

**ICE FUTURES U.S.**
World Financial Center
One North End Avenue
New York, New York 10282

C.F.T.C.
OFFICE OF THE SECRETARIAT
2009 APR 16 AM 9 19

BY ELECTRONIC TRANSMISSION

Submission No. 09-19
April 15, 2009

Mr. David Stawick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: Amendments to Rules 3.09, 3.14, 3.19, 7.00 – 7.79, 8.00, 8.10, 8.17, Coffee Resolution No. 1, 9.19, 9.20, 9.23, 9.24, Cocoa Resolution No. 5, 10.03, 10.04, 10.28, 10.29, 10.32, 10.36, 10.37, 10.38, 10.40, 13.01, 13.02, 13.05, 13.16, 13.18, 13.22 and 13.23; New Rules 10.17A, 10.17B, 10.27A, 10.27B, 10.31A, Cotton Resolution No.1 and FCOJ Resolution No. 1 -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, amendments to Committee Rules 3.09, 3.14, 3.19, Licensing Rules 7.00 – 7.79, Coffee “C”[®] Rules 8.00, 8.10, 8.17, Coffee Resolution No. 1, Cocoa Rules 9.19, 9.20, 9.23, 9.24, Cocoa Resolution No. 5, Cotton No. 2[®] Rules 10.03, 10.04, 10.28, 10.29, 10.32, 10.36, 10.37, 10.38, 10.40, FCOJ Rules 13.01, 13.02, 13.05, 13.16, 13.18, 13.22 and 13.23 and the adoption of new Cotton No. 2 Rules 10.17A, 10.17B, 10.27A, 10.27B, 10.31A, Cotton Resolution No.1 and FCOJ Resolution No. 1, attached as Exhibit A.

Currently, the Exchange has three (3) warehouse committees, the Cocoa, Coffee and Pulp Warehouse and License Committee, the Cotton Warehouse and Delivery Committee and the FCOJ Warehouse and Delivery Committee. Among other things, each of these committees determines which warehouses should and should not be licensed to store and handle the commodity assigned to the committee and the applicable standards each licensed warehouse must meet.

At times, issues arise which cause a conflict of interest for individual members of the committees. For example, the FCOJ committee reviews storage and handling rates for FCOJ

licensed warehouses. Members may object to an increase in the rates which requires the committee to determine whether or not the increase may take effect. The members of the FCOJ committee are owners of FCOJ licensed warehouses and more likely than not have an interest in the rate increase.

In order to avoid such conflicts of interest, the three committees have been combined into one committee – the Warehouse and License Committee. The Committee is comprised of three individuals for each commodity who have commercial expertise in delivering, warehousing, storing, grading and sampling of the particular commodity.

Further, the Cotton and FCOJ Warehouse and Delivery Committees remain solely as delivery committees having the authority to determine delivery issues, such as disputes between clearing members regarding the quality of the product being delivered or the failure to deliver in a timely manner.

In addition, the amendments and new rules move the product specific requirements for warehouses which were in the Licensing Rules into the appropriate contract rule chapters, and conform references throughout. Except for the committee rule amendments, the other amendments do not reflect a change in current standards and practices.

It should be noted that the Exchange is not submitting the Cotton No. 2 and FCOJ amendments and new rules under Regulation 40.4(b) – non-material changes, since nothing has been changed except for the location of an existing rule and the incorporation of some of the existing terms of the Cotton Warehouse Agreement into the Rules. Attached as Exhibit B is a spreadsheet detailing the old rule numbers and the new rule numbers.

The Exchange certifies that the amendments and new rules comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The amendments and new rules were adopted by the Exchange's Board of Directors at its meeting on April 15, 2009 and will go into effect on April 24, 2009.

If you have any questions or need further information, please contact me at 212-748-4084 or jill.fassler@theice.com.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

COMMITTEE RULES

Rule 3.09. [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee

(a) The [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee shall be an Exchange Committee and shall consist of such number of Persons as the Board shall determine from time to time; provided, however, that there are at least three (3) individuals for each Commodity and such individuals have commercial expertise in delivering, warehousing, storage, grading and sampling of the particular Commodity.

(b) The Committee may act as a whole or by multi-person panels appointed by the Chairman.

(~~[b]~~c) The Committee shall have the power to:

(i) recommend guidelines for the storage and handling of Cocoa, Coffee, Cotton and [~~Pulp~~] FCOJ traded on the Exchange;

(ii) receive and consider all applications for Exchange licenses filed by cocoa, coffee, cotton and [~~pulp~~] FCOJ warehouses, tank facilities [~~chemists~~], graders, classifiers, weighmasters/weighers and master samplers/samplers, and recommend to the Board approval or disapproval;

(iii) suspend or cancel such Exchange licenses with or without cause;

(iv) fine a Licensee for violation of his duties as a Licensee;

(v) conduct random monitoring of Exchange licensed [~~cocoa and coffee~~] samplers or weighmasters/weighers by any of the Committee's members or the Committee's designee; and

(vi) perform such other duties as are specified by the Board or provided in the Rules.

Rule 3.14. Cotton [~~Warehouse and~~] Delivery Committee

(a) The Cotton [~~Warehouse and~~] Delivery Committee shall be an Exchange Committee and shall consist of, no less than ten (10) and no more than thirty (30) Persons, as determined by the Board, at least two-thirds of whom shall be Exchange Members.

(b) The Committee may act as a whole or by multi-person panels appointed by the Chairman.

(c) [~~Only Persons who are Exchange Members shall be entitled to vote at Committee Meetings; provided, however, that any member of the Committee, when serving on a panel, shall be entitled to vote on matters properly coming before such panel.~~

(~~d~~) Six (6) [~~voting~~] members of the Committee, or a majority of a panel [~~consisting of Persons no less than two-thirds of whom are Exchange Members;~~] shall constitute a quorum [~~and, unless otherwise directed by the Chairman, the Committee or panel shall report to the Board on such matters as deemed necessary~~].

(~~e~~) The Committee shall provide inspection service and supervision of certificated cotton for each point of delivery as required.

(~~f~~) The Committee shall have supervision of the inspection, sampling and preparation of samples of cotton of which classification is requested in accordance with the Regulations of the Secretary of Agriculture pursuant to the United States Cotton Futures Act, and also shall have control over all certificated cotton.

~~(g) The Committee shall adopt such rules and regulations for the guidance of cotton warehousemen, inspectors, weighers and samplers as it may deem necessary, subject to the approval of the Board. The Committee shall investigate written complaints of misconduct upon the part of any of the above named persons, and shall make such recommendations to the Board as it may see fit. The Committee may suspend the license of any inspectors, weighers or samplers, pending final action by the Board.]~~

([h]d) The Committee shall consider and decide all questions that may arise in connection with the delivery of Cotton on an Exchange Futures Contract including, but not limited to, any question affecting the handling or delivery of such Cotton. Any decision rendered or interpretation or construction made shall be subject to appeal to the Board.

Rule 3.19. FCOJ [~~Warehouse and~~] Delivery Committee

(a) The FCOJ [~~Warehouse and~~] Delivery Committee shall be an Exchange Committee and shall consist of the same Persons as appointed to the Board of Citrus Advisors; provided, however, that the Chairman of the Board of Citrus Advisors need not be the Chairman of the FCOJ Warehouse and Delivery Committee. ~~[It shall be the duty of the Committee to establish rules and regulations for the guidance of FCOJ and NFC warehousemen and to supervise all matters in connection with the storage of FCOJ and NFC, including the approval of storage facilities. All decisions rendered by the Committee shall, upon approval of the Board, be binding on the Exchange.]~~

~~(b) [All electronic warehouse receipts shall be issued and records relating to the inspection of FCOJ and NFC shall be kept by the Exchange.]~~

~~(c) Official inspectors shall file reports of all inspections with the Exchange.] The Committee may act as a whole or by multi-person panels appointed by the Chairman.~~

(c) The Committee shall consider and decide all questions that may arise in connection with the delivery of FCOJ on an Exchange Futures Contract including, but not limited to, any question affecting the handling or delivery of such FCOJ. Any decision rendered or interpretation or construction made shall be subject to appeal to the Board.

LICENSING RULES

Rule 7.00. Scope of Chapter

The Rules of this Chapter govern the licensing of individuals and Firms engaged in the storage, grading and handling of cocoa, coffee, cotton and frozen concentrated orange juice ("FCOJ") for deliveries pursuant to the Exchange's Cocoa, Coffee "C"[®], Cotton No. 2[®] and FCOJ Futures Contracts.

Rule 7.0[0]1. Parties Subject to Licensing

Any individual or Firm engaged in handling or storing Commodities for deliveries pursuant to a Commodity Contract as a ~~[chemist, classifier,]~~ grader, master sampler, ~~weighmaster,~~ warehouse or tank facility operator ~~[or weighmaster]~~ shall be licensed by the Exchange; provided, however, that no Exchange license shall be required with respect to the handling of sugar under the Sugar No. 11 Futures Contract. In order to be licensed as a warehouse or tank facility operator, such warehouse or tank facility operator must own or lease space which is licensed by the Exchange as suitable for the storage of Commodities in the applicable designated delivery points and have the capacity, equipment and ability to store, handle and deliver the Commodity for which the operator is licensed; provided, however, that no wharf warehouses located in the Port of New Orleans shall be Licensed for the storage of Exchange Coffee.

[COCOA, COFFEE AND PULP

Rule 7.01. Scope of Sub-Chapter

~~The Rules of this Sub-Chapter govern the licensing of individuals and Firms engaged in the storage and handling of Cocoa, Coffee and Pulp for deliveries pursuant to the Exchange's Cocoa, Coffee "C"[®] and Pulp Futures Contracts.]~~

Rule 7.02. Individual Licensees

(a) To be eligible for an Exchange license as a classifier or grader, an applicant must be a natural Person at least 18 years of age, of good character and commercial standing and comply with any applicable local, state or federal requirements.

(b) An applicant for a license as a coffee grader must have a minimum of five (5) years experience in the coffee trade and at least five (5) years of actual grading experience.

~~(c) [An applicant for a license as a coffee classifier must have a minimum of five (5) years experience in the coffee trade and at least five (5) years of actual classifying experience.]~~

~~(d)]~~ An applicant for a license as a cocoa grader must have a minimum of three (3) years of experience in the cocoa industry. Any licensed sampler shall not be eligible as a licensed cocoa grader.

Rule 7.03. Firm Licensees

To be eligible for an Exchange license as a master sampler, warehouse, tank facility or weighmaster, an applicant must be a Firm of good commercial standing authorized to do business in any jurisdiction where the nature of its activities so requires and comply with any applicable laws, customs and other requirements of each jurisdiction in which the Firm is located, operates Licensed Stores or otherwise conducts business.

Rule 7.04. License, ~~[and]~~ eCOPS[®] Participant and EWR Provider Agreements

To be eligible for an Exchange license, an applicant must execute:

(a) an agreement, in the form prescribed by the Exchange, agreeing therein to be subject to:

(1) the Rules, including specifically, the applicability of the Arbitration Rules to the resolution of any controversy between a Licensee and a Member as the same are in effect from time to time; and

(2) the jurisdiction of the courts of the State of New York and the applicability of the laws of the State of New York to all disputes between the Licensee and the Exchange; and

(b) ~~[as determined by the Exchange]~~ with respect to Exchange Cocoa, Coffee and FCOJ, the applicable eCOPS Participant Agreement; or

(c) with respect to Exchange Cotton, provider agreements with an electronic warehouse receipt ("EWR") provider.

Rule 7.05. Graders

To be eligible for an Exchange license as a grader, an applicant must:

(a) pass such grading test ("original grading test") as may be authorized, from time to time, by the Warehouse and License Committee; provided, however, that the Warehouse and License Committee may, in its discretion, waive the testing requirement for good cause shown;

(b) provide to the Warehouse and License Committee proof acceptable to the Warehouse and License Committee of sufficient knowledge, training and experience in the field of grading; and

(c) in order to maintain the Exchange license as a grader, a coffee grader is required to:

(i) pass, every five (5) years, a maintenance grading test as authorized by the Warehouse and License Committee and administered by a panel of three (3) individuals designated by the Board of Coffee Graders;

(ii) attend, every two (2) years, a seminar on latest developments in the coffee industry as authorized by the Warehouse and License Committee and conducted by one (1) or more individuals designated by the Board of Coffee Graders; and

(iii) grade coffee at least once a year.

(d) in order to maintain the Exchange license as a grader, a cocoa grader is required to grade cocoa a minimum of one (1) time every year.

(e) The license of a coffee grader who fails to meet the requirements set forth in subparagraph (c)(i), (ii) and (iii) of this Rule shall be canceled by the Warehouse and License Committee as prescribed in Rule 7.17.

(i) A coffee grader who fails to pass the maintenance grading test must pass the original grading test in order to be eligible for an Exchange license.

(ii) A coffee grader who fails to attend the seminar prescribed in subparagraph (c)(ii) of this Rule must attend such seminar to be eligible for an Exchange license.

(f) The license of a cocoa grader who fails to meet the requirement set forth in paragraph (d) of this Rule shall be canceled by the Warehouse and License Committee as prescribed in Rule 7.17.

Rule 7.06. Master Samplers

(a) To be eligible for an Exchange license as an Exchange Cocoa or Coffee master sampler, an applicant must:

(i) have executed an eCOPS Participant Agreement and have access to and be able to use eCOPS; and

(ii) provide to the Warehouse and License Committee proof acceptable to the Committee of sufficient knowledge, training and experience in the field of sampling. Applicants must also register with the Exchange the names of all those individuals it shall employ as samplers to perform Exchange sampling duties and shall attest to each individual's knowledge, training and experience in the field of sampling. Master samplers shall be responsible for the acts of all such individuals and shall immediately notify the Exchange's Commodity Operations Department ("Commodity Operations") of any additions to or deletions from such required listing.

(b) To be eligible for an Exchange license as an Exchange Cotton sampler, an applicant must be a warehouse operator licensed as such by the United States Department of Agriculture ("USDA") and meet such other requirements as the USDA requires for licensed cotton samplers.

Rule 7.07. Weighmasters/Weighers

(a) To be eligible for an Exchange license as an Exchange Cocoa or Coffee weighmaster, an applicant must:

(i) have executed an eCOPS Participant Agreement and have access to and be able to use eCOPS; and

(ii) provide to the Warehouse and License Committee proof acceptable to the Committee of sufficient knowledge, training and experience in the field of weighing. Applicants must also register with the Exchange the names of all those individuals it shall employ to perform Exchange weighing duties and shall attest to each such individual's knowledge, training and experience in the field of

weighing the related commodity. Weighmasters shall be responsible for the acts of all such individuals and shall immediately notify Commodity Operations of any additions to or deletions from such required listing.

(b) To be eligible for an Exchange license as an Exchange Cotton weigher, an applicant must be a warehouse operator licensed as such by the USDA and meet such other requirements as the USDA requires for licensed cotton weighers.

Rule 7.0[5]18. Warehouse and Tank Facility Operators

To be eligible for an Exchange license or renewal thereof, a warehouse operator must:

(a) meet all applicable laws, customs and other requirements of each jurisdiction in which the Firm is located, operates any Exchange licensed warehouse or tank facility or otherwise conducts business and all applicable laws and requirements of any government agency governing the operations of such licensed warehouse or tank facility;

(i) if, at any time, any Exchange licensed warehouse or tank facility operator becomes aware that the laws of the jurisdiction, in which any Exchange licensed warehouse or tank facility is located, conflict, or are likely to conflict, with the requirements of the Rules, the warehouse or tank facility operator shall immediately notify the Exchange. In the event of a conflict, the Exchange shall determine whether, in its reasonable opinion, the conflict is reconcilable with the Rules and shall determine in its absolute discretion what action, if any, to take. If the Exchange determines in its sole discretion that the conflict will not immediately prejudice the warehouse or tank facility operator from complying with the Rules, the Exchange shall, without prejudice to its rights and powers under the Rules, consult with the warehouse or tank facility operator as to what, if any, remedial action to take.

~~([a]b) submit to [the Vice President—] Commodity Operations and maintain in effect either proof in a form acceptable to the [Cocoa, Coffee and Pulp] Warehouse and License Committee of the following minimum insurance or bond coverage[s issued by an insurer, or surety, or a letter of credit from a financial institution, in either case satisfactory to the Committee], as follows:~~

~~(i) for cocoa and coffee warehouse operators,~~

~~(A)(1) Outstanding performance bond coverage or an unconditional irrevocable letter of credit from a financial institution approved by the Exchange (an "Approved Financial Institution") in the amount of at least the following:~~

Amount	Exchange Licensed Storage Space
\$100,000	Up to—250,000 Sq. Ft.
\$175,000	250,001—500,000 Sq. Ft.
\$225,000	500,001—750,000 Sq. Ft.
\$250,000	750,001—Above

~~(2) Any irrevocable letter of credit submitted to satisfy the requirements of paragraph (a)(i)(A)(1), above, must be issued or confirmed by an Approved Financial Institution, be in such form as may be prescribed by the Exchange from time to time, and shall not expire until the thirtieth (30th) day of April occurring next following the effective date of the granting or renewal of the license;~~

~~[(3) Notwithstanding the provisions of subparagraphs (a)(i)(1) and (2) of this Rule, a pulp warehouse operator shall not be required to post a performance bond or irrevocable letter of credit.]~~

~~[(ii)B] Outstanding fidelity insurance coverage in the amount of at least one hundred thousand dollars (\$100,000); and~~

(iii)C Outstanding warehouse operator's legal liability insurance coverage which is in the amount of at least five hundred thousand dollars (\$500,000) for each location where one (1) or more buildings containing a Licensed Store are situated and which provides for coverage for each Licensed Store.

(ii) for cotton warehouse operators,

(A) a performance bond or letter of credit with satisfactory sureties in the amount of at least one hundred thousand dollars (\$100,000) and subject to such conditions as shall be acceptable to the Exchange and satisfactory evidence of the existence of such bond and of its continuance in force during the term of the license;

(iii) for FCOJ tank facility operators,

(A) Property Insurance

(1) All-Risk policies which insure the full value of the FCOJ stored at the tank facility for the benefit of the holder of an EWR issued by the tank facility operator against the perils covered in an All Risk Policy;

(2) said All Risk Policies shall be in effect at each licensed tank facility for which it is licensed and continue in full force and effect with respect to the interests of the holders of EWRs for the term of each such policy and shall be renewed or replaced for such period that any of said EWRs are outstanding, and that the Exchange is named in such policies as either an insured party or loss payee with regard to FCOJ for which EWRs have been issued;

(3) the amount of insurance coverage provided in each such All Risk Policies will at all times be in an amount adequate to fully cover the interests of the holders of EWRs, either by maintaining overall limits adequate to cover all insured property at each licensed tank facility, or by providing a specific separate policy limit with respect to the interests of holders of EWRs which limit is sufficient to fully cover such interests;

(4) in the event that any loss or damage is paid in full or in part to the licensed facility by the insurer, such payment, in preference to any and all other claims, shall be assigned first to any and all claims for FCOJ for which an EWR has been issued;

(5) in the event that any loss or damage sustained by a holder of an EWR is not payable, or is not payable in full, by the insurer, by reason of any deductible set forth in any such policy, or otherwise, the facility operator will promptly pay such amount; and

(6) if requested by any holder of an EWR issued by the tank facility operator, furnish evidence of the All-Risk Policies in effect;

(B) legal liability and/or fidelity insurance in such form and in such amount as shall be approved by the Exchange; and

(C) Performance Bond: Letter of Credit. Limitation of Issuance of EWRs

(1) a performance bond with a principal amount of one million dollars (\$1,000,000); or

(2) a letter of credit, in favor of the Exchange which is unconditional and irrevocable and available to be drawn upon by the Exchange by clean sight drafts, in the amount of one million dollars (\$1,000,000).

(D) Alternate Compliance

(1) In the event that the Exchange licensed tank facility operator is not also the owner of the facility, the Licensee may notify the Exchange that in fulfilling its insurance and financial requirement standards under these Rules it is relying on an unlimited guarantee in a form satisfactory to the

Exchange from the owner of the tank facility and/or insurance purchased by the owner of the tank facility; provided, however, that nothing in this alternative compliance arrangement shall be deemed to lessen the duties of a Licensee under the Rules.

(2) Any licensed tank facility in meeting Working Capital, net worth and letter of credit (but not performance bond) requirements may provide substituted compliance by an affiliate of the licensed tank facility provided that such affiliate executes and delivers an unconditional guarantee in such form and with such safeguards as are satisfactory to the Warehouse and License Committee.

~~[(b) must own or lease space which is licensed by the Exchange as suitable for the storage of Commodities, provided, however, that no wharf warehouses located in the Port of New Orleans shall be Licensed for the storage of Exchange Coffee;]~~

~~(c) with respect to an application to store Cocoa, hold a valid Cocoa Merchants' Association of America, Inc. (CMA) Warehouse Compliance Certificate for each store to be licensed;~~

~~(d) [meet all applicable laws, customs and other requirements of each jurisdiction in which the Firm is located, operates Licensed Stores or otherwise conducts business;~~

~~(i) if, at any time, any licensed warehouse operator becomes aware that the laws of the jurisdiction, in which any Licensed Store is located, conflict, or are likely to conflict, with the requirements of the Rules, the warehouse operator shall immediately notify the Exchange. In the event of a conflict, the Exchange shall determine whether, in its reasonable opinion, the conflict is reconcilable with the Rules and shall determine in its absolute discretion what action, if any, to take. If the Exchange determines in its sole discretion that the conflict will not immediately prejudice the warehouse operator from complying with the Rules, the Exchange shall, without prejudice to its rights and powers under the Rules, consult with the warehouse operator as to what, if any, remedial action to take.] with respect to an application to store Cotton,~~

~~(i) have operational rail sidings or, in the absence of such, must agree at the option of a Receiver in a delivery to move cotton in a delivery to the nearest operational rail siding at the warehouse operator's expense; and~~

~~(ii) submit a financial statement as of the end of the warehouse operator's last fiscal period certified by an independent public accountant;~~

~~(e) with respect to an application to store FCOJ,~~

~~(i) the tank facility must have the capacity and equipment for the storage and delivery of FCOJ in a manner and under the conditions acceptable to the USDA and the demonstrated ability to make daily tank deliveries, as defined in FCOJ Resolution No. 1(I), equivalent to at least eight (8) FCOJ Futures Contracts;~~

~~(ii) be equipped to handle FCOJ under continuous inspection of the USDA, or Quality Assurance Program inspection of the USDA, or Florida Quality Systems Certification Program inspection and shall provide an on-site laboratory that is accepted by the USDA for purposes of USDA performance of grading and testing of product in accordance with FCOJ Resolution No. 1(III);~~

~~(iii) have and shall continue to maintain:~~

~~(A) a working capital of two million dollars (\$2,000,000); or~~

~~(B) a letter of credit in the amount of one million dollars (\$1,000,000), which letter of credit shall meet the requirements of subparagraph (b)(iii)(C) of this Rule and shall be in addition to any letter of credit maintained pursuant to subparagraph (b)(iii)(C) of this Rule;~~

(C) for the purposes of this Rule, the term "Working Capital" means the excess of current assets over current liabilities.

~~([e]f)~~ bear all expenses incurred by the Exchange for any inspection of a store or tank facility and [ia] any investigation of the suitability of a store for the proper handling and storage of the Commodity to be stored or already stored for which a license is requested or has been issued; and

~~([f]g)~~ meet such other requirements as are prescribed in the Rules or as may be established from time to time by the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee or by the Board.

[Rule 7.06. Graders

~~To be eligible for an Exchange license as a grader or classifier, an applicant must:~~

~~(a) pass such grading or classifying test ("original grading test") as may be authorized, from time to time, by the Cocoa, Coffee and Pulp Warehouse and License Committee; provided, however, that the Cocoa, Coffee and Pulp Warehouse and License Committee may, in its discretion, waive the testing requirement for good cause shown;~~

~~(b) provide to the Cocoa, Coffee and Pulp Warehouse and License Committee proof acceptable to the Cocoa, Coffee and Pulp Warehouse and License Committee of sufficient knowledge, training and experience in the field of grading or classifying; and~~

~~(c) in order to maintain the Exchange license as a grader or classifier, a coffee grader is required to:~~

~~(i) pass, every five (5) years, a maintenance grading test as authorized by the Cocoa, Coffee and Pulp Warehouse and License Committee and administered by a panel of three (3) individuals designated by the Board of Coffee Graders;~~

~~(ii) attend, every two (2) years, a seminar on latest developments in the coffee industry as authorized by the Cocoa, Coffee and Pulp Warehouse and License Committee and conducted by one (1) or more individuals designated by the Board of Coffee Graders; and~~

~~(iii) grade coffee at least once a year.~~

~~(d) in order to maintain the Exchange license as a grader, a cocoa grader is required to grade cocoa a minimum of one (1) time every year.~~

~~(e) The license of a coffee grader who fails to meet the requirements set forth in subparagraph (c)(i), (ii) and (iii) of this Rule shall be canceled by the Cocoa, Coffee and Pulp Warehouse and License Committee as prescribed in Rule 7.20.~~

~~(i) A coffee grader who fails to pass the maintenance grading test must pass the original grading test in order to be eligible for an Exchange license.~~

~~(ii) A coffee grader who fails to attend the seminar prescribed in subparagraph (c)(ii) of this Rule must attend such seminar to be eligible for an Exchange license.~~

~~(f) The license of a cocoa grader who fails to meet the requirement set forth in paragraph (d) of this Rule shall be canceled by the Cocoa, Coffee and Pulp Warehouse and License Committee as prescribed in Rule 7.20.~~

Rule 7.07. Master Samplers

~~To be eligible for an Exchange license as a master sampler, an applicant must:~~

~~(a) have executed a User Agreement with the Exchange to obtain the User Package and have access to and be able to use the Exchange's Commodities Operations Processing System ("COPS[®]"); and~~

~~(b) provide to the Cocoa, Coffee and Pulp Warehouse and License Committee proof acceptable to the Committee of sufficient knowledge, training and experience in the field of sampling. Applicants must also register with the Exchange the names of all those individuals it shall employ as samplers to perform Exchange sampling duties and shall attest to each individual's knowledge, training and experience in the field of sampling. Master samplers shall be responsible for the acts of all such individuals and shall immediately notify the Vice President Commodity Operations of any additions to or deletions from such required listing.~~

Rule 7.08. Weighmasters

To be eligible for an Exchange license as a weighmaster an applicant must:

~~(a) have executed a User Agreement with the Exchange to obtain the User Package and have access to and be able to use the Exchange's Commodities Operations Processing System ("COPS"); and~~

~~(b) provide to the Cocoa, Coffee and Pulp Warehouse and License Committee proof acceptable to the Committee of sufficient knowledge, training and experience in the field of weighing. Applicants must also register with the Exchange the names of all those individuals it shall employ to perform Exchange weighing duties and shall attest to each such individual's knowledge, training and experience in the field of weighing the related commodity. Weighmasters shall be responsible for the acts of all such individuals and shall immediately notify the Vice President Commodity Operations of any additions to or deletions from such required listing.]~~

Rule 7.09. [Reserved

Rule 7.10.] Application

(a) All applicants for an Exchange license must file with ~~[the Vice President]~~ Commodity Operations:

(i) an application for a license in the form supplied by the Exchange;

(ii) the applicant's rates for storage, handling and other charges, which for Cotton and FCOJ shall include, but is not limited to, authorized interest and insurance premiums, in effect at the time the applicant applies for a license;

(iii) such other documents as the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee may deem necessary or appropriate; and

~~(i[iv])~~ a non-refundable application fee in the amount specified by the Board.

(b) Applications deemed incomplete by the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee shall be kept on file for two (2) months from the date ~~[the Vice President]~~ Commodity Operations notifies an applicant of the defect; if the defect is not remedied within such time, the application shall be deemed withdrawn and an applicant must submit a new application for a license.

(c) The Warehouse and License Committee may direct an applicant to supplement, or the Exchange staff to investigate, any information supplied by the applicant as the Committee believes appropriate.

(d) If requested in writing by the Warehouse and License Committee, an applicant shall appear personally or by an officer or general partner before the Committee at such time and place as the Committee may prescribe. Failure to appear shall be deemed a withdrawal of the application.

[Rule 7.11. Appearance of Applicant, Failure to Appear

~~(a) Each applicant is required to appear personally or by an officer or general partner before the Cocoa, Coffee and Pulp Warehouse and License Committee at such time and place as the Committee may prescribe by written notice to the applicant.~~

~~(b) The Cocoa, Coffee and Pulp Warehouse and License Committee may, in its sole and absolute discretion, waive the appearance requirement. Failure to appear, unless waived by the Committee, shall be deemed a withdrawal by the applicant of his application.~~

Rule 7.12. Review of Application

~~The Cocoa, Coffee and Pulp Warehouse and License Committee may direct an applicant to supplement, or the Exchange staff to investigate, any information supplied by the applicant as the Committee believes appropriate.]~~

Rule 7.1[3]0. Granting of License; Denial; Licensed Stores

(a) The [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee shall, when it deems an application to be complete, consider each application and recommend to the Board approval or disapproval of such application.

(b) Any applicant whose application is rejected by the Board shall not be allowed to reapply for one (1) year from the date of rejection.

(c) The [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee may from time to time, without any action by the Board, license additional stores which meet the then current suitability standards or revoke the license of stores which have been formerly licensed but which no longer meet such standards.

Rule 7.1[4]1. Conditions for Denial

The Board may, in its sole and absolute discretion, deny a license to any applicant who:

(a) does not meet any of the applicable qualifications for a license, or does not follow the procedures for application set forth in these Rules;

(b) fails to provide, in the application and supporting documents, evidence of sufficient knowledge, training or experience;

(c) has been convicted, found guilty, confessed to being guilty, entered a plea of guilty or *nolo contendere* to any felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, abuse of a fiduciary relationship or other such act;

(d) has ever been denied a license of any type by any exchange; withdrawn any application for a license from any exchange; had a license which was suspended or canceled or which was subject to any bar, fine, or censure; been subject to the issuance of a cease and desist order, temporary or permanent injunction, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by any commodity exchange, related clearing organization, registered futures association, any self-regulatory organization or other business or professional association, the CFTC or the Securities and Exchange Commission or equivalent authority of any state, territory, the District of Columbia or foreign country, any federal court, state court, or regulatory agency not mentioned above or quasi-governmental body;

(e) is subject to any material unsatisfied liens or judgments;

(f) has made any false statement in or in connection with any application filed with the Exchange;

(g) is barred by any agency of the United States from contracting with the United States; or

(h) fails to meet such other qualifications as the Board may from time to time determine are in the best interests of the Exchange.

Rule 7.1[5]2. Fees

All license fees shall be established by the Board and shall be ~~paid to the Exchange when the appropriate licensing application is filed with~~ invoiced by the Exchange to the Person applying for the license or renewal at such time when the application is deemed complete by [the Exchange's Office of] Commodity Operations. The invoiced applicant shall pay the license fee to the Exchange promptly upon receipt of the invoice. Fees unpaid ten (10) days after such fees are due shall be reported to the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee for its action.

Rule 7.1[6]3. Term of License; Renewals

(a) Unless otherwise provided by the Board, each license granted or renewed, including without limitation the license of any Licensed Stores, shall be valid:

(i) for cocoa and coffee graders, master samplers, weighmasters and warehouse operators, until the thirtieth (30th) day of April [occurring next] of each year following the effective date of the granting or renewal of the license;

(ii) for cotton warehouse operators, until the thirty-first day of July of each year following the effective date of the granting or renewal of the license; and

(iii) for FCOJ tank facility operators, until the thirty-first day of December of each year following the effective date of the granting or renewal of the license.

(b) At least sixty (60) days before the expiration of the license term, all Licensees must submit to ~~[the Exchange]~~ Commodity Operations written notification of intent to renew, accompanied by the appropriate license fee; provided, however, that:

(i) coffee graders must also include in their renewal submission a statement that:

(1) during the course of the past five (5) years, they have passed either the original grading test or the maintenance grading test as authorized by the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee; and

(2) during the course of the past two (2) years, they have attended a seminar on latest developments in the coffee industry as authorized by the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee; and

(ii) cocoa graders must also include in their renewal submission a statement that:

(1) during the course of the past year, they have graded cocoa a minimum of one (1) time; provided, however, that the Chairman of the Board of Cocoa Graders may waive such requirement if the failure to grade in the past year is due to the grader being affiliated with an entity making deliveries during the relevant period..

(c) The Board may, in its sole and absolute discretion, upon receipt by the Exchange of the Licensee's written notification of intent to renew, extend the license term of such ~~[t]~~ Licensee.

(d) The Board may, in its sole and absolute discretion, extend for the ensuing fiscal year, or any part thereof, any license for which a notice of intention to renew has not been submitted.

(e) To obtain renewal of a warehouse or tank facility operator license for one (1) or more stores, the warehouse operator of such store(s) must submit to ~~[the Vice President]~~ Commodity Operations, in addition to written notification of its intent to renew, proof in a form acceptable to the ~~[Cocoa, Coffee and Pulp]~~ Warehouse and License Committee of extension of the minimum coverages required by Rule 7.0[5]8 and, with respect to a renewal of a warehouse license to store Exchange Cocoa, a valid CMA Warehouse Compliance Certificate and, with respect to a renewal of a warehouse license to store Exchange Cotton, a current cotton warehouse operator's license issued by the USDA.

~~[(f) To obtain a renewal of a master sampler or weighmaster license, the master sampler or weighmaster must include in the renewal submission a statement that said Licensee has executed a User Agreement with the Exchange and thereby has access to and is able to use COPS.]~~

Rule 7.1[7]4. Responsibility for Employees

All Licensees shall be responsible for the acts of their employees.

Rule 7.1[8]5. Record Keeping

(a) Each Licensee of the Exchange shall make and file reports with ~~[the Vice President-]~~Commodity Operations, and maintain such records for such length of time, in such manner and form, as the Rules or the Board may prescribe. All ~~[H]~~Licensees shall allow the Exchange staff to inspect such reports and records and permit such visitation of its Licensed Stores and offices as the Rules or the Board may require.

(b) A warehouse or tank facility operator shall be required to make such reports, keep such records and permit such visitations of its Licensed Stores and offices as the CFTC and, if applicable, the USDA may require. Unless otherwise specified in the Rules, such books and records shall be required to be kept for a period of five (5) years, or for a longer period if the CFTC shall so direct, and such books, records and Licensed Stores and offices shall be open at all times to inspection by any representative of the CFTC, USDA or the United States Department of Justice.

Rule 7.1[9]6. Duty to Notify

All Licensees shall immediately notify ~~[the Vice President-]~~Commodity Operations in writing by facsimile or electronic transmission of the occurrence of any of the following events:

- (a) acquisition of a license issued by any other commodity exchange;
- (b) any material and adverse change in financial condition or of an emergency event or a financial emergency (as those terms are defined in Chapter 21 of the Rules);
- (c) if a Licensee is a Firm, any change in the ownership of or controlling interest in the Firm if it is a corporation, limited liability company or sole proprietorship and, if a Licensee is a partnership, any change in the identity of the general partners;
- (d) any conviction, finding of guilt, confession of guilt, plea of guilty, or plea of *nolo contendere* to a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, abuse of a fiduciary relationship or other such act on the part of the Licensee;
- (e) any refusal to be granted a license of any type by any commodity exchange; withdrawal of any application for a license from any commodity exchange; suspension, or cancellation of a license or the issuance of any bar, fine, or censure against such Licensee by any commodity exchange; issuance of a cease and desist order, temporary or permanent injunction, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by any commodity exchange, related clearing organization, registered futures association, self-regulatory organization or other business or professional association, the CFTC or, the Securities and Exchange Commission or equivalent authority of any state, territory, the District of Columbia or foreign country, any federal court, state court, regulatory agency not mentioned above or quasi-governmental body;
- (f) becoming subject to any material unsatisfied liens or judgments;
- (g) the discovery of any false statement made in or in connection with any application filed with the Exchange;
- (h) the issuance of a bar by any agency of the United States from contracting with the United States;

(i) failure or inability to meet continuously the criteria for eligibility for a license, including without limitation the eligibility of any Licensed Store operated by a licensed warehouse or tank facility operator, or such other qualifications as the Board may from time to time determine are in the best interests of the Exchange;

(j) any irregularity or fraud, or neglect or infraction of the Rules by any Member, or any Licensee, that may come to its knowledge;

(k) any damage suffered by any Exchange Cocoa, Coffee, Cotton or FCOJ;

(l) failure to meet the requirements prescribed in the Rules or specified by the Board or the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee from time to time; and

(~~k~~m) the inability to function as a Licensee, or the inability of a Licensed Store to be used as such, due to a physical emergency such as damage to or destruction of business facilities, strike or other labor dispute, or other similar events.

Rule 7.~~20~~17. Suspension and Cancellation

(a)(i) The Board or the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any license granted or renewed, including without limitation any license issued to a Licensed Store pursuant to the Rules.

(ii) The Board may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any [~~W~~]warehouse or tank facility [~~O~~]operator's license issued pursuant to the Rules.

(iii) The Board or the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee may, in its sole and absolute discretion, declare a moratorium on the receipt or delivery of certificated cocoa, coffee, cotton or [~~pulp~~] FCOJ by or from any Licensed Stores if it has reason to believe that such Licensed Stores are not in compliance with the Rules and the [~~W~~]warehouse or tank facility [~~O~~]operator that is the Licensee of such Licensed Stores agrees to take such measures as are necessary to bring them into compliance within the period of time specified by the Board or the Committee. Notwithstanding the preceding sentence, the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee may not declare such a moratorium if, in its judgment, such action is likely to have a material effect upon the price of any Commodity Contract or might otherwise have a material impact on the market for such Commodity Contract. In the event that a moratorium is declared hereunder, the certification of any Commodity held in its Licensed Stores as to which such moratorium is declared, shall be prohibited until such moratorium is terminated. Any moratorium declared hereunder shall not exceed sixty (60) days if declared by the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee. The imposing body may shorten the duration of, or terminate, any moratorium declared hereunder if the Licensee demonstrates to the Exchange that the affected Licensed Stores are in full compliance with the Rules. Nothing contained herein shall be deemed to prohibit the owner of any Commodity stored in a Licensed Store as to which a moratorium has been declared, from moving the Commodity, at the owner's sole expense, to another location. Prior to determining whether a moratorium should be declared, the Exchange shall provide one (1) Business Day's notice to the Licensee of the affected stores and shall forward to the deliberating body such information as the Licensee furnishes.

(iv) The [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee shall cancel a coffee grader's or classifier's license in the event that such grader or classifier fails to pass the maintenance grading test prescribed in subparagraph (c)(i) of Rule 7.0[~~6~~5] or fails to comply with the requirements set forth in subparagraphs (c)(ii) and (iii) of Rule 7.0[~~6~~5].

(v) The [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee shall cancel a cocoa grader's Exchange license in the event that such grader fails to grade cocoa a minimum of one (1) time every two (2) years as set forth in paragraph (d) of Rule 7.0[~~6~~5].

(b) Prior to the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee or the Board suspending or canceling any license issued pursuant to this Rule, the Licensee shall be given notice of the intention to suspend or cancel and an opportunity to be heard by the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee or the Board (or a Special Committee as may be appointed for such purpose by the Board), as the case may be, to present evidence as to why the license should not be suspended or canceled, provided that [~~the Vice President~~]Commodity Operations receives a written request from the Licensee for such a hearing within two (2) Business Days after receipt of such notice by the Licensee.

(c) The effective date of any suspension, cancellation or moratorium shall be set by the Board, a Special Committee appointed by the Board, or the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee as the case may be.

Rule 7.[24]18. Voluntary Cancellation

(a) Any license issued under the Rules may be canceled by the party holding the license at any time.

(b) Cancellation shall be effected by a notice, in writing, stating the intention to cancel and the proposed effective date of cancellation. Except in the case of the cancellation of a warehouse or tank facility operator's license or the license of a Licensed Store, the date of cancellation may be no sooner than thirty (30) days, or, in the case of a tank facility no sooner than ninety (90) days, from the date of the receipt by [~~the Vice President~~]Commodity Operations of the written notice of cancellation, unless otherwise specifically agreed to by the Board or the Warehouse and License Committee.

(c) The effective date of the cancellation of a warehouse or tank facility operator's license or the license of a Licensed Store, shall be determined by the Board or the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee, as the case may be.

(d) On the effective date of any such cancellation, all certified Coffee and/or Cocoa in such Licensed Store, that has not been moved in accordance with Rule 8.10 for Coffee or Rule 9.23 for Cocoa, will automatically lose its certification.

(e) Voluntary cancellation of a Cotton warehouse operator's license, is contingent upon the following:

(i) If the warehouse does not have a certificated stock, the cancellation shall be complete and become effective on the effective date; or

(ii) If the warehouse has certificated cotton on hand:

(A) the cancellation of the license shall apply to the receiving of any new cotton for certification; with respect to the certificated cotton on storage, and until it is shipped out or decertificated, the license shall be limited to the provisions which apply to the storage and handling of such cotton and the warehouseman shall continue to abide by those provisions;

(B) the cancellation shall be complete and become effective once all the certificated cotton is shipped out or decertificated; provided, however, that the warehouse operator shall bear the expense of transferring the certificated cotton to another Licensed Store at the point of delivery.

(f) In the event of a voluntary cancellation of a tank facility operator's license, the tank facility operator shall arrange to transfer the FCOJ represented by EWRs to another licensed tank facility which shall issue its own EWRs and the tank facility operator transferring the FCOJ shall pay all charges which may be incurred in said transfer.

Rule 7.19. Effect of Expiration, Suspension, or Cancellation of the License of a Licensed Store or Tank Facility

(a) In the event a warehouse or tank facility operator's license terminates, expires, is suspended, or canceled, the license of the stores operated by such warehouse or tank facility operator shall also terminate, expire, be suspended or canceled, as the case may be.

(b) Unless the Board otherwise determines, if the license of a Licensed Store expires or is suspended or canceled for any reason, any certified Coffee and/or Cocoa stored in such Licensed Store shall continue to be certified, provided such Coffee and/or Cocoa is moved to a Licensed Store in accordance with Rule 8.10 for Coffee or Rule 9.23 for Cocoa within sixty (60) days of such expiration, suspension or cancellation.

(c) Unless the Board otherwise determines, if a tank facility license expires or is suspended or canceled for any reason, the tank facility operator shall arrange to transfer the FCOJ represented by its EWRs to another licensed tank facility which shall issue its own EWRs and the tank facility operator transferring the FCOJ shall pay all charges which may be incurred in said transfer.

(d) The Board or the Warehouse and License Committee may impose such other and further restrictions in connection with any such expiration, suspension, or cancellation as it may deem necessary and appropriate.

Rule 7.2[2]0. Compliance with Rules

Each Licensee shall be obligated to act at all times in accordance with the Rules, adopted by the Board from time to time, governing procedures for the storage, sampling, grading, classifying, weighing, and testing of Commodities.

[Rule 7.23. Effect of Expiration, Suspension, or Cancellation of the License of a Licensed Store

~~(a) In the event a warehouse operator's license terminates, expires, is suspended, or canceled, the license of the stores operated by such warehouse operator shall also terminate, expire, be suspended or canceled, as the case may be.~~

~~(b) Unless the Board otherwise determines, if the license of a Licensed Store expires or is suspended or canceled for any reason, any certified Coffee and/or Cocoa stored in such Licensed Store shall continue to be certified, provided such Coffee and/or Cocoa is moved to a Licensed Store in accordance with Rule 8.10 for Coffee or Rule 9.23 for Cocoa within sixty (60) days of such expiration, suspension or cancellation.~~

~~(c) The Board or the Cocoa, Coffee and Pulp Warehouse and License Committee may impose such other and further restrictions in connection with any such expiration, suspension, or cancellation as it may deem necessary and appropriate.]~~

Rule 7.2[4]1. Power to Compel Testimony

The [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee shall have the power to summon any Licensee and any of their employees to give testimony under oath by appearance before it, by telephone communication or by affidavit by a partner, officer, or responsible employee fully acquainted with the relevant facts, and to produce any documents, books, or records. If any Licensee or any of their employees fail to obey any such summons or to give any such testimony or to produce any such documents, books, or records, such failure shall constitute a violation by such Licensee of his or its duties under the Rules.

Rule 7.2[5]2. Expenses of Lawsuits Brought Against the Exchange by Licensees

Any Licensee who institutes a lawsuit or other similar proceeding against the Exchange, or any of its officers, committee members, agents or employees in any court of law or otherwise and who fails to prevail in such lawsuit or proceeding shall pay to the Exchange any and all reasonable expenses and disbursements, including reasonable attorney's fees and any statutory costs, incurred by the Exchange in the defense of such lawsuit or proceeding.

Rule 7.23. Arbitration

(a) At the election of either party, any controversy between a Member and an Exchange licensed warehouse or tank facility operator or tank facility owner shall be submitted to arbitration under the Rules.

(b)(i) For the purposes of this Rule, a controversy shall include any Claim, grievance or dispute relating to the warehousing of Exchange Cocoa, Coffee and Cotton, provided, however, that the Claim is made within two (2) years from the time the alleged Claim, grievance or dispute arose.

(ii) For the purposes of this Rule, a controversy shall include any Claim, grievance or dispute relating to the storage, handling, quality or delivery of Exchange FCOJ, provided, however, that the Claim is made within one (1) year from the time the alleged Claim, grievance or dispute arose.

(c) Notwithstanding the provisions of this Rule, all Claims relating to the delivery of Exchange FCOJ against a tank facility operator or tank facility owner must be made no later than thirty (30) days after load-out.

[COTTON

Rule 7.40. Scope of Sub-Chapter

The Rules of this Sub-Chapter govern the licensing of individuals and Firms engaged in the storage and handling of cotton for deliveries pursuant to the Exchange's Cotton No. 2SM Futures Contract.

Rule 7.41. Inspection Duties

The Exchange or its designated agent at a point of delivery shall have entire charge and supervision over the inspection, weighing and sampling of cotton submitted for certification and over certificated cotton in store.

Rule 7.42. Licenses

~~(a) Warehousemen engaged in the handling of cotton submitted for certification or already certificated for delivery on the Exchange's Cotton No. 2 Futures Contract shall be licensed by the Board of Governors.~~

~~(b) All warehouse licenses shall expire on July 31st of each year and be renewed only as originally granted.~~

~~(c) Warehouses at designated delivery points may be licensed for the storage of cotton, upon the recommendation of the Cotton Warehouse and Delivery Committee, and with the approval of the Board of Directors, except that the Cotton Warehouse and Delivery Committee may from time to time, without any action by the Board, license additional warehouse stores for already licensed warehousemen which meet the then current suitability standards. Warehousemen shall be subject to all Rules concerning matters relating to their business under such licenses.~~

~~(d) Licensed warehouses shall give such bonds or letters of credit to the Exchange as may be required by the Rules.~~

~~(e) Any warehouse license issued under the Rules may be cancelled at any time by the Board. A written notice of intention to cancel a warehouse license shall be served upon the warehouseman at least thirty (30) days before the date therein specified as the date of cancellation. A warehouse license may be cancelled by the Exchange at the written request of the warehouseman made at least thirty (30) days prior to the proposed effective date of cancellation. Such cancellation, however, shall be contingent upon the following conditions and provisions:~~

~~(i) If the warehouse does not have a certificated stock, the cancellation shall be complete in all respects; or~~

~~(ii) If the warehouse has certificated cotton on hand:~~

~~(A) the cancellation of the license shall apply to the receiving of any new cotton for certification; with respect to the certificated cotton on storage, and until it is shipped out or decertificated, the license shall be limited to the provisions which apply to the storage and handling of such cotton and the warehouseman shall continue to abide by those provisions;~~

~~(B) the cancellation shall be complete; provided the warehouseman shall bear the expense of transferring the certificated cotton to another licensed warehouse at the point of delivery.~~

~~(f) All licensed warehouses are required to load out cotton within nine (9) weeks from the date of receipt of a valid load out order. A load out order will only be considered valid for the purposes of this Rule when an EWR Decertification record has been transmitted to the warehouse and the Exchange, accompanied by instructions for prompt shipment. The penalty for non-compliance with this Rule shall be either reduction of the licensed capacity or revocation of the warehouse's license as a certificated facility, as may be determined by the Cotton Warehouse and Delivery Committee.~~

Rule 7.43. Inspection and Sampling

~~The inspection and sampling of cotton offered for inspection shall be subject to and done in accordance with the Rules and the regulations promulgated by the Secretary of Agriculture in force at the time of such inspection and sampling.~~

Rule 7.44. Request for Inspection/Certification

~~(a) Request for the inspection of cotton shall be given to the Exchange in a form prescribed by the Exchange stating the approximate number of bales, mark, point of shipment, owner of the cotton and the place where such inspection is desired, which place shall be a licensed warehouse.~~

~~(b) The cotton shall be carefully examined and, if found to be sound and merchantable, shall be eligible for certification. Bales covered with sisal bagging shall be considered unmerchantable. Where, in the opinion of the Exchange or its designated agent, cotton contains moisture to an extent making it possible that damage might result from its being stored, the Exchange or its designated agent may defer the completion of the inspection of such cotton until it is in proper condition.~~

~~(c) The sampling and weighing shall be done by the licensed warehouse.~~

~~(d) There shall be no interference by word or deed, directly or indirectly, with the inspection of cotton. In case of such interference, the inspection of the cotton shall be stopped at once, and the Person requesting the inspection shall pay the necessary expenses incurred.~~

Rule 7.45. Weighing

~~(a) All cotton submitted for inspection shall be tagged with a triplicate numbered tag and weighed by a duly licensed state or federal weigher or their designee.~~

~~(b) Loose cotton taken from the bales in process of inspection shall not be weighed with the bale; such loose cotton, as well as the trimmings accumulated in the preparation of the samples, shall be the property of the owner ordering the inspection. Upon completion of the sampling and weighing, the weight of such loose cotton shall be ascertained by the weigher, and be noted by him in his report.~~

~~(c) The licensed warehouseman shall input onto the electronic warehouse receipt ("EWR"), the official weight ascertained by the weigher, i.e., the gross weight (scale weight), actual tare weight (weight of bagging and ties, and patches, if any), and the net weight. (See Rules 10.20(a) and 10.34).~~

Rule 7.46. Samples

~~(a) Two (2) sets of samples shall be drawn in accordance with the Rules and the Secretary of Agriculture.~~

~~(b) The duplicate samples shall be the property of the holder of the EWR. The original samples of all bales submitted for certification become the property of the United States Department of Agriculture.~~

~~(c) The weight of each duplicate sample shall be not less than four (4) ounces. The delivery of duplicate samples shall be made in accordance with Rule 10.32.~~

~~(d) Samples of cotton drawn under the provisions of Rule 7.41 shall not be arbitrated upon under the Rules, or in any way recognized by any Exchange officer or committee, unless the said samples shall have been drawn by a sampler authorized to perform such duties under the Rules.~~

Rule 7.47. Warehouses

~~(a) Inspected cotton shall be stored only in warehouses licensed by the Exchange and may be transferred from one (1) warehouse to another. Such transfer shall be made only with the approval of the Exchange and under its supervision. Cotton so transferred shall be reweighed and the reweight and the date thereof input onto the new EWR.~~

~~(b) The cotton tendered against an Exchange Futures Contract shall be stored in one (1) warehouse which shall be understood to mean a single warehouse or building or a number of buildings grouped with the approval of the Exchange, comprising one (1) warehouse system under one (1) name, managed and operated by one (1) Firm, corporation or warehouseman. Warehouses so grouped shall be required to equalize the cost of transportation to and from each such warehouse with the respective costs of transportation to and from the main plant.~~

~~(c) Licensed warehouses shall be required to have operational rail sidings or, in the absence of such, must agree at the option of a Receiver in a delivery to move cotton in a delivery to the nearest operational rail siding at the warehouse's expense, and they must be in compliance with all federal, state, and city requirements which govern the operations of a cotton warehouse.~~

Rule 7.48. Warehouse Receipts

~~(a)(i) Anything in the Rules to the contrary notwithstanding, the term cotton warehouse receipt as used in the Rules shall mean an electronic warehouse receipt ("EWR"), except as provided by Rules 5.03 or 6.45 or as otherwise specified by the Board from time to time. Other instruments may only be used pursuant to a resolution specifically adopted by the Board of Governors for that purpose. All references to time shall refer to New York time.~~

~~(ii) All Members must execute provider agreements with the EWR provider.~~

~~(b) After cotton has been inspected, sampled, weighed and classed, as provided for in these Rules, an EWR shall be promptly issued for each bale. The receipt number and the number of the bale that it represents shall correspond and no two (2) outstanding receipts of the same warehouse shall bear the same number.~~

~~(c) Where an EWR is issued valid for one (1) year, its life shall be extended and such extension noted thereon, simultaneously with the periodical payment of storage as provided for in Rule 10.23(c) and (d).~~

~~(d) The licensed warehouse shall input onto each EWR all information required by the Exchange and shall certify thereto.~~

~~(e) The EWR provider shall not be liable for any Claim, loss, expense (including attorney's fees) or other liability (collectively a "Loss") incurred by a Member that arises out of, or relates to, the EWR provider's performance of administrative services related to determining the Year of Growth of any bales~~

~~of cotton as to which certification is sought, except for any Loss caused by the gross negligence or willful misconduct of the EWR provider in connection therewith.~~

~~(f) No warehouse shall claim a lien against a bale of certified cotton for unpaid charges or expenses due on other cotton or like goods as defined by the Uniform Commercial Code. Each EWR shall only contain liens representing the particular bale of certificated cotton represented thereon.~~

Rule 7.49. Damage Notification

~~(a) In the event of damage occurring in a licensed warehouse, the Exchange's designated agent shall forward to the Cotton Warehouse and Delivery Committee, for immediate posting on the web site of the Exchange, a list of the tag numbers of all certificated bales in the compartment or compartments wherein the damage occurs. Such bales shall not be deliverable on contract until they have been examined and declared tenderable by the Exchange or its designated agent. The result of such examination shall be posted on the web site of the Exchange.~~

~~(b) Bales found to be free of damage shall be declared tenderable. Bales found to have been on fire shall be declared untenderable. Bales subjected to any other kind of damage shall be declared tenderable only after they have been put in merchantable condition, reweighed, and accepted by the Exchange or its designated agent.~~

~~(c) The owner or owners at the time the damage occurs shall bear all expenses incurred.~~

~~(d) The decision of the Exchange in all cases that may arise in respect to handling and determining the condition of the cotton under this Rule shall be final.~~

Rule 7.50. Charges for Inspection and Supervision

~~(a) The charges for inspection and supervision services shall be established by the Board of Governors.~~

~~(b) The Exchange shall render bills to the Person requesting the aforementioned service or services. Any failure to pay the amount billed shall be reported to the Cotton Warehouse and Delivery Committee.~~

Rule 7.51. Arbitration

~~Any controversy between a Member and a warehouseman or facility licensed by the Exchange shall be settled by Exchange arbitration, if either party so elects. For the purposes of this Rule, a controversy shall include any Claim, grievance, or dispute relating to the warehousing of cotton by a warehouseman.~~

Rule 7.52. Duty to Notify

~~All Persons granted a license by the Exchange shall immediately notify Commodity Operations in writing of the occurrence of any of the following events:~~

~~(a) acquisition of a license issued by any other commodity exchange;~~

~~(b) any material and adverse change in financial condition or of an emergency event or a financial emergency (as those terms are defined in Chapter 21 of the Rules);~~

~~(c) if a Licensee is a Firm, any change in the ownership of or controlling interest in the Firm if it is a corporation, limited liability company or sole proprietorship and, if a Licensee is a partnership, any change in the identity of the general partners;~~

~~(d) any conviction, finding of guilt, confession of guilt, plea of guilty, or plea of *nolo contendere* to a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, abuse of a fiduciary relationship or other such act on the part of the Licensee;~~

~~(e) any refusal to be granted a license of any type by any commodity exchange; withdrawal of any application for a license from any commodity exchange; suspension, or cancellation of a license or the issuance of any bar, fine, or censure against such Licensee by any commodity exchange; issuance of a cease and desist order, temporary or permanent injunction, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by any commodity exchange, related clearing organization, registered futures association, self regulatory organization or other business or professional association, the CFTC or, the Securities and Exchange Commission or equivalent authority of any state, territory, the District of Columbia or foreign country, any federal court, state court, regulatory agency not mentioned above or quasi-governmental body;~~

~~(f) becoming subject to any material unsatisfied liens or judgments;~~

~~(g) the discovery of any false statement made in or in connection with any application filed with the Exchange;~~

~~(h) the issuance of a bar by any agency of the United States from contracting with the United States;~~

~~(i) failure or inability to meet continuously the criteria for eligibility for a license, including without limitation the eligibility of any Licensed Store operated by a licensed warehouse operator, or such other qualifications as the Board may from time to time determine are in the best interests of the Exchange;~~

~~(j) failure to meet the requirements prescribed in the Rules or specified by the Board or the Cotton Warehouse and Delivery Committee from time to time; and~~

~~(k) the inability to function as a Licensee, or the inability of a Licensed Store to be used as such, due to a physical emergency such as damage to or destruction of business facilities, strike or other labor dispute, or other similar events.~~

FCOJ AND NFC

Rule 7.60. Scope of Sub-Chapter

The Rules of this Sub Chapter govern the licensing of individuals and Firms engaged in the storage and handling of frozen concentrated orange juice ("FCOJ") and not from concentrate orange juice ("NFC") for deliveries pursuant to the Exchange's FCOJ and NFC Futures Contracts.

Rule 7.61. Licensed Facilities

A facility may be licensed for the storage, handling and delivery of FCOJ upon the filing of an application thereof, approved by the FCOJ Warehouse and Delivery Committee and the Board of Directors, except that the FCOJ Warehouse and Delivery Committee may from time to time, without any action by the Board, license additional warehouse facilities for an already licensed warehousemen which meet the then current suitability standards.

A license so granted shall be subject to such terms and conditions as are approved by the Board of Directors.

Rule 7.62. Licensing of Facilities For Storage and Delivery

(a) Definitions

The following words, when used in these Rules, shall have the meanings set forth below:

1. *Facility*: A facility which has the capacity and equipment for the storage and delivery of FCOJ and/or NFC in a manner and under conditions acceptable to the United States Department of Agriculture ("USDA") and the demonstrated ability to make daily tank deliveries equivalent to at least eight (8) FCOJ and/or NFC Futures Contracts. For purposes of this Rule, the term "Daily Tank

Deliveries” means loadout of product into tankers in the appropriate volume during regular business hours on any day that the Exchange is open for business. A facility may be a single facility.

~~2. Facility operator: One who operates a facility.~~

~~3. Facility owner: One who owns a facility.~~

~~4. Exchange FCOJ or Exchange NFC: FCOJ or NFC which meets all conditions and standards for delivery as required by the Rules.~~

~~5. EWR: The electronic warehouse receipt record created on eCOPS pursuant to Rule 7.76 by a licensed facility for Exchange FCOJ or Exchange NFC stored at its facility. All EWRs must be registered on eCOPS.~~

~~(b) Licensing~~

~~A facility may be licensed for the storage, handling and delivery of FCOJ and/or NFC which meets the specifications for delivery in accordance with the Rules and possesses the qualifications set forth therein.~~

Rule 7.63. Qualifications

~~(a) Capacity and Equipment~~

~~The facility must have the capacity, equipment and ability to store, handle and deliver FCOJ and/or NFC under contracts made on the Exchange.~~

~~(b) Examination~~

~~The physical property of the facility shall be subject to examination by the Exchange.~~

~~(c) Safety~~

~~The facility shall be properly safeguarded and protected or equipped with alarm service.~~

~~(d) USDA Inspection~~

~~(1) The facility shall be equipped to handle FCOJ under continuous inspection of the USDA, or Quality Assurance Program inspection of the USDA, or Florida Quality Systems Certification Program inspection. Each NFC and FCOJ facility shall provide an on-site laboratory that is accepted by the USDA for purposes of USDA performance of grading and testing of product under Rule 7.70. Inspections will be provided without any undue delay.~~

~~*Effective with respect to the May 2008 through May 2009 delivery months.*~~

~~(2) In the conduct of inspection, the USDA may conduct such tests, as they deem necessary, to provide assurance that the FCOJ meets the requirements set forth in Rule 13.02 for FCOJ A and FCOJ B. The FCOJ includes the origin designation of “Florida”, “Brazil” or “Florida/Brazil” in the following manner:~~

~~(A) Tank delivery. On the day of physical delivery of FCOJ by tank delivery, the USDA shall issue a USDA Certificate to the Receiver.~~

~~*Effective with respect to the July 2009 delivery month and all delivery months thereafter.*~~

~~(2) In the conduct of inspection, the USDA may conduct such tests, as they deem necessary, to provide assurance that the FCOJ meets the requirements set forth in Rule 13.02 for FCOJ A and FCOJ B, including any origin requirements.~~

~~(A) Tank delivery. On the day of physical delivery of FCOJ by tank delivery, the USDA shall issue a USDA Certificate to the Receiver.~~

~~(3) USDA inspectors will be permitted full access to select sample units of product represented by EWRs issued by the facility operator.~~

~~(4) Additionally, the USDA shall provide assurance to the Exchange that uniformity of grading is being conducted in all facilities. The Exchange will request that USDA conduct grade reviews to provide such assurance in a manner substantially similar to the following procedures:~~

~~(A) Grade reviews will be performed in the USDA, Agricultural Marketing Service, Fruit and Vegetable Division, Processed Products Branch area field office in Winter Haven, Florida.~~

~~(B) All product delivered will be reviewed unless otherwise specified by the Board.~~

~~(C) Sample units of product will be submitted to the review office in such a manner that origin and facility are not known to the review office.~~

~~(5) The correlation between grade reviews and the results recorded for earlier inspections and samplings at a facility shall at all times be satisfactory to the Exchange.~~

~~(6) The facility operator as a condition of licensing, agrees to be bound by the results of the grade reviews performed by the USDA as described in subparagraph (d)(4) of this Rule. A non-operating owner, as set forth in Rule 7.64(t) shall be bound as well.~~

~~(7) All charges imposed by the USDA for inspections and grade reviews shall be paid by the facility operator or owner.~~

~~(8) Members and Member Firms shall also be bound by the results of such grade reviews.~~

~~(e) Tariffs~~

~~Tariffs charged by the facility operator shall be satisfactory to the Exchange.~~

~~(f) Financial Condition~~

~~(1) The financial condition of a facility operator shall at all times be satisfactory to the Exchange.~~

~~(2) A facility operator shall have and shall continue to maintain:~~

~~(A) a working capital of two million dollars (\$2,000,000); or~~

~~(B) A letter of credit in the amount of one million dollars (\$1,000,000), which letter of credit shall meet the requirements of Rule 7.64(e) and shall be in addition to any letter of credit maintained pursuant to Rule 7.64(e).~~

~~(3) For the purposes of this Rule, the term "Working Capital" means the excess of current assets over current liabilities.~~

Rule 7.64. Agreements by Facility Operator and Owner

~~(a) License and eCOPS Participant Agreements~~

~~(i) To be eligible for an Exchange license, the operator and owner of the facility must execute:~~

~~(A) an agreement, in the form prescribed by the Exchange, agreeing therein to be subject to:~~

~~(1) the Rules, including specifically, the applicability of the Arbitration Rules to the resolution of any controversy between a Licensee and a Member, the storage, handling, inspection and delivery requirements of Exchange FCOI and Exchange NFC, and amendments thereto; and~~

~~(2) the jurisdiction of the courts of the State of New York and the applicability of the laws of the State of New York to all disputes between the Licensee and the Exchange; and~~

~~(B) the applicable eCOPS Participant Agreement.~~

~~(b) EWRs~~

~~The operator of a licensed facility shall issue an EWR for Exchange FCOJ and/or Exchange NFC stored by it in the form approved by the Exchange.~~

~~(c) Property Insurance~~

~~(i) The operator of a licensed facility shall:~~

~~(A) insure the FCOJ and/or NFC stored by it for the benefit of the holder of an EWR issued by it against the perils covered in an All Risk policy for the full value thereof and shall furnish evidence thereof to the Exchange and upon request, to any holder of an certificate EWR issued by it;~~

~~(B) assure that All Risk policies will be in effect at each licensed facility for which it is licensed and that such policies shall continue in full force and effect with respect to the interests of the holders of EWRs for the term of each such policy and shall be renewed or replaced for such period that any of said EWRs are outstanding, and that the Exchange is named in such policies as either an insured party or loss payee with regard to FCOJ or NFC for which EWRs have been issued;~~

~~(C) assure that the amount of insurance coverage provided in each such policy will at all times be in an amount adequate to fully cover the interests of the holders of EWRs, either by maintaining overall limits adequate to cover all insured property at each licensed facility, or by providing a specific separate policy limit with respect to the interests of holders of EWRs which limit is sufficient to fully cover such interests;~~

~~(D) agree in writing that in the event that any loss or damage is paid in full or in part to the licensed facility by the insurer, such payment, in preference to any and all other claims, shall be assigned first to any and all claims for FCOJ or NFC for which an EWR has been issued;~~

~~(E) assure that in the event that any loss or damage sustained by a holder of an EWR is not payable, or is not payable in full, by the insurer, by reason of any deductible set forth in any such policy, or otherwise, the facility operator will promptly pay such amount.~~

~~(d) Liability Insurance~~

~~The owner or operator of a licensed facility shall carry legal liability and/or fidelity insurance in such form and in such amount as shall be approved by the Exchange.~~

~~(e) Performance Bond: Letter of Credit. Limitation of Issuance of EWRs~~

~~(1) The owner or operator of a licensed facility shall maintain:~~

~~(A) a performance bond with a principal amount of one million dollars (\$1,000,000); or~~

~~(B) a letter of credit in the amount of one million dollars (\$1,000,000).~~

~~(2) Performance bonds shall be in such form as shall be approved by the Exchange and shall be issued by sureties satisfactory to the Exchange.~~

~~(3) Letters of credit shall be in such form as shall be approved by the Exchange, shall be in favor of the Exchange, and shall be issued by a bank or financial institution satisfactory to the Exchange. Such letters of credit shall be unconditional and irrevocable and shall be available to be drawn upon by the Exchange by clean sight drafts.~~

~~(f) Tariffs~~

~~(1) The operator of a licensed facility shall submit to the Exchange in detail its tariff showing its charges for storage, handling (FCOJ Only, Exchange tariffs for NFC shall not include handling charges), authorized interest and insurance premiums, where applicable, and other charges payable to it (hereinafter "storage charges") at the time it applies for a license from the Exchange which tariff~~

~~shall be published and not increased without sixty (60) days written prior notice to the Exchange effective for the following calendar quarter; provided, however, that storage charges shall be calculated at a minimum Brix value of not less than 62.5 degrees.~~

~~Storage charges filed and effective under this Rule are due and payable in advance on the first (1st) day of the month and, if not paid by 2:00 p.m. on the last Business Day of the month, are subject to authorized interest for the entire month.~~

~~Authorized interest, if filed and effective under the Rule, shall mean interest up to the maximum rate of interest allowed by applicable law. The charging of such interest by a licensed facility is a representation by it that such charge and such rate do not violate applicable law.~~

~~(2) For purposes of this Rule, the sixty (60) day period shall be deemed to begin on the date that the Office of Commodity Operations receives the written tariff increase request.~~

~~(3) Thereafter, the Exchange shall cause the written tariff increase request to be:~~

~~(A) delivered promptly to each member of the Board of Citrus Advisors; and~~

~~(B) posted on the Exchange Website.~~

~~(4) Any such tariff increase request shall be considered by the Board of Citrus Advisors during the sixty (60) day period if any member thereof so requests.~~

~~(5) All such written tariff increase requests shall become effective for the following calendar quarter from and after the sixtieth (60th) day after receipt unless:~~

~~(A) such request has been considered by the Board of Citrus Advisors during that period in the manner set forth in subparagraph (f)(4) of this Rule; and~~

~~(B) a majority of the whole Board of Citrus Advisors finds such tariff increase unsatisfactory.~~

~~In the latter event, notice of the determination that a proposed tariff increase is unsatisfactory shall be given to the Person who requested the tariff increase and posted on the Exchange's Website.~~

~~(g) *Financial Condition*~~

~~The facility operator shall furnish to the Exchange its financial statement as of the end of its last fiscal period certified by an independent public accountant and, further, shall furnish to the Exchange within four (4) months after the end of each subsequent fiscal period a similar certified financial statement. The facility operator shall also furnish to the Exchange within thirty (30) days after request therefor such additional financial information as the Exchange may request from time to time.~~

~~(h) *Exchange Surveillance*~~

~~The Exchange shall have the authority but not the obligation:~~

~~(i) to observe and inspect the weighing, sampling and other handling of Exchange FCOJ and Exchange NFC, and~~

~~(ii) to count and inspect Exchange FCOJ and Exchange NFC for comparison with outstanding EWRs for Exchange FCOJ and Exchange NFC.~~

~~(i) *Records*~~

~~*Effective with respect to the May 2008 through May 2009 delivery months.*~~

~~The operator of a licensed facility shall keep a record of the amount of Exchange FCOJ and Exchange NFC stored at the facility for which EWRs have been issued.~~

~~*Effective with respect to the July 2009 delivery month and all delivery months thereafter.*~~

The operator of a licensed facility shall keep a record of the amount of Exchange FCOJ stored at the facility for which EWRs have been issued, and commercial records supporting the country of origin as required under Rule 13.02.

(j) Discrimination

The facility operator shall not charge discriminatory rates for any of its services in storing or handling Exchange FCOJ and Exchange NFC nor give any rebate of its charges for such services.

(k) Inspection of Records

All records of a licensed facility pertaining to the storage, handling and inspection of Exchange FCOJ and Exchange NFC shall be open for inspection by representatives of the Exchange and, at the request of the Exchange, the facility operator shall promptly furnish to the Exchange a statement of stocks, receipts, and deliveries of Exchange FCOJ and Exchange NFC, the amount of FCOJ and NFC for which EWRs are outstanding and such other information relating to the foregoing as the Exchange may require.

(l) Delivery

Upon the payment or tender of the storage and other charges due to the facility on the FCOJ or NFC covered by an EWR and the surrender of the EWR, the facility operator shall promptly make available to the holder of the EWR at the unloading platform or exit door of the facility all FCOJ or NFC covered by the EWR.

(m) Selection of Samples for Inspection

The USDA inspectors shall be permitted to select their own samples in inspecting FCOJ or NFC represented by EWRs issued by the facility operator.

(n) Notification of Damage

The facility operator shall notify the Exchange immediately by telephone or telegram of any Exchange FCOJ or Exchange NFC suffering any kind of damage.

(o) Temperature

(i) The facility operator shall maintain in all tank storage areas where Exchange FCOJ is kept a constant temperature of not more than 30° Fahrenheit; provided, however, that tank deliveries, in accordance with EWRs, shall be made at a maximum of 20° Fahrenheit.

(ii) The facility operator shall maintain in all storage areas where Exchange NFC is kept a constant temperature according to commercially acceptable aseptic conditions; provided, however, that tank deliveries, in accordance with EWRs, shall be made at a maximum of 35° Fahrenheit.

(p) Change in Ownership; Financial Impairment

The facility operator agrees to notify the Exchange promptly in writing of any contemplated change in ownership of the facility or in the identity of the operator thereof as far as possible in advance of any such change and to notify the Exchange in writing without delay in the event of any impairment of capital or of any other change which would be likely to lower the qualifications of the facility for the continuation of its status as a licensed facility.

(q) Reports of Irregularities

The facility operator shall report to the Exchange in writing any irregularity or fraud, or neglect or infraction of the Rules by any Member, or any Licensee, that may come to its knowledge, and shall appear before the Exchange, upon request, to give testimony concerning any such irregularity, fraud, neglect or infraction.

(r) Reports, etc. to Government Agencies

The facility shall make such reports, keep such records and permit such visitations as the Secretary of Agriculture or the CFTC may prescribe, and shall comply with all applicable rules and regulations and orders promulgated by the Secretary of Agriculture and the CFTC. The facility and the aforesaid books and records shall be open at all times to inspection by any representatives of the Secretary of Agriculture, the CFTC, the United States Department of Justice and the Exchange.

(s) Alternate Compliance

(i) In the event that the Exchange licensed facility operator is not also the owner of the facility, the Licensee may notify the Exchange that in fulfilling its insurance and financial requirement standards under these Rules it is relying on an unlimited guarantee in a form satisfactory to the Exchange from the owner of the facility and/or insurance purchased by the owner of the facility; provided, however, that nothing in this alternative compliance arrangement shall be deemed to lessen the duties of a Licensee under the Rules.

(ii) Any licensed facility in meeting these Working Capital, net worth and letter of credit (but not performance bond) requirements may provide substituted compliance by an affiliate of the licensed facility provided that such affiliate executes and delivers an unconditional guarantee in such form and with such safeguards as are satisfactory to the FCOJ Warehouse and Delivery Committee.

(t) Non-Operating Owners

To the extent that the facility operator licensed by the Exchange is a Person other than the owner of the facility, the Exchange, and parties claiming under the Rules, shall look first (1st) to the operator to perform his duties under the Rules. In the event that the operator fails to perform these duties, then the owner of the facility shall assume responsibility for assuring that such duties are performed.

Rule 7.65. Term of License

The license of a facility operator shall continue in effect until cancelled by the Exchange or by the facility operator on ninety (90) days written notice of the Exchange pursuant to Rule 7.66.

Rule 7.66. Cancellation of License

(a) The Exchange may cancel the license of the facility operator on written notice, effective on any date specified by the Exchange, for violation by the facility operator of any Rule, for any misrepresentation or misstatement in its application for a license, for any impairment of its financial condition in the opinion of the Exchange, or for any other reason which, in the opinion of the Exchange, would make such cancellation advisable.

(b) In the event a license is cancelled by reason of a notice from the facility operator, the effective date of the cancellation shall be fixed by the Exchange at any time within ninety (90) days from the date of the written notice of cancellation by the facility operator.

(c) In the event of a cancellation of a license by the operator of a facility, or by the Exchange, the facility operator shall arrange to transfer the FCOJ and NFC represented by its EWRs to another licensed facility which shall issue its own EWRs and the facility operator transferring FCOJ or NFC shall pay all charges which may be incurred in said transfer.

Rule 7.67. Arbitration

There shall be submitted to arbitration under the Rules, at the election of either party, any controversy between a facility operator or facility owner and a Deliverer or Receiver of an EWR for Exchange FCOJ or Exchange NFC issued by said facility operator. For the purpose of this Rule, a controversy shall include any Claim, grievance or dispute relating to the storage handling, quality or delivery of Exchange FCOJ or Exchange NFC involving a former or present facility operator granted a license by the Exchange provided, however, that the Claim is made within one (1) year of the alleged grievance, Claim or dispute.

Notwithstanding the provisions of this Rule, all Claims relating to the delivery of Exchange FCOJ or Exchange NFC against a facility operator or facility owner must be made no later than thirty (30) days after load out.

Rule 7.68. Inconsistent Provisions

If any agreement between a facility operator and the owner of Exchange FCOJ or Exchange NFC or if any provisions of any EWR is inconsistent with the provisions of the Rules, the provisions of these Rules shall control.

Rule 7.69. Application for a License as a Facility

The application shall be in the following form, provided that where the applicant has more than one (1) location, a separate application is required for each location:

Application for License as A Facility

TO: THE NEW YORK BOARD OF TRADE®

Gentlemen:

We _____, operator and owner of the facility located at _____, do hereby make application to the New York Board of Trade (the "Exchange") for a license as an Exchange facility for the storage, handling and delivery of pasteurized orange juice ("FCOJ"/"NFC") [circle appropriate type(s)] pursuant to futures contracts made on the Exchange. By signing this Agreement, the operator, and (in cases in which the owner of the facility is a different Person than the operator) the owner agree:

(A) that they have read the Rules of the Exchange and acknowledge that they are bound by such By Laws and Rules, and any amendments thereto; the term "Rule", as used herein, means any by law, rule, regulation, resolution, order, procedures or interpretation of the Board of Governors or any committee of the Exchange; and specifically

(B) that they are bound by the results of grade reviews performed by the USDA;

(C) that representatives of the Exchange shall have full access to all records of USDA inspections and grade reviews;

(D) that they are subject to the Exchange's arbitration jurisdiction and bound by any decision respecting them thereunder;

(E) that they consent to the jurisdiction of the courts of the State of New York and the applicability of the laws of the State of New York to all disputes between the operator and owner and the Exchange;

(F) that they acknowledge that financial requirements are subject to change by the Exchange's Board of Governors from time to time; and

(G) that they are subject to disciplinary proceedings for the violation of any Rule of the Exchange; the Exchange's Disciplinary Rules shall govern such disciplinary proceedings.

The following documents are enclosed:

(1) A copy of the financial statement as of the end of the last fiscal period (_____, 20____) certified by an independent public accountant.

(2) A copy of the liability insurance policy which terminates on _____.

(3) A copy of the performance bond which terminates on _____.

(4) A copy of the All Risk policy which terminates on _____.

(5) A copy of the current tariff listing the detailed charges applicable to the handling, storage, sampling, inspection, delivery of FCOJ and/or NFC and other charges.

(6) Original letters of credit in the principal amount of \$ _____.

We agree that at least thirty (30) days before the expiration date or prior termination of the liability insurance policy or the performance bond (and for tank facilities, the All Risk policy) in effect at any time, we will furnish to you copies of the replacement policy or bond so that insurance or such bond shall be in effect at all times during which EWRs issued by us while licensed by you are outstanding.

Dated: _____ Dated: _____

Print Name of Facility Owner _____ Print Name of Applicant _____

By: _____ By: _____

Title _____ Title _____

The foregoing application is approved by the FCOJ Warehouse and Delivery Committee.

Dated: _____ By: _____

Chairman

Approved by the Board of Governors. _____

Dated: _____ By: _____

Corporate Secretary

Rule 7.70. Inspection

(a) At the time of the physical delivery of FCOJ or NFC upon surrender of an EWR, the facility operator shall cause samples to be made available to USDA Inspectors from the FCOJ or NFC to be delivered so that the USDA Inspectors may issue a Certificate of Quality and Condition. Said USDA Certificate shall be provided on the spot to the facility and the bearer of the EWR.

(b) General

(i) Remedies

In the event that any FCOJ or NFC delivered pursuant to an EWR fails to pass a grade review, the Clearing Member which took delivery ("Receiver") shall have the following remedies against the facility which issued the EWR:

(A) Surrender of the FCOJ or NFC which failed the grade review and replacement by FCOJ or NFC, respectively, which meets a grade review, and the facility shall pay all costs associated with such surrender and replacement; or

(B) In lieu of replacement, the Receiver may demand payment to the Member Firm of the actual damages suffered by the Member Firm.

(ii) Penalties

In addition to the remedies set forth in subparagraphs (b)(i)(A) or (B) above, the facility operator shall pay to the Receiver a penalty for any contract which fails grade review. The penalty shall be based upon schedules as shall from time to time be published by the Exchange. The Exchange has established and published a penalty of fifteen cents (15¢) per pound.

(iii) Replacement Procedure

In the event that a Receiver chooses to demand replacement under this Rule, the Receiver must issue written demand to the facility with a copy to the Exchange, within seven (7) Business Days from the date on which the Exchange informed the Receiver of that right.

A facility which is served with a demand for replacement must within the next seven (7) Business Days from such service:

(A) arrange a date and time satisfactory to the Receiver for replacement delivery or

(B) report to the Exchange that despite good faith efforts of the facility, the Receiver refuses to co-operate in setting a time and date for replacement delivery.

(iv) Alternate Settlement

In lieu of the remedies and penalties set forth in subparagraphs (b)(i) and (ii) of this Rule, the Receiver may accept such settlement from the facility as the parties may agree.

(v) Questions

All questions with respect to the proper remedy and obligations of the parties under the remedy shall be referred to the FCOJ Warehouse and Delivery Committee.

(vi) Encumbered FCOJ or NFC

The USDA Inspectors shall not furnish inspection certificates with respect to any FCOJ or NFC which is encumbered.

Rule 7.71. Reserved

Rule 7.72. Reserved

Rule 7.73. Determination of Color

To determine the color scores for FCOJ or NFC for delivery on contract, the color shall be evaluated by comparing the color of the juice with the USDA Orange Juice Color Standards as points of reference. Any device approved by the USDA which gives values equivalent to the USDA Color Standards may be used.

Rule 7.74. Storage

Every unit of FCOJ or NFC which is stored by a licensed facility and eligible for delivery by EWRs under the Rules shall be stored in a manner and under conditions acceptable to the USDA.

Rule 7.75. Reserved

Rule 7.76. Delivery Obligations of Licensed Facility Issuing An EWR

(a) The form of an EWR shall be prescribed by the Exchange.

(b) An EWR issued by a licensed facility must be issued a Certificate of Registration, as defined in Rules 13.13(a)(1) and 25.12(a)(1), in order to be eligible for delivery.

(c) A licensed facility is obligated to keep the storage fees current on all EWRs said facility issues.

~~(d) A licensed facility shall deliver to the holder of an EWR either fifteen thousand (15,000) lbs. solids (plus or minus 3%) of FCOJ or twelve thousand (12,000) lbs. solid (plus or minus 8%) of NFC, as specified in the EWR issued by the licensed facility, at the unloading platform of said facility meeting the specifications for deliverable FCOJ or NFC under the Rules upon the surrender of the EWR by the holder and the payment only of all unpaid storage charges due to the licensed facility for periods subsequent to the date of the issuance of the EWR and of such load out charges which have not been previously paid to the licensed facility.~~

~~(i) The licensed facility agrees to deliver for shipment the FCOJ or NFC specified in the EWR commencing no later than ten (10) calendar days ("Day 10") and ending no later than thirty (30) Business Days ("Day 30") after the date of demand by the holder. All requests for delivery made by a single holder or a nominee of that holder within a five (5) day continuous period may be declared to be a batch and will be subject to the same date of demand. For purposes of this Rule, the term "Date of Demand" means the date on which the facility receives the EWR, or in the case of the batch being declared by the facility, the term "Date of Demand" will refer to the first date of receipt of the EWR in such declared batch, and the term "Multiple Demand" means demands by the same Person for delivery on two (2) or more EWRs with identical Dates of Demand.~~

~~(A) All other Rules that govern the times of delivery may be suspended if a licensed facility requests the FCOJ Warehouse and Delivery Committee to determine if an inappropriate number of requests for delivery during any given period of physical deliveries have been received.~~

~~(B) The licensed facility will immediately contact the Exchange. The information regarding delivery requests will be promptly relayed to the FCOJ Warehouse and Delivery Committee. The Committee or a Panel of the Committee appointed by the Chairman of the FCOJ Warehouse and Delivery Committee will decide if an inappropriate number of requests have been made. If they so decide they will set up a schedule of deliveries that will permit all deliveries to occur during a period not to exceed thirty (30) Business Days from the Date of Demand.~~

~~(ii) In making deliveries within the time period set forth in the EWR, the licensed facility shall use its best efforts to make prompt deliveries in an orderly manner, including, but not limited to, the making of weekly pro rata deliveries, beginning during the week within which Day 10 falls, to satisfy Multiple Demands outstanding.~~

~~(iii) In the event that the licensed facility is unable to make available FCOJ or NFC specified in the EWR before the end of Day 10 then:~~

~~(A) the licensed facility shall pay as penalty to the holder one hundred fifty dollars (\$150) a day for each Business Day after Day 10 that the licensed facility is unable to fulfill the EWR;~~

~~(iv) The holder and the licensed facility shall use their best efforts to coordinate dates and times within which the FCOJ or NFC specified in the EWR will be made available and picked up.~~

~~(v) In the event that the licensed facility is unable to make available FCOJ or NFC specified in the EWR before the end of Day 30, then:~~

~~(A) the licensed facility shall pay as a penalty to the holder one hundred fifty dollars (\$150) a day for each Business Day after Day 30 that the licensed facility fails to fulfill the EWR; and~~

~~(B) storage charges incurred through Day 30 remain in effect; however, storage charges arising after Day 30 shall be waived; provided, however, that if the holder does not adhere to the schedule called for in subparagraph (b)(iv) of this Rule, then the above penalty shall not apply and a new Day 10 and/or Day 30 may be commenced on any EWR(s) upon which the schedule was violated.~~

~~(vi) In the event that a holder of an EWR presents the EWR to a licensed facility for the purpose of taking delivery of FCOJ or NFC in accordance with Exchange Rules, and the holder, prior to delivery, cancels the request for delivery and requests that the licensed facility reissue the EWR, the~~

licensed facility must reissue the EWR as long as the request is made at least forty eight (48) hours prior to delivery and may charge an administrative fee no greater than one hundred fifty dollars (\$150) for each EWR reissued.

(e) The licensed facility agrees to deliver for shipment the FCOJ specified in the EWR at a maximum temperature of 20 degrees Fahrenheit.

(f) The licensed facility agrees to deliver for shipment the NFC specified in the EWR at a maximum temperature of 35 degrees Fahrenheit.

(g) In the event of a failure of the holder of the EWR to pay storage for three (3) months, the licensed facility may reserve the right to sell or dispose of the FCOJ or NFC specified in the EWR and claim a lien against the FCOJ or NFC specified in the EWR or against the Person entitled under the EWR or on the proceeds thereof in his possession for charges for storage, transportation, loading, handling (including the demurrage and terminal charges), labor and other charges present or future in relation to the goods and for expenses necessary for the preservation of the goods or reasonably incurred in their sale pursuant to law.

(h)(i) The EWR may not be tendered in satisfaction of an Exchange contract under the Rules unless the EWR has been registered and assigned a number by eCOPS.

(ii) The Rules limit the number of EWRs that the Exchange is obligated to register.

(iii) The EWR may only be cancelled in accordance with eCOPS procedures.

Rule 7.77. Registration of EWR

EWRs, in order to be eligible for delivery, must be registered and assigned a number by eCOPS. EWRs shall be subject to the following:

(a) when an EWR has been registered and assigned a number by eCOPS, said EWR shall be considered to be "outstanding" until its registration is cancelled by the Exchange licensed facility which issued the EWR. The Exchange's Office of Commodity Operations shall maintain a current record of the number of EWRs outstanding and shall post this record on the Exchange's web site. In the event of a cancellation of an EWR the following procedures must be adhered to:

(1) when the licensed facility pumps out Exchange FCOJ or Exchange NFC in satisfaction of an EWR, the EWRs must be cancelled by the Exchange licensed facility on eCOPS;

(2) when an Exchange licensed facility regains control of an outstanding EWR issued by it, for its own proprietary account, such EWRs may be cancelled by the licensed facility on eCOPS.

Rule 7.78. Insurance Coverage

All insurance coverage in licensed facilities shall be a matter of arrangement between the owner of the FCOJ or NFC and the facility.

Rule 7.79. Term of License; Renewal

(a) Unless otherwise provided by the Board, each facility license granted or renewed shall be valid until the thirty first day of December occurring next following the effective date of the granting or renewal of the license.

(b) At least sixty (60) days before the expiration of the license term, all licensees must submit to the Exchange written notification of intent to renew.

(c) The Board may, in its sole and absolute discretion, upon receipt by the Exchange of the Licensee's written notification of intent to renew, extend the term of such license.

~~— (d) The Board may, in its sole and absolute discretion, extend for the ensuing fiscal year, or any part thereof, any license for which a notice of intention to renew has not been submitted.~~

~~(e) The facility operator must submit to the Exchange, in addition to written notification of its intent to renew, proof, in a form acceptable to the FCOJ Warehouse and Delivery Committee, of the minimum coverages required by Rule 7.64.]~~

COFFEE "C" RULES

Rule 8.00. Scope of Chapter

The Rules in this Chapter govern Transactions in the Coffee "C"[~~Mini Coffee "C"~~] Futures and Coffee Options Contracts of the Exchange. All such contracts, and all trading therein, shall be subject to the Rules, including the terms and conditions set forth in this Chapter.

Rule 8.10. Certificate of Grade

* * *

(k) If coffee covered by a Certificate of Grade is delivered on a contract other than an Exchange contract, the Deliverer must notify, in writing, the [~~Vice President~~] Commodity Operations Department of the Exchange ("Commodity Operations") within five (5) Business Days of the delivery. Such notice shall also include a statement indicating whether or not the Certificate of Grade covering such coffee was transferred to the Receiver. If the Certificate has not been transferred, the Certificate will be automatically invalidated.

Rule 8.17. Expedited Arbitration Procedure

* * *

(k) With respect to arbitrations brought pursuant to paragraph (b), a Special Arbitration Committee of three (3) disinterested members of the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee shall be appointed by the Chairman within one (1) Business Day of the Exchange's receipt of the written notice of the dispute; provided, however, if members of the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee have an interest in the dispute which precludes the appointment of a Special Arbitration Committee comprised entirely of members of the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee, the Chairman may appoint to the Committee, in his sole discretion, other persons who are associated with the warehousing and storage of coffee but in no event shall a Special Arbitration Committee fail to include at least one (1) member of the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee. The Special Arbitration Committee shall establish the date, time, and place for a hearing. Each Special Arbitration Committee shall determine the procedures to be followed in any hearing before it, except that the procedures listed in subparagraphs (e)(1) through (9) shall apply in every case.

[REMAINDER OF RULE UNCHANGED]

No. 1. Warehouse Procedures and Recordkeeping Requirements for the Storage of Exchange Coffee

RESOLVED, THAT the following are the minimum acceptable standards and procedures to be followed by Exchange licensed coffee warehouses in connection with the storage of Exchange-certified Coffee.

I. Location and Physical Structure of Warehouse

Any location for the storage of Exchange Coffees must be maintained on a continuing basis in accordance with the following standards and shall be subject to examination by the Exchange:

* * *

IX. Storage and Handling Rates

1. At the time it applies for a license from the Exchange and at the time it applies for renewal of such license, the warehouse operator shall submit to the Exchange its charges for the storage and handling of Exchange Coffee (the "Rates"). Such Rates shall be reasonable and competitive with the Rates charged by other Exchange licensed coffee warehouse operators within the same Exchange delivery port.

2. The Rates may only be increased quarterly based on a calendar year. Written notice must be given to the Exchange thirty (30) days prior to the start of the quarter in which an increase in the Rates will become effective. Prior to the effective date of the increase, the Warehouse and License Committee will review the increase to determine that it is reasonable and competitive with the Rates charged by other Exchange licensed coffee warehouse operators within the same Exchange delivery port.

3. If the Warehouse and License Committee determines that the increase in the Rates is reasonable and competitive, then the increase shall become effective at the start of the calendar quarter.

4. If the Warehouse and License Committee determines that the increase in the Rates is not reasonable and competitive, then the increase shall not become effective with respect to Exchange Coffee stored in the warehouse operator's Licensed Store(s).

X. Violations

[REMAINDER OF RESOLUTION UNCHANGED]

COCOA RULES

Rule 9.19. Grading Cocoa not Exchange Delivery; Informal Examination

* * *

(c) The grader shall have no direct interest, beneficial or prejudicial, in the parcel of cocoa to be examined, and upon request shall produce a letter confirming that he is an Exchange-licensed grader, which letter must be acknowledged by the [~~Vice President of~~] Exchange's Commodity Operations Department ("Commodity Operations").

* * *

(g) The grader shall deliver his letter, duly signed, and the sampler's report to the party requesting the examination; and to [~~the Vice President of~~] Commodity Operations a copy of each, sealed in an envelope, properly marked and dated for identification, and such envelope shall not be opened except by order of the Board. Such envelopes shall be retained for a period of not less than six (6) years from the date thereon.

* * *

(i) Any complaint against a master sampler or grader for violation of this Rule, or for misconduct thereunder, shall be made to the [~~Cocoa, Coffee and Pulp~~] Warehouse and License Committee who shall hear the complaint and the defense, and if the complaint shall appear to that Committee to be justified it shall report the matter, with its recommendations, to the Board for action by it.

[REMAINDER OF RULE UNCHANGED]

Rule 9.20. Grading Cocoa not Exchange Delivery; Formal Examination

* * *

(b) The holder of the cocoa shall send to [~~the Vice President of~~] Commodity Operations a Sampling Order for the cocoa involved, accompanied by a request for such an examination and an agreement to pay the costs pertaining thereto.

(c) The Exchange shall appoint a licensed master sampler to sample the cocoa. The cocoa shall be graded by three (3) graders licensed by the Exchange to be selected by [~~Vice President of~~] Commodity Operations. The sampling and grading shall be done in accordance with the Rules and practice.

[REMAINDER OF RULE UNCHANGED]

Rule 9.23. Weighing Cocoa

(a) Cocoa to be delivered in an Exchange-Segregated Lot must weigh ten (10) metric tons, one percent (1%) more or less (in original shipping bags of average weight(s) customary for the Growth) and must be weighed in accordance with the following Rule.

* * *

(iii) The weighmaster who weighs any cocoa into Exchange-Segregated Lots shall:

* * *

(3) Issue a Weight Note, which shall include the following:

* * *

(C) The Weight Note will be deemed to include the following certification:

"I hereby certify that the cocoa specified in this Weight Note was weighed in accordance with every provision of the By[~~L~~]aws and Rules of [~~the New York Board of Trade~~] ICE Futures U.S., Inc., and that the weights stated herein are correctly reported."

[REMAINDER OF RULE UNCHANGED]

Rule 9.24. Rebagging of Cocoa

When to protect the contents of an original bag(s) of Cocoa stored in a warehouse licensed by the Exchange, it shall be necessary to rebag such Cocoa, such rebagging may be done, within the discretion of the [~~Cocoa and Coffee~~] Warehouse and Licensing Committee, and upon the following conditions:

* * *

(b) The Exchange shall refer such request to the [~~Cocoa and Coffee~~] Warehouse and Licensing Committee who may, within their discretion, permit such rebagging to be done under the supervision of a second licensed weigher who shall be appointed by the Exchange.

[REMAINDER OF RULE UNCHANGED]

No. 5. Warehouse Procedures and Recordkeeping Requirements for the Storage of Exchange Cocoa

RESOLVED, THAT the following are the minimum acceptable standards and procedures to be followed by Exchange licensed cocoa warehouses in connection with the storage of Exchange Cocoa.

I. Location and Physical Structure of Warehouse

Any location for the storage of Exchange Cocoa must be maintained on a continuing basis in accordance with the following standards and shall be subject to examination by the Exchange:

* * *

IX. Storage and Handling Rates

1. At the time it applies for a license from the Exchange and at the time it applies for renewal of such license, the warehouse operator shall submit to the Exchange its charges for the storage and handling of Exchange Coffee (the "Rates"). Such Rates shall be reasonable and competitive with the Rates charged by other Exchange licensed coffee warehouse operators within the same Exchange delivery port.

2. The Rates may only be increased quarterly based on a calendar year. Written notice must be given to the Exchange thirty (30) days prior to the start of the quarter in which an increase in the Rates will become effective. Prior to the effective date of the increase, the Warehouse and License Committee will review the increase to determine that it is reasonable and competitive with the Rates charged by other Exchange licensed coffee warehouse operators within the same Exchange delivery port.

3. If the Warehouse and License Committee determines that the increase in the Rates is reasonable and competitive, then the increase shall become effective at the start of the calendar quarter.

4. If the Warehouse and License Committee determines that the increase in the Rates is not reasonable and competitive, then the increase shall not become effective with respect to Exchange Coffee stored in the warehouse operator's Licensed Store(s).

X. Violations

[REMAINDER OF RESOLUTION UNCHANGED]

COTTON NO. 2 RULES

Rule 10.03. Official Standards and Undeliverable Cotton

* * *

(i) The cotton tendered against an Exchange Futures Contract shall be stored in one (1) warehouse which shall be understood to mean a single warehouse or building or a number of buildings grouped with the approval of the Exchange, comprising one (1) warehouse system under one (1) name, managed and operated by one (1) Firm, corporation or warehouse operator. Warehouses so grouped shall be required to equalize the cost of transportation to and from each such warehouse with the respective costs of transportation to and from the main plant.

Rule 10.04. Contract for Future Delivery

* * *

(c) Delivery of cotton on contract may be made at delivery points designated by the Board [of Governors].

[REMAINDER OF RULE UNCHANGED]

Rule 10.17A. Inspection Duties

The Exchange or its designated agent at a point of delivery shall have entire charge and supervision over the inspection, weighing and sampling of cotton submitted for certification and over certificated cotton in store.

Rule 10.17B. Weighing

(a) All cotton submitted for inspection shall be tagged with a triplicate numbered tag and weighed by a duly licensed state or federal weigher or their designee.

(b) Loose cotton taken from the bales in process of inspection shall not be weighed with the bale; such loose cotton, as well as the trimmings accumulated in the preparation of the samples, shall be the property of the owner ordering the inspection. Upon completion of the sampling and weighing, the weight of such loose cotton shall be ascertained by the weigher, and be noted by him in his report.

(c) The licensed warehouse operator shall input onto the electronic warehouse receipt ("EWR"), the official weight ascertained by the weigher, i.e., the gross weight (scale weight), actual tare weight (weight of bagging and ties, and patches, if any), and the net weight. (See Rules 10.18 and 10.19).

(d) Whenever cotton is reweighed, the new weight and the date of the weighing shall be entered onto the EWR.

Rule 10.27A. Inspection and Sampling

(a) The inspection and sampling of cotton offered for inspection shall be subject to and done in accordance with the Rules and the regulations promulgated by the Secretary of Agriculture in force at the time of such inspection and sampling.

(b) Inspected cotton shall be stored only in warehouses licensed by the exchange and may be transferred from one (1) warehouse to another. Such transfer shall be made only with the approval of the Exchange and under its supervision. Cotton so transferred shall be reweighed and the reweight and the date thereof input onto the new EWR.

Rule 10.27B. Request for Inspection/Certification

(a) Request for the inspection of cotton shall be given to the Exchange in a form prescribed by the Exchange stating the approximate number of bales, mark, point of shipment, owner of the cotton and the place where such inspection is desired, which place shall be a licensed warehouse.

(b) The cotton shall be carefully examined and, if found to be sound and merchantable, shall be eligible for certification. Bales covered with sisal bagging shall be considered unmerchantable. Where, in the opinion of the Exchange or its designated agent, cotton contains moisture to an extent making it possible that damage might result from its being stored, the Exchange or its designated agent may defer the completion of the inspection of such cotton until it is in proper condition.

(c) The sampling and weighing shall be done by the Licensed Store.

(d) There shall be no interference by word or deed, directly or indirectly, with the inspection of cotton. In case of such interference, the inspection of the cotton shall be stopped at once, and the Person requesting the inspection shall pay the necessary expenses incurred.

Rule 10.28. Samples

* * *

(c) Two (2) sets of samples shall be drawn in accordance with the Rules and the regulations promulgated by the Secretary of Agriculture.

(d) The duplicate samples shall be the property of the holder of the EWR. The original samples of all bales submitted for certification become the property of the United States Department of Agriculture.

(e) Each sample must consist of two (2) portions, one (1) drawn from each side of the bale. Each portion should be as near six (6) inches wide and twelve (12) inches long as possible. Each portion must weigh a minimum of two (2) ounces each. Samples should not be drawn from old sample holes.

([d]f) An official Warehouse Bale Tag Coupon issued by the warehouse shall be located inside each sample. The tag list must be in one (1) of the bundles or sacks.

([e]g) Samples shall be delivered in contract units with the contract number clearly marked on each bundle. The contract number set forth on the "sample bundle" or any other document relating to a Cotton No. 2 Futures Contract delivery shall not be altered or changed where said cotton in its entirety is being redelivered during the contract month.

([f]h) The Receiver of samples must provide to the Deliverer a written receipt evidencing the time, date, place and number of bundles/or sacks received. In the event that the Deliverer of mis-marked samples can provide a written receipt to the Exchange that demonstrates the mis-marked samples were delivered within the time provided in the Rules and a notice of correction of the mis-marking was also delivered timely, then no penalty shall apply.

([g]i) The weight of each duplicate sample shall be not less than four (4) ounces. Any duplicate sample weighing less than four (4) ounces shall be considered inadequate; payment by the Deliverer for each inadequate sample shall be the same as for each missing sample.

([h]j) Samples, if requested, must be sent to the Receiver by the second (2nd) Business Day after the Date of Delivery. If samples are sent on the third (3rd) Business Day, they shall be considered late. If they are sent past the third (3rd) Business Day, they shall be considered missing. The Receiver pursuant to this Rule shall have no obligation to return late samples to the Deliverer.

([i]k) If the Ultimate Receiver fails to acknowledge ownership of the duplicate samples and fails to accept financial responsibility for the charges at the warehouse at the point of storage, the warehouseman in the possession of the duplicate samples shall not be responsible for the samples beyond the fifteenth (15th) Business Day of the month following the delivery month.

([j]l) "Claims" shall be defined as a written document submitted to the opposite Clearing Member and a copy to the Cotton [~~Warehouse and~~] Delivery Committee containing the Date of Delivery, contract numbers, the amount of money claimed, i.e., penalties, etc., the Rule violation and a detailed explanation for the Claim.

The schedule of penalties for Claims pursuant to this Rule shall be as follows:

* * *

(v) Late Delivery of Samples: (Samples must be sent to the Receiver by the second (2nd) Business Day after the Date of Delivery.)

(1) If samples are sent on the third (3rd) Business Day, they shall be considered late and a four dollar (\$4.00) penalty per bale shall apply.

(2) If samples are sent later than the third (3rd) Business Day, they shall be considered missing and an eight dollar (\$8.00) penalty per bale shall apply.

(3) If a penalty of eight dollars (\$8.00) is granted pursuant to subparagraph ([j]l)(v)(2) of this Rule, the Receiver may not claim penalties under the provisions of subparagraphs ([j]l)(ii), (iii) or (iv) of this Rule.

Rule 10.29. Deliverer's and Receiver's Guide

* * *

(f) All matters with respect to duplicate samples shall be governed by Rule 10.28 together with such Rules as are from time to time adopted by the Board [~~of Governors~~]. For clarification purposes, the following definitions shall apply to this Rule:

[REMAINDER OF RULE UNCHANGED]

Rule 10.31A. Damage Notification

(a) In the event of damage occurring in a licensed warehouse, the Exchange's designated agent shall forward to the Exchange's Commodity Operations Department ("Commodity Operations"), for immediate posting on the web site of the Exchange, a list of the tag numbers of all certificated bales in the compartment or compartments wherein the damage occurs. Such bales shall not be deliverable on contract until they have been examined and declared tenderable by the Exchange or its designated agent. The result of such examination shall be posted on the web site of the Exchange.

(b) Bales found to be free of damage shall be declared tenderable. Bales found to have been on fire shall be declared untenderable. Bales subjected to any other kind of damage shall be declared tenderable

only after they have been put in merchantable condition, reweighed, and accepted by the Exchange or its designated agent.

(c) The owner or owners at the time the damage occurs shall bear all expenses incurred.

(d) The decision of the Exchange in all cases that may arise in respect to handling and determining the condition of the cotton under this Rule shall be final.

Rule 10.32. Question of Delivery

Any question affecting the handling or delivery of cotton on a futures contract, which is not specifically covered by these Rules, may be referred to the Cotton [~~Warehouse and~~] Delivery Committee.

Rule 10.36. Payment of Invoicing Errors

Invoicing errors must be paid within five (5) Business Days upon receipt of written notification. After five (5) Business Days, interest at prime plus three percent (3%) shall be assessed. All disputes regarding invoicing errors will be ruled on by [~~the Vice President,~~] Commodity Operations [~~or his designee~~] and said decision shall be deemed final.

Rule 10.37. Levels of Authority for Adjudication of Claims

(a) The following levels per contract will be established for ruling on all disputed Claims:

(i) Level One: Claims up to four hundred fifty dollars (\$450.00) per contract will be determined by Commodity Operations and approved by the President and/or Chairman of the Cotton [~~Warehouse and~~] Delivery Committee, and upon approval, the determination shall be final and may not be appealed to any committee or the Board.

(ii) Level Two: Claims of four hundred fifty-one dollars (\$451.00) to one thousand nine hundred fifty dollars (\$1,950.00) per contract will be determined by a Panel of the Cotton [~~Warehouse and~~] Delivery Committee, whose determination shall be final and may not be appealed to any committee or the Board.

(iii) Level Three: Claims in excess of one thousand nine hundred fifty dollars (\$1,950.00) per contract will be ruled on by a Panel of the Cotton [~~Warehouse and~~] Delivery Committee and may be appealed to the Cotton Committee. If a Level Three Claim is appealed to the Cotton Committee, the Exchange shall invoice the Claimant an administrative fee of three hundred seventy-five dollars (\$375) per contract, provided, however, that no administrative fee shall be less than one thousand dollars (\$1,000.00).

[REMAINDER OF RULE UNCHANGED]

Rule 10.38. Time Period for Payment of Disputed Claims

* * *

(b) Final disputed Claim determination shall mean a decision by Commodity Operations and approved by the President and/or the Chairman of the Cotton [~~Warehouse and~~] Delivery Committee, in the case of Level One, or a Panel of the Cotton [~~Warehouse and~~] Delivery Committee if Level Two or by the Cotton Committee if Level Three or Claims by any one (1) Customer in excess of fifty thousand dollars (\$50,000).

Rule 10.40. Defaults in Delivery and Delivery of Nonconforming Cotton

* * *

(b) Default Penalty – If any of the conditions described in paragraph (a) of this Rule occur and apply to a Delivery Notice or invoice that has been tendered for delivery against the Cotton No. 2 Futures Contract, the Receiver shall have the following options:

* * *

(iv) claim the actual amount of any additional losses that the Receiver sustained as a result of the Deliverer's Default and is able to document; the amount of the award shall be determined by the Cotton [~~Warehouse and~~] Delivery Committee and, if the Cotton [~~Warehouse and~~] Delivery Committee determines that an actual loss was sustained, the Receiver shall be entitled to reimbursement for the actual losses incurred and a penalty of four cents (4¢) per pound.

* * *

(d) Delivery of Nonconforming Cotton Penalty - If any of the conditions described in paragraph (c) of this Rule occur with respect to a Delivery Notice, the Deliverer shall pay the following penalties to the Receiver:

* * *

The Receiver also may claim the actual amount of any additional losses that the Receiver sustained as a result of the Delivery of Nonconforming Cotton and is able to document. The amount of the losses shall be determined by the Cotton [~~Warehouse and~~] Delivery Committee.

(e) Settlement

* * *

(ii) When a Default arises from the failure to properly deliver a Delivery Notice, the basis for settlement shall be an average of the value of the basis for color grade Strict Low Middling White (41), leaf grade 4, staple length 1-1/16 Inch, micronaire 3.5 to 4.7, and Gram Per Text of twenty-five (25.0) minimum in deliverable form in the delivery market as determined by the Cotton [~~Warehouse and~~] Delivery Committee. If the Deliverer disputes a Claim of Default by a Receiver, the Cotton [~~Warehouse and~~] Delivery Committee shall make a determination with regard to the disputed Claim. If the Cotton [~~Warehouse and~~] Delivery Committee makes the determination that the Receiver filed a Claim for Default in error, the basis for settlement and invoicing back for the redelivery of the cotton, the refund of the four cents (4¢) per pound penalty and the compensation for any interest expense or any other additional expense that has been incurred by the Deliverer shall be determined by the Cotton [~~Warehouse and~~] Delivery Committee.

(f) The determinations made by the Cotton [~~Warehouse and~~] Delivery Committee in accordance with this Rule shall be made in writing and served on each Deliverer, Receiver and each Clearing Member involved in the Default or Nonconforming Delivery.

No. 1. Warehouse Requirements for the Storage of Exchange Cotton

RESOLVED, THAT the following are the minimum acceptable standards and procedures to be followed by Exchange licensed cotton warehouses in connection with the storage of Exchange Cotton.

(I) Location and Physical Structure of Warehouse

- (1) The physical property of the warehouse shall be subject to examination by the Exchange.
- (2) The physical property of the warehouse must be properly safeguarded and patrolled.
- (3) Any cotton subject to weather exposure must be placed on skids and entirely covered with tarpaulins.
- (4) The warehouse shall be equipped to handle cotton submitted for certification without unreasonable delay. Cotton shall be handled in the order in which its instructions are received.

(II) Duties of Warehouse Operators

(1) The warehouse operator shall not handle certificated cotton at the request of the owner without the surrender of the EWR.

(III) Transfer of Cotton

(1) Cotton may not be transferred from one licensed warehouse to another licensed warehouse without notification to, and approval by, the Exchange. Such notification shall be furnished to the Exchange at least ten (10) days prior to the transfer. When transferred, the EWR pertaining to the original warehouse shall be cancelled, and a new EWR issued for the new warehouse.

(2) If the warehouse operator ceases to operate the Licensed Store because of either a voluntary or Exchange mandated cancellation, the warehouse operator shall transfer the certificated cotton and shall be liable for the expenses of such transfer. Said transfer shall take place no later than sixty (60) days after the effective date of the cancellation.

(A) Notice of the transfer stating the warehouse to which the cotton is to be transferred shall be given to the owner and the Exchange. The owner has five (5) Business Days after receipt of the notice to notify the warehouse operator and the Exchange that his cotton should be transferred to a warehouse other than the one (1) selected by the warehouse operator, and the warehouse operator shall be liable only for those expenses that would have been incurred if the cotton had been transferred to the warehouse selected by the warehouse operator.

(3) The warehouse operator shall cover the cotton with insurance, at his expense, while the cotton is in transit and at the new location until such time as a new EWR is issued showing the new location.

(IV) Tariffs

(1) At the time the warehouse operator applies for a license and renewal, it shall submit to the Exchange its tariff listing in detail the maximum rates applying to the handling and storage of certificated cotton during the term of the license. Upon approval of the license or renewal application by the Exchange, the tariff shall be posted at the Licensed Store in accordance with USDA requirements and published by the Exchange.

(2) Storage rates on certificated cotton, which are lower than those published by the Exchange, may be granted by the warehouse operator to the owner of the certificated cotton, provided, however, that (A) the reduction is not contingent on the quantity of cotton stored for such owner by the warehouse operator, (B) the reduction is published by the Exchange and (C) the reduction is granted to any other owner of certificated cotton in the same Licensed Store on the same terms.

(3) Storage rates may not be increased during the term of the license except as provided for by the USDA.

(V) Load-Out Obligations

(1) All warehouses are required to load-out cotton within nine (9) weeks from the date of receipts of a valid load-out order. A load-out order will only be considered valid for the purposes of this Resolution when an EWR Decertification record, accompanied by instructions for prompt shipment, has been transmitted to the warehouse and the Exchange. Failure to comply with this provision of the Resolution shall be either reduction of the licensed capacity of the warehouse or cancellation of the warehouse's Exchange license.

(VII) Financial Condition

The warehouse operator shall furnish to the Exchange its financial statement as of the end of its last fiscal period certified by an independent public accountant and, further, shall furnish to the Exchange within four (4) months after the end of each subsequent fiscal period a similar certified financial statement.

(VII) EWR Requirements

1. After cotton has been inspected, sampled, weighed and classed, as provided for in the Rules, an EWR shall be promptly issued for each bale. The EWR number and the number of the bale that it represents shall correspond and no two (2) outstanding EWRs issued by the same warehouse shall have the same number.

2. When an issued EWR is valid for one (1) year, its life shall be extended, and such extension noted on the EWR, simultaneously with the periodical payment of storage as provided Rule 10.21(c) and (d).

3. The warehouse shall input onto each EWR all information including the location of the bale, required by the Exchange and shall certify thereto. Such information shall include the location of the bale, and, for the purposes of this provision, the term "location" shall mean the name of the Licensed Store.

4. The EWR Provider shall not be liable for any Claim, loss, expense (including attorney's fees) or other liability (collectively a "Loss") incurred by a Member that arises out of, or relates to, the EWR provider's performance of administrative services related to determining the Year of Growth of any bales of cotton as to which certification is sought, except for any Loss caused by the gross negligence or willful misconduct of the EWR provider in connection therewith.

5. No warehouse shall claim a lien against a bale of certified cotton for unpaid charges or expenses due on other cotton or like goods as defined by the Uniform Commercial Code. Each EWR shall only contain liens representing the particular bale of certificated cotton represented thereon.

(VIII) Record Retention

The following records relating to Exchange Cotton shall be kept and maintained by the warehouse operator for at least the indicated periods of time after the Cotton has been removed from the warehouse, decertified or otherwise no longer identified as Exchange Cotton:

<u>Category of Document</u>	<u>Time Period</u>
<u>Delivery Orders.....</u>	<u>1 year</u>
<u>Receiving Reports.....</u>	<u>2 years</u>
<u>Stock Record Cards.....</u>	<u>2 years</u>
<u>EWRs.....</u>	<u>2 years</u>
<u>Storage Report.....</u>	<u>2 years</u>
<u>Documents reflecting any movement of Exchange Cotton into or from a licensed store.....</u>	<u>2 years</u>
<u>Weight Notes.....</u>	<u>2 years</u>

(IX) Violations

Violations of the standards and procedures set forth in this Resolution shall not be grounds for a Receiver to reject a delivery or to hold a Deliverer in default, provided, however, that nothing in this Resolution shall alter or abridge the rights of a Receiver under any other provision of the Rules to reject a delivery or to hold a Deliverer in default.

FCOJ

Rule 13.01. Contract for Future Delivery of FCOJ

(a) All contracts for the future delivery of FCOJ shall be in the following form:

* * *

Delivery of FCOJ on contract may be made at delivery points designated by the Board [~~of Governors~~]. The designated delivery points may be added to or subtracted from at the discretion of the Board [~~of Governors~~] after clearance with the CFTC and proper notice to the Membership.

Rule 13.02. FCOJ Tenderable Against Exchange Contracts

* * *

(d) To determine the color scores for FCOJ for delivery on contract, the color shall be evaluated by comparing the color of the juice with the USDA Orange Juice Color Standards as points of reference. Any device approved by the USDA which gives values equivalent to the USDA Color Standards may be used.

Rule 13.05. Form of Delivery

Each contract for FCOJ shall be delivered by tank delivery (i.e. stored in tanks). Each contract delivered by tank delivery shall require the delivery of an EWR, as defined in Rule 13.13, registered with the Exchange for FCOJ meeting the specification for delivery by tank in accordance with the Rules.

Rule 13.16. Delivery of Invoice and Documents

(a) For purposes of this Rule, [~~and the Exchange's FCOJ Warehouse and Licensing Rules,~~] storage charges are all those charges set forth in the Licensed Facility's tariff published pursuant to [~~Rules 7.64(4)~~] FCOJ Resolution No. 1(V).

[REMAINDER OF RULE UNCHANGED]

Rule 13.18. Default in Delivery

(a) Defaults should be reported to the FCOJ [~~Warehouse and~~] Delivery Committee by the Member who has failed to receive satisfaction of the contract. An intentional default shall be deemed to be a violation of the Rules.

(b)(i) In case of an unintentional default, the Deliverer shall immediately notify the Receiver of his inability to make delivery in accordance with the contract, and the basis of the settlement for default in such contract shall be the Settlement Price for FCOJ as established by the Exchange on the day the default is made known by the Deliverer to the Receiver.

* * *

(iv) In the event of any conflict between the remedies set forth herein against defaulting Deliverers and the remedies set forth in [~~Rule 7.70~~] FCOJ Resolution No. 1(III)(3), the Receiver shall be entitled to choose the remedy applicable but only by giving seven (7) Business Days' notice in the manner as set forth in [~~Rule 7.70~~] FCOJ Resolution No. 1(III)(3).

(v) In the event that a default in delivery has been reported to the FCOJ [~~Warehouse and Delivery~~] Committee and the Receiver fails to give such seven (7) Business Days' notice, then the remedies in this Rule shall apply.

(vi) Additionally, the defaulting Deliverer (intentional or not) shall also be responsible to assure that the remedies set forth in [~~Rule 7.70~~] FCOJ Resolution No. 1(II)(3), if chosen by the Receiver, are available to the Receiver.

[REMAINDER OF RULE UNCHANGED]

Rule 13.22. Delivery Points

(a) For the purposes of this Rule, the term "Primary Markets" shall mean markets:

- (i) where FCOJ is produced in sufficient supply; or
- (ii) where FCOJ is imported from foreign countries in sufficient supply;

so that cash market transactions are found by the FCOJ [~~Warehouse and~~] Delivery Committee and the Board to be conducted on a regular and not sporadic basis.

[REMAINDER OF RULE UNCHANGED]

Rule 13.23. Delivery Claims

* * *

(b) If a delivering Clearing Member disputes a Claim filed in accordance with the Rules or the Claim filed by the receiving Clearing Member seeks compensation for losses, the Chairman shall promptly appoint a panel of three (3) disinterested members of the FCOJ [~~Warehouse and~~] Delivery Committee to hear and determine the Claim. If members of the FCOJ [~~Warehouse and~~] Delivery Committee have an interest in the dispute which precludes the appointment of a panel comprised entirely of members of the FCOJ [~~Warehouse and~~] Delivery Committee, the Chairman may appoint to the Committee, in his sole discretion, other persons who are associated with the FCOJ trade, provided, however, that in no event shall a panel fail to include at least one (1) disinterested member of the FCOJ [~~Warehouse and~~] Delivery Committee. The panel shall establish the date, time and place for a hearing. Each panel shall determine the procedures to be followed in any hearing before it, except that the following shall apply in every case:

[REMAINDER OF RULE UNCHANGED]

No. 1. Tank Facility Procedures and Requirements for the Storage of Exchange FCOJ

RESOLVED, THAT the following are the minimum acceptable standards and procedures to be followed by Exchange licensed FCOJ tank facilities in connection with the storage of Exchange FCOJ.

(I) Definitions

For the purposes of this Resolution and the Rules contained in this Chapter, the following words shall have the following meanings:

(1) "Daily Tank Deliveries" – The term "Daily Tank Deliveries" shall mean the loadout of FCOJ onto tankers in the appropriate volume during regular business hours on any Business Day.

(2) "Tank facility" – The term "tank facility" shall mean a tank facility which has the capacity and equipment for the storage and delivery of FCOJ in a manner and under conditions acceptable to the United States Department of Agriculture ("USDA") and the demonstrated ability to make Daily Tank Deliveries equivalent to a least eight (8) FCOJ Futures Contracts.

(3) "Tank facility operator" – The term "tank facility operator" shall mean a Person who operates a tank facility.

(4) "Tank facility owner" – The term "tank facility owner" shall mean a Person who owns a tank facility.

(II) Location and Physical Structure of Warehouse

(1) Any location for the storage of Exchange FCOJ must be maintained on a continuing basis in accordance with the standards and requirements for FCOJ tank facilities promulgated by the USDA.

(2) The physical property of the tank facility shall be subject to examination by the Exchange.

(3) The physical property of the tank facility shall be properly safeguarded and protected or equipped with alarm service.

(4) The tank facility operator shall maintain in all tank storage areas where Exchange FCOJ is kept a constant temperature of not more than 30° Fahrenheit; provided, however, that tank deliveries, in accordance with EWRs, shall be made at a maximum of 20° Fahrenheit.

(III) USDA Inspection

(1) The tank facility shall be equipped to handle FCOJ under continuous inspection of the USDA, or Quality Assurance Program inspection of the USDA, or Florida Quality Systems Certification Program inspection. Each FCOJ facility shall provide an on-site laboratory that is accepted by the USDA for purposes of USDA performance of grading and testing of product under subparagraph (III)(3) of this Resolution. Inspections will be provided without any undue delay.

(2) In the conduct of inspection, the USDA may conduct such tests, as they deem necessary, to provide assurance that the FCOJ meets the requirements set forth in Rule 13.02 for FCOJ-A, including any origin requirements.

(3) At the time of the physical delivery of FCOJ upon surrender of an EWR, the tank facility operator shall cause samples to be made available to USDA Inspectors from the FCOJ to be delivered so that the USDA Inspectors may issue a Certificate of Quality and Condition. Said USDA Certificate shall be provided on the spot to the tank facility and the Receiver.

(A) Remedies

In the event that any FCOJ delivered pursuant to an EWR fails to pass a grade review, the Clearing Member which took delivery ("Receiver") shall have the following remedies against the tank facility which issued the EWR:

(i) Surrender of the FCOJ which failed the grade review and replacement by FCOJ which meets a grade review, and the tank facility shall pay all costs associated with such surrender and replacement; or

(ii) In lieu of replacement, the Receiver may demand payment to the Member Firm of the actual damages suffered by the Member Firm.

(B) Penalties

In addition to the remedies set forth in subparagraphs (III)(3)(A)(i) or (ii) of this Resolution, the tank facility operator shall pay to the Receiver a penalty for any contract which fails grade review. The penalty shall be based upon schedules as shall from time to time be published by the Exchange. The Exchange has established and published a penalty of fifteen cents (15¢) per pound.

(C) Replacement Procedure

In the event that a Receiver chooses to demand replacement under this Rule, the Receiver must issue written demand to the tank facility with a copy to the Exchange, within seven (7) Business Days from the date on which the Exchange informed the Receiver of that right.

A tank facility which is served with a demand for replacement must within the next seven (7) Business Days from such service:

(i) arrange a date and time satisfactory to the Receiver for replacement delivery; or

(ii) report to the Exchange that despite good faith efforts of the facility, the Receiver refuses to co-operate in setting a time and date for replacement delivery.

(D) Alternate Settlement

In lieu of the remedies and penalties set forth in subparagraphs (III)(3)(A)(i) and (ii) of this Resolution, the Receiver may accept such settlement from the tank facility as the parties may agree.

(E) Questions

All questions with respect to the proper remedy and obligations of the parties described in subparagraphs (III)(3)(A)(i) and (ii) above shall be referred to the FCOJ Delivery Committee.

(F) Encumbered FCOJ

The USDA Inspectors shall not furnish inspection certificates with respect to any FCOJ which is encumbered.

(4) USDA inspectors will be permitted full access to select their own sample units of product represented by EWRs issued by the tank facility operator.

(5) Additionally, the USDA shall provide assurance to the Exchange that uniformity of grading is being conducted in all tank facilities. The Exchange will request that USDA conduct grade reviews to provide such assurance in a manner substantially similar to the following procedures:

(A) Grade reviews will be performed in the USDA, Agricultural Marketing Service, Fruit and Vegetable Division, Processed Products Branch area field office in Winter Haven, Florida.

(B) All product delivered will be reviewed unless otherwise specified by the Board.

(C) Sample units of product will be submitted to the review office in such a manner that origin and facility are not known to the review office.

(6) The correlation between grade reviews and the results recorded for earlier inspections and samplings at a tank facility shall at all times be satisfactory to the Exchange.

(7) The facility operator shall be bound by the results of the grade reviews performed by the USDA as described in subparagraph (II)(5) of this Resolution. A non-operating owner, as set forth in paragraph (X) of this Resolution shall be bound as well.

(8) All charges imposed by the USDA for inspections and grade reviews shall be paid by the tank facility operator or owner.

(9) Members and Member Firms shall also be bound by the results of such grade reviews.

(IV) Exchange Surveillance

The Exchange shall have the authority, but not the obligation, to:

(1) observe and inspect the weighing, sampling and other handling of Exchange FCOJ; and

(2) count and inspect Exchange FCOJ for comparison with outstanding EWRs for Exchange FCOJ.

(V) Tariffs

(1) Tariffs charged by a tank facility operator shall be satisfactory to the Exchange.

(2) The tank facility operator shall submit to the Exchange its tariff listing in detail its charges for storage, handling, authorized interest and insurance premiums, where applicable, and other charges payable to it ("Storage Charges") at the time it applies for a license from the Exchange which tariff shall be published and not increased without sixty (60) days written prior notice to the Exchange effective for the following calendar quarter; provided, however, that Storage Charges shall be calculated at a minimum Brix value of not less than 62.5 degrees.

(A) Storage Charges filed and effective under this Resolution are due and payable in advance on the first (1st) day of the month and, if not paid by 2:00 p.m. on the last Business Day of the month, are subject to authorized interest for the entire month.

(B) Authorized interest, if filed and effective under the Resolution, shall mean interest up to the maximum rate of interest allowed by applicable law. The charging of such interest by a licensed tank facility is a representation by it that such charge and such rate do not violate applicable law.

(3) For purposes of this Resolution, the sixty (60) day period shall be deemed to begin on the date that the Exchange's Commodity Operations Department ("Commodity Operations") receives the written tariff increase request.

(4) Thereafter, the Exchange shall cause the written tariff increase request to be:

(A) delivered promptly to each member of the Board of Citrus Advisors and the Warehouse and License Committee; and

(B) posted on the Exchange Website.

(5) Any such tariff increase request shall be considered by the Warehouse and License Committee during the sixty (60) day period if any member of the Board of Citrus Advisors so requests.

(6) All such written tariff increase requests shall become effective for the following calendar quarter from and after the sixtieth (60th) day after receipt unless:

(A) such request has been considered by the Warehouse and License Committee during that period in the manner set forth in subparagraph (III)(5) of this Resolution; and

(B) a majority of the Warehouse and License Committee finds such tariff increase unsatisfactory.

In the latter event, notice of the determination that a proposed tariff increase is unsatisfactory shall be given to the Person who requested the tariff increase and posted on the Exchange's Website.

(7) The tank facility operator shall not charge discriminatory rates for any of its services in storing or handling FCOJ nor give any rebate of its charges for services.

(VI) EWRs

In order to be eligible for delivery, EWRs must be in the form prescribed by the Exchange and be registered and assigned a number by eCOPS. EWRs shall be subject to the following:

(1) When an EWR has been registered and assigned a number by eCOPS, said EWR shall be considered to be "outstanding" until its registration is cancelled by the tank facility which issued the EWR. Commodity Operations shall maintain a current record of the number of EWRs outstanding and shall post this record on the Exchange's web site.

(2) In the event of a cancellation of an EWR the following procedures must be adhered to:

(A) when the tank facility pumps out Exchange FCOJ in satisfaction of an EWR, the EWRs must be cancelled by the tank facility on eCOPS;

(B) when a tank facility regains control of an outstanding EWR issued by it, for its own proprietary account, such EWRs may be cancelled by the tank facility on eCOPS.

(VII) Delivery Obligations of Licensed Tank Facility Issuing An EWR

(1) An EWR issued by a tank facility must be issued a Certificate of Registration, as defined in Rule 13.13(a)(1) in order to be eligible for delivery.

(2) A tank facility is obligated to keep the storage fees current on all EWRs said tank facility issues.

(3) A tank facility shall deliver to the holder of an EWR either fifteen thousand (15,000) lbs. solids (plus or minus 3%) of FCOJ, as specified in the EWR issued by the tank facility, at the unloading platform of said tank facility meeting the specifications for deliverable FCOJ under the Rules upon the surrender of the EWR by the holder and the payment only of all unpaid storage charges due to the tank facility for periods subsequent to the date of the issuance of the EWR and of such load-out charges which have not been previously paid to the tank facility.

(A) The tank facility shall deliver for shipment the FCOJ specified in the EWR commencing no later than ten (10) calendar days ("Day 10") and ending no later than thirty (30) Business Days ("Day 30") after the date of demand by the holder. All requests for delivery made by a single holder or a nominee of that holder within a five (5) day continuous period may be declared to be a batch and will be subject to the same date of demand. For purposes of this Resolution, the term "Date of Demand" means the date on which the tank facility receives the EWR, or in the case of the batch being declared by the tank facility, the term "Date of Demand" will refer to the first date of receipt of the EWR in such declared batch, and the term "Multiple Demand" means demands by the same Person for delivery on two (2) or more EWRs with identical Dates of Demand.

(i) All other Rules that govern the times of delivery may be suspended if a tank facility requests the FCOJ Delivery Committee to determine if an inappropriate number of requests for delivery during any given period of physical deliveries have been received.

(ii) The tank facility will immediately contact the Exchange. The information regarding delivery requests will be promptly relayed to the FCOJ Delivery Committee. The Committee or a Panel of the Committee appointed by the Chairman of the FCOJ Delivery Committee will decide if an inappropriate number of requests have been made. If they so decide they will set up a schedule of deliveries that will permit all deliveries to occur during a period not to exceed thirty (30) Business Days from the Date of Demand.

(C) In making deliveries within the time period set forth in the EWR, the tank facility shall use its best efforts to make prompt deliveries in an orderly manner, including, but not limited to, the making of weekly pro-rata deliveries, beginning during the week within which Day 10 falls, to satisfy Multiple Demands outstanding.

(D) In the event that the tank facility is unable to make available FCOJ specified in the EWR before the end of Day 10 then the tank facility shall pay as penalty to the holder one hundred fifty dollars (\$150) a day for each Business Day after Day 10 that the tank facility is unable to fulfill the EWR;

(E) The holder and the tank facility shall use their best efforts to coordinate dates and times within which the FCOJ specified in the EWR will be made available and picked up.

(F) In the event that the tank facility is unable to make available FCOJ specified in the EWR before the end of Day 30, then:

(i) the tank facility shall pay as a penalty to the holder one hundred fifty dollars (\$150) a day for each Business Day after Day 30 that the tank facility fails to fulfill the EWR; and

(ii) storage charges incurred through Day 30 remain in effect; however, storage charges arising after Day 30 shall be waived; provided, however, that if the holder does not adhere to the schedule called for in subparagraph (b)(iv) of this Rule, then the above penalty shall not apply and a new Day 10 and/or Day 30 may be commenced on any EWR(s) upon which the schedule was violated.

(G) In the event that a holder of an EWR presents the EWR to a tank facility for the purpose of taking delivery of FCOJ in accordance with Exchange Rules, and the holder, prior to delivery, cancels the request for delivery and requests that the tank facility reissue the EWR, the tank facility must reissue the EWR as long as the request is made at least forty-eight (48) hours prior to delivery and

may charge an administrative fee no greater than one hundred fifty dollars (\$150) for each EWR reissued.

(4) The tank facility shall deliver for shipment the FCOJ specified in the EWR at a maximum temperature of 20 degrees Fahrenheit.

(5) In the event of a failure of the holder of the EWR to pay storage for three (3) months, the tank facility may reserve the right to sell or dispose of the FCOJ specified in the EWR and claim a lien against the FCOJ specified in the EWR or against the Person entitled under the EWR or on the proceeds thereof in his possession for charges for storage, transportation, loading, handling (including the demurrage and terminal charges), labor and other charges present or future in relation to the goods and for expenses necessary for the preservation of the goods or reasonably incurred in their sale pursuant to law.

(6)(A) The EWR may not be tendered in satisfaction of an Exchange contract under the Rules unless the EWR has been registered and assigned a number by eCOPS.

(B) The Rules limit the number of EWRs that the Exchange is obligated to register.

(C) The EWR may only be cancelled in accordance with eCOPS procedures.

(VIII) Delivery

Upon the payment or tender of the storage and other charges due to the tank facility on the FCOJ covered by an EWR and the surrender of the EWR, the tank facility operator shall promptly make available to the holder of the EWR at the unloading platform or exit door of the tank facility all FCOJ covered by the EWR.

(IX) Financial Condition

The tank facility operator shall furnish to the Exchange its financial statement as of the end of its last fiscal period certified by an independent public accountant and, further, shall furnish to the Exchange within four (4) months after the end of each subsequent fiscal period a similar certified financial statement. The tank facility operator shall also furnish to the Exchange within thirty (30) days after request therefore such additional financial information as the Exchange may request from time to time.

(X) Liability for Performance

To the extent that the tank facility operator licensed by the Exchange is a Person other than the owner of the tank facility, the Exchange and parties claiming under the Rules shall look first (1st) to the tank facility operator to perform his duties under the Rules. In the event the tank facility operator fails to perform those duties, then the owner of the tank facility shall assume responsibility for assuring that such duties are performed.

(XI) Records

Effective with respect to the May 2008 through May 2009 delivery months.

1. The tank facility operator shall keep a record of the amount of Exchange FCOJ and Exchange NFC stored at the facility for which EWRs have been issued.

Effective with respect to the July 2009 delivery month and all delivery months thereafter.

1. The tank facility operator shall keep a record of the amount of Exchange FCOJ stored at the facility for which EWRs have been issued, and commercial records supporting the country of origin as required under Rule 13.02.

2. All records of a tank facility pertaining to the storage, handling and inspection of Exchange FCOJ shall be open for inspection by representatives of the Exchange and, at the request of the Exchange, the tank facility operator shall promptly furnish to the Exchange a statement of stocks, receipts, and deliveries

of Exchange FCOJ, the amount of FCOJ for which EWRs are outstanding and such other information relating to the foregoing as the Exchange may require.

3. The following records relating to Exchange FCOJ shall be kept and maintained by the tank facility operator for at least the indicated periods of time after the FCOJ has been removed from the tank facility, or otherwise no longer identified as Exchange FCOJ:

<u>Category of Document</u>	<u>Time Period</u>
<u>Delivery Orders</u>	<u>1 year</u>
<u>Receiving Reports</u>	<u>2 years</u>
<u>Stock Record Cards.....</u>	<u>2 years</u>
<u>Non-Negotiable Warehouse Receipts</u>	<u>2 years</u>
<u>Storage Report.....</u>	<u>2 years</u>

(XII) Inconsistent Provisions

If any agreement between a tank facility operator and the owner of Exchange FCOJ or if any provisions of any EWR is inconsistent with the provisions of the Rules, the provision of the Rules shall control.

(XIII) Violations

Violations of the standards and procedures set forth in this Resolution shall not be grounds for a Receiver to reject a delivery or to hold a Deliverer in default, provided, however, that nothing in this Resolution shall alter or abridge the rights of a Receiver under any other provision of the Rules to reject a delivery or to hold a Deliverer in default.

EXHIBIT B

Old Rule No.	Description	New Rule No.
7.00	Parties Subject to Licensing	7.01
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7.02	Individual Licensees	7.02
7.03	Firm Licensees	7.03
7.04	License Agreement	7.04
7.05	Warehouse Operators	7.08
7.06	Graders	7.05
7.07	Master Samplers	7.06
7.08	Weighmasters	7.07
7.09	Reserved	NA
7.10	Application	7.09
7.11	Appearance of Applicant; Failure to Appear	7.09(c) & (d)
7.12	Review of Application	7.09(a)
7.13	Granting of License; Denial; Licensed Stores	7.10
7.14	Conditions for Denial	7.11
7.15	Fees	7.12
7.16	Term of License; Renewals	7.13
7.17	Responsibility for Employees	7.14
7.18	Recordkeeping	7.15
7.19	Duty to Notify	7.16
7.20	Suspension and Cancellation	7.17
7.21	Voluntary Cancellation	7.18
7.22	Compliance with Rules	7.20
7.23	Effect of Expiration, Suspension or Cancellation of the License of a Licensed Store	7.19

Old Rule No.	Description	New Rule No.
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7.25	Expenses of Lawsuits Brought Against the Exchange by Licensees	7.22
7.40	Scope of Sub-Chapter	NA
7.41	Inspection Duties	10.17A
7.42(a) - (c)	Licenses	7.01
(d)		7.08
(e)		7.17
(e)(i) & (ii)		7.18
(f)		CT Resolution (V)
7.43	Inspection and Sampling	10.27A(a)
7.44	Request for Inspection/Certification	10.27B
7.45	Weighing	10.17B
7.46(a)	Samples	10.28(c)
(b)		10.28(d)
(c)		10.28(i)
(d)		?
7.47(a)	Warehouses	10.27A(b)
(b)		10.03(i)
(c)		7.08(a) & (d)
7.48(a)(i)	Warehouse Receipts	NA
(a)(ii)		7.04
(b) - (f)		CT Resolution VII
7.49	Damage Notification	10.31A
7.50	Charges for Inspection and Super- vision	7.12
7.51	Arbitration	7.23
7.52	Duty to Notify	7.16
7.60	Scope of Sub-Chapter	NA
7.61	Licensed Facilities	NA
7.62(a)	Licensing of Facilities for Storage	OJ Resolution (I)(2)
(b)	and Delivery	7.08(e)(i)

Old Rule No.	Description	New Rule No.
7.63(a)	Qualifications	7.01
(b)	Examination	7.08(f), OJ Res.(II)(2)
(c)	Safety	OJ Resolution (II)(2)
(d)	USDA Inpsection	7.08(e)(ii), OJ Res. (III)(1, 2, 5-9)
(e)	Tariffs	OJ Resolution (V)(1)
(f)	Financial Condition	7.08(e)(iii)
7.64(a)	Agreements by Facility Operator and Owner/(b) EWRs	7.04
(b)	Property Insurance	OJ Res. (VI), (VII)(1)
(c)	Liability Insurance	7.08(b)(iii)(A)
(d)	Performance Bond	7.08(b)(iii)(B)
(e)	Tariffs	7.08(b)(iii)(C)
(f)	Financial Condition	OJ Res. (V)(2-6)
(g)	Exchange Surveillance	OJ Resolution (IX)
(h)	Records	OJ Resolution (IV)
(i)	Discrimination	OJ Resolution (XI)(1)
(j)	Inspection of Records	OJ Resolution (V)(7)
(k)	Delivery	OJ Resolution (XI)(2)
(l)	Selection of Samples	OJ Resolution (VIII)
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(n)	Temperature	7.16(k)
(o)	Change in Ownership	OJ Resolution (II)(4)
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(q)	Reports, etc. to Government	7.16(j)
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(s)	Non-Operating Owners	7.08(iii)(D)
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7.65	Term of License	
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7.66(a)	Cancellation of License	7.17
(b)		7.18
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7.67	Arbitration	7.23
7.68	Inconsistent Provisions	OJ Resolution (XII)
7.69	Application for a License as a Facility	New Agreement (?)
7.70	Inspection	OJ Resolution (III)(3)
7.71	Reserved	NA
7.72	Reserved	NA
7.73	Determination of Color	13.02(d)
7.74	Storage	OJ Resolution (II)(1)
7.75	Reserved	NA

Old Rule No.	Description	New Rule No.
7.76(a)	Delivery Obligations of Licensed	OJ Resolution (VI)
(b)	Facility Issuing an EWR	OJ Resolution (VII)
7.77	Registration of EWR	OJ Res. (VI)(1-2)
7.78	Insurance Coverage	?
7.79	Term of License; Renewal	7.13