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BY ELECTRONIC TRANSMISSION

Submission No. 09-26
June 11, 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 19.205, 21.26 and Appendix I of Chapter 27 -
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 Rules 19.205, 21.25, 21.26, Appendix I of Chapter 27 attached as Exhibit A.

Rule 19.205

The amendment makes clear which underlying Russell Complex futures contract corresponds to the Russell Complex options contracts that expire in months that are not delivery or expiration months in the underlying futures contract, i.e., serial options. The amendment codifies the longstanding practice that the underlying futures contract for each serial option is the next futures contract listed for trading after the named serial option.

Rules 21.25 and 21.26

Rule 21.25 codifies procedures for issuing summary fines for decorum, attire and the late submission of trading records needed for clearing. It includes the right to a hearing before the Executive Floor Committee. Separately, Rule 21.26 codifies the procedures for summarily barring a member or clerk from the Exchange's premises in the event there is reason to believe that his or her presence poses a physical threat to others or threatens to disrupt the marketplace. As with all access denial actions, it provides for notice and the right to a hearing, but provides that the hearing may be conducted after access has been denied, if the circumstances so warrant.

The amendment to Rule 21.25 provides that, if the same underlying conduct gives rise to a fine imposed in accordance with Rule 21.25 and a denial of access in accordance with

Rule 21.26, a hearing conducted pursuant to Rule 21.26 would also constitute the hearing provided for in Rule 21.25, and the decision issued following the Rule 21.26 hearing would constitute the final decision of the Exchange with respect to the fine issued under Rule 21.25.

Because Rule 21.26 relates to decorum, the Rule historically vested the authority to deny access in the Executive Floor Committee and, subsequently, was amended to authorize any Exchange Senior Vice President to take such action. The amendments to Rule 21.26 add the Exchange President and Vice Presidents as other officers authorized to take such action and make the necessary conforming changes.

Appendix I of Chapter 27

When the Exchange began to trade options contracts electronically, Exchange staff manually determined reasonability limits through the use of a formula. The Exchange's electronic trading system (the "Platform") has been upgraded to allow the Platform to automatically calculate the reasonability limits for options contracts as it now does for futures contracts. Reasonability limits are established to prevent egregious 'fat finger' errors by restricting the amount a contract's price may change in one trading sequence from an anchor price that is established by Market Supervision staff. The reasonability limits are hard limits beyond which the Platform will not execute orders unless the market moves to bring such orders within the reasonability limit.

In addition, the Exchange is notifying the Commission of another change to the Platform. The Platform currently allows a user the option to view market depth beyond the best bid and best offer for both futures and options contracts. As of the start of trading on Sunday night, June 14th for trade date June 15th, users will no longer have the option to view market depth in options contracts, but will only be able to see the best price on either side of the market for each option month, strike and put or call. This change is being implemented to conserve bandwidth.

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

The amendments were adopted by the Exchange's Board of Directors on June 10, 2009 and will become effective on June 15, 2009. No substantive opposing views were expressed by members or others with respect to the amendments.

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.)

Rule 19.205 – Months Traded

* * *

(c) For Option Contracts in months during which Russell Index Futures Contracts are not listed for trading, the Underlying Futures Contract shall be the next futures contract month which is listed for trading; as an example, for April and May Options, the Underlying Futures Contract is June.

Rule 21.25. Floor Committee Summary Action

* * *

(c) Request for Review of Floor Fines

A review of any fine imposed for a violation of paragraph (b) of this Rule may be initiated at the request of the Member so fined or by the Chairman of the Executive Floor Committee. ~~[, provided, however, that i]~~ If the Member fined initiates the request for a review in accordance with subparagraph (i) hereof, the review shall be conducted pursuant to subparagraph (i) and not subparagraph (ii). If the conduct underlying the issuance of a fine pursuant to this Rule 21.25 also is the subject of a hearing conducted pursuant to Rule 21.26, then the hearing conducted pursuant to Rule 21.26 shall constitute the review of the fine issued under this Rule and the written decision of the Panel issued at the conclusion of such hearing shall constitute the final decision of the Exchange with respect to the fine issued pursuant to this Rule. The procedures to initiate a review are as follows:

[REMAINDER OF RULE UNCHANGED]

Rule 21.26. Executive Floor Committee Summary Action

(a) If at any time, the Executive Floor Committee, the President, or any ~~[Senior]~~ Vice President of the Exchange determines or has a reasonable basis to believe that the presence of a Member or Clerk on the Trading Floor, in the Write-up Room or other Exchange premises presents an imminent threat to the safety or well-being of Members or employees or is, or threatens to be, disruptive to the orderly operation of the Exchange, the Executive Floor Committee, President or such ~~[Senior]~~ Vice President may suspend, deny access to the Exchange's premises or take any other action against such Member or Clerk as it may deem necessary or appropriate to protect the best interest of the marketplace. The powers of the Executive Floor Committee pursuant to this Rule may be delegated to a subcommittee consisting of at least three (3) members of the Executive Floor Committee as the Chairman of the Committee may decide in his sole discretion.

(b) Except as provided hereafter, any action taken pursuant to paragraph (a) of this Rule shall be taken after notice to the Member or Clerk against whom the action is taken and an opportunity for such Member or Clerk to be heard. Such notice shall state (i) the situation which is believed may give rise to the need for the action ~~[by the Executive Floor Committee]~~ and (ii) the date, time and place of the hearing, ~~[to]~~ which shall be held before the Executive Floor Committee.

(c) Notwithstanding the provisions of paragraph (b) hereof, action may be taken pursuant to paragraph (a) of this Rule without giving prior notice and opportunity to be heard if (i) such Member or Clerk shall have waived such notice and/or opportunity or (ii) the Executive Floor Committee, President or any Vice President ~~[in its sole discretion, shall]~~ determines or has a reasonable basis to believe that (A) the furnishing of notice and/or opportunity to be heard before taking such action is not practicable under the circumstances and (B) ~~[there is reason to believe that]~~ immediate action is necessary to protect the best interests of the marketplace. In any case in which action is taken without prior notice and/or opportunity to be heard, the Exchange shall promptly give the Member or Clerk written notice (i) stating

the action taken, (ii) briefly stating the reasons for the action, (iii) stating the effective time, date and duration of the action and (iv) advising the Member or Clerk of the right to a hearing with respect to the matter. Any hearing requested by the Member or Clerk shall be conducted no later than the second (2nd) Business Day following receipt of a request for such hearing by the Exchange.

[REMAINDER OF RULE UNCHANGED]

CHAPTER 27, APPENDIX I

* * *

4. NO CANCELLATION RANGE AND REASONABILITY LIMITS¹

Contract	Reasonability Limit	No Cancellation Range
	* * *	
All Options Contracts	<u>40% of the theoretical premium calculated by the Exchange</u> [NA – See Section 2F above]	NA – See Section 2F above

Please note:

The price reasonability limits for each Contract necessarily are flexible to take account of prevailing market conditions. It remains at the discretion of the Exchange to determine when such conditions apply. The Exchange reserves its right to consider each alleged error trade situation on its individual merits and may therefore amend these price reasonability limits in light of the circumstances of each individual case and prevailing market conditions.

Reasonability Limits

The ETS maintains Reasonability Limits to prevent ‘fat finger’ type errors. These are hard limits above or below an Exchange set anchor price. Offers above and bids below the Reasonability Limit are accepted but are not tradable unless the market moves to bring them within the Reasonability Limit. Orders with bids above the Reasonability Limit or offers below the Reasonability Limit will not be accepted, unless such orders are capable of being executed opposite previously entered resting orders at more favorable prices within the Reasonability Limit. (see Section 2B above.)

Each option order submitted to the electronic trading platform will be evaluated against a reasonability limit for the specific strike price, put and call. A reasonability limit range will be established around the theoretical premium value for each option call or put. The theoretical premium value will be calculated using the Black - Scholes model and will dynamically update throughout the day. The reasonability limit range will allow for entry of bids or offers within a certain percentage of the option’s current theoretical premium value. This Option Reasonability Percentage is the percentage above/below the calculated option theoretical premium used to establish the reasonability limits. This percentage is determined by the Exchange and is subject to change without notice. For options with little theoretical value (deep out-of-the money), a minimum premium price established by the Exchange will be used. If the theoretical price of the option plus the Option Reasonability Percentage is less than the minimum premium, the minimum premium will be used.

[REMAINDER OF APPENDIX UNCHANGED]

¹ Reasonability Limits and No Cancellation Ranges are subject to change.