 0.01 index points, which has a value of \$10.00.

(d) – (i) No change.

(j) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to VXD futures contracts. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

[The minimum price increment for an Exchange of Contract for Related Position transaction involving the VXD futures contract is 0.01 index points.]

(k) No change.

(l) *No-Bust Range.* Pursuant to Rule 416, the CFE error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable VXD futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading [in] on the Exchange or other markets.

(m) – (o) No change.

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**CFE Rule 2302. CBOE S&P 500 Twelve-Month Variance Futures Contract Specifications**

(a) – (k) No change.

(l) *No-Bust Range.* Pursuant to Rule 416, the CFE error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable CBOE S&P 500 Twelve-Month Variance futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading [in] on the Exchange or other markets.

(m) – (o) No change.

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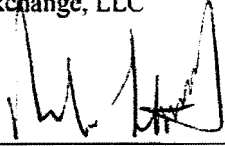
Mr. David Stawick

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Yeadon at (312) 786-7466. Please reference our submission number CFE-2009-06 in any related correspondence.

CBOE Futures Exchange, LLC

By: \_\_\_\_\_

  
Andrew Lowenthal  
Managing Director

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The Options Clearing Corporation