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2009 MAY 26 PM 3 56

May 26, 2009

SENT VIA E-MAIL TO:
submissions@cftc.gov

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

Re: Submission pursuant to Commission Regulation Section 40.6(a)

Dear Mr. Stawick:

- I. **Certification.** The Kansas City Board of Trade ("KCBT") hereby gives notification to the Commission pursuant to Commission Regulation Section 40.6(a), of its intention to amend Rule 230.05, redefining what constitutes a "material relationship" between a public director and the exchange. The Board of Directors, in a regular meeting held on May 26, 2009, acting pursuant to authority granted them under Rule 233.01(o), approved the Rule 230.05 amendments. KCBT certifies to the Commission that the amendments to Rule 230.05 are in compliance with the Commodity Exchange Act and the regulations thereunder.
- II. **Date of Implementation.** Amended Rule 230.05 shall become effective Monday, June 1, 2009.
- III. **Substantive Opposing Views.** To the knowledge of the Board of Directors and staff, no substantive opposing views were expressed by members or others regarding amended Rule 230.05.
- IV. **Text of Amended Rule.** The text of the amended Rule 230.05 is shown as follows, with additions underlined and deletions lined out:

230.05 Public Directors. In November of each year, upon nomination by the Chairman, and with the approval of the Board of Directors, two (2) public directors shall be appointed to serve for a two-year term to coincide with the terms of the directors to be elected in January of the following year.

A. To qualify as a public director, an individual must be found by the Board of Directors, on the record, to have no material relationship with the Board of Trade. A "material relationship" is one that reasonably could affect the independent judgment or decision making of the director.

B. In addition, a director shall be considered to have a "material relationship" with the Board of Trade ~~not be considered "public"~~ if any of the following circumstances exist:

(1) The director is an officer or employee of the Board of Trade or ~~an~~ director, officer or employee of its affiliate. In this context, "affiliate" includes parents or subsidiaries of the Board of Trade or entities that share a common parent with the Board of Trade;

(2) The director is a member of the Board of Trade, or ~~a person employed by or affiliated with a member. In this context, a person is "affiliated" with a member if he or she is an officer, or~~ director or partner of the member;

(3) The director, or a firm ~~with~~ of which the director is an employee, officer, director or partner receives more than \$100,000 in combined annual payments from the Board of Trade, ~~or any affiliate of the Board of Trade, for legal, accounting or consulting services or from a member or an officer, director or partner of a member of the Board of Trade. In this context, "payments" means compensation for professional services.~~ Compensation for services as a director of the Board of Trade ~~or as a director of an affiliate of the Board of Trade does~~ shall not count toward the \$100,000 payment limit, nor does deferred compensation for services prior to becoming a director, so long as such compensation is in no way contingent, conditioned or revocable;

(4) Any of the relationships above apply to a member of the director's "immediate family". In this context, "immediate family" includes the director's spouse, parents, children and siblings.

C. All of the disqualifying circumstances described in Section (B) above shall be subject to a one-year look back period.

Public directors are covered under the indemnification agreement contained in the Articles of Incorporation, are covered under any Director's and Officer's Liability Insurance, and will be reimbursed normal expenses of attending meetings.

Public directors may serve on Board committees, shall be counted in computing a quorum, shall have full rights to debate and vote upon any matter before the Board, and shall receive copies of all documents presented to Board members.

Public directors may resign, and they may be removed for good cause or for:

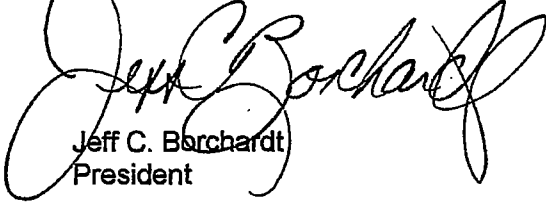
- (1) Failure to attend two (2) or more consecutive regular meetings; or
- (2) Failure to attend any three (3) regular meetings in one twelve-month period.

V. **Rationale for Action Taken.** In September of 2007, the exchange made significant changes to its governance structure in order to comply with Section 5(b)(15) of the Commodity Exchange Act (Core Principle 15 guidelines) addressing conflicts of interest. Included in these changes was Rule 230.05, setting forth what constitutes a "material relationship" between a public director and the exchange that would preclude service as a public director. Recently, the Commission finalized amendments to its Core Principle 15 guidelines, redefining what constitutes a "material relationship" between a public director and a contract market. The aforementioned amendments to Rule 230.05 are intended to harmonize said rule with the Commission's recently revised Core Principle 15 guidelines.

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Any questions regarding this submission should be directed to the undersigned at 816-753-7500.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Borchardt". The signature is fluid and cursive, with the first name "Jeff" being particularly prominent and stylized.

Jeff C. Borchardt
President

cc: DMOSubmissions@cftc.gov
Rick Shiels – CFTC Washington D.C.
Tom Bloom – CFTC Kansas City
Robin Hagedorn – CFTC Kansas City