


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

BY ELECTRONIC TRANSMISSION

Submission No. 12-49
September 13, 2012

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: New and Amended Definitions and Membership Rules; Energy Members
-Submission Pursuant to Regulation 40.6(a)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “CEA”) and Commission Regulations 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) submits by written certification new definitions, new Rule 2.02, and amendments to existing definitions and to Rules 2.01 through 2.10, 2.14, 2.24, 2.27 and 2.28 attached hereto as Exhibit A.

The new and amended definitions and rules: (1) establish an Energy Membership, a new category of Exchange Membership in connection with the transition of certain ICE OTC swaps to futures and options contracts listed for trading on the Exchange (see ICE Futures U.S. Submission No. 12-45 and 12-48); (2) provide that Energy Member Firms may become clearing members, but will be limited to clearing only Energy Contracts; and (3) amend certain Exchange application procedures, eligibility requirements and procedures for denying Membership, as described below.

1. Energy Membership

The Exchange is creating a new category of Trading Membership, the Energy Membership. New Rule 2.02 and the amendments to Rules 2.01, 2.03, 2.04, 2.06 and 2.10 establish the new Energy Membership and follow the structure in place for current NYBOT Trading Memberships. In addition, the terms “Energy Membership”, “Energy Member” and “Energy Member Firm” are being added as definitions in the Rules and the defined term “Trading Membership” is being amended to include the new Energy Membership category.

An Energy Membership will be non-transferable and can be acquired by current OTC market participants and any person who meets the eligibility requirements and seeks to hold the privileges associated with Exchange Membership. Similar to the current NYBOT Membership, individuals who hold an Energy Membership may also confer Firm privileges to a Firm of which such individual Energy Member (i) is a general partner, director, officer, member, executive employee or manager ; (ii) is a full-time employee or an employee of an affiliated firm thereof; and (iii) exercises authority over the affairs directly related to the firm's activities on the Exchange. Unlike the current NYBOT Membership, the Energy Membership will not entitle the holder to any discounts on contract fees; accordingly, the holder of an Energy Membership will not be required to pledge shares of ICE stock to the Exchange.

2. Energy Clearing Members

The Exchange is amending the current definition of “Member Firm” and Rule 2.14 to allow an Energy Member Firm to act as a Clearing Member for Energy Contracts. In order to be a Clearing Member of the Exchange, a Firm must be a Member Firm and satisfy the requirements established by the applicable Clearing Organization, which for the Energy Contracts will be ICE Clear Europe. Accordingly, the definition of the term “Member Firm” is being amended to include Energy Member Firm and Exchange Rule 2.14 is being amended to expressly allow an Energy Member Firm to become a Clearing Member. Energy Member Firms will be limited to clearing Energy Contracts, which are cleared at ICE Clear Europe, and will not be able to clear other Exchange contracts, which are cleared at ICE Clear U.S.

3. Amendments to Membership Application Procedures, Eligibility Requirements and Conditions for Denial

Separate from the foregoing, the Exchange is making certain revisions to the application procedures, eligibility requirements and conditions for denial associated with any form of Exchange Membership, in light of the fact that commencing October 20th no transactions will be executable by open outcry trading on the Exchange.

Membership Rules 2.06 through 2.08

Current Rules 2.06 through 2.08 are being renumbered as Exchange Rules 2.05 through 2.07 respectively.

Membership Rule 2.03

Membership Rule 2.03 sets forth the application procedures for Membership at the Exchange. The amendment to Rule 2.03 eliminates a provision which requires applicants for Membership to provide two (2) business references. The requirement is being eliminated because the Exchange has found such references to be of little value in determining an applicant’s qualification for membership, and had been used largely as a means of having floor trader’s vouch for the character of new floor traders who were not otherwise engaged on the trading floor in some capacity, such as a clerk of a floor trader.

Membership Rules 2.08 and 2.09

Membership Rules 2.08 and 2.09 set forth the conditions for denying an application for Membership and Member Firm privileges respectively. Amendments to Rule 2.08 (future Rule 2.07) and to Rule 2.09 specify certain types of misdemeanors which may serve as a basis for denial of an application for Membership. Currently, any misdemeanor may serve as a basis for denial. Based on its experience in administering this provision, the Exchange has amended it to be limited to misdemeanors involving misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of fiduciary relationship or other similar acts.

The amendments to these rules also eliminate certain criteria for denial associated with an applicant's financial standing and creditworthiness. The financial requirements for membership and trading at the Exchange are satisfied by having a Clearing Member that authorizes trading. As such, the existence of a previous bankruptcy or unpaid debt will no longer be a basis for denial of membership.

Additional Amendments to Membership Rule 2.09

An additional amendment to Rule 2.09 allows a firm to appeal a denial of an application to be a Member Firm. The appellate procedures mirror those currently in place for an individual who has been denied Membership.

Membership Rule 2.28

Membership Rule 2.28 obligates Exchange Members to notify the Exchange of the occurrence of certain events. Amendments to the rule eliminate and qualify certain events on the list. Members will no longer be required to inform the Exchange that: (i) they have become members of other commodities or securities exchanges; (ii) if any other person has an interest in their membership; (iii) they have withdrawn an application for membership at another exchange; (iv) they have withdrawn an application for registration with a regulator; or (v) they have been censured by an exchange or regulator. All of these requirements were geared towards the floor trading community and are not deemed relevant any longer. In this connection it should be noted that the existence of material disciplinary action by an exchange or regulator remains a basis for denial.

In addition, the amendments incorporate a monetary threshold for fines which Members/Member Firms are required to report to the Exchange. Individual Members will be required to notify the Exchange of fines in excess of \$25,000 and Member Firms will be required to notify the Exchange of fines in excess of \$150,000. The amendments also specifically add money laundering to the list of offenses that are reportable to the Exchange.

Certifications

The Exchange certifies that the rules and amendments comply with the requirements of the CEA and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market Core Principles and has determined that the new and amended definitions and rules comply with Core Principle 15 (Governance Fitness Standards). As required by Core Principle 15, the new and amended definitions and rules establish minimum fitness standards for Members who have trading privileges, but no voting rights or equity in the facility.

No substantive opposing views were expressed by members or others with respect to the rules or the amendments. The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website at (<https://www.theice.com/notices/RegulatoryFilings.shtml>).

If you have any questions or need further information, please contact me at 212-748-4021 (Jason.Fusco@theice.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is written in a cursive style with a large, sweeping initial "J".

Assistant General Counsel
Market Regulation

Enc.
cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

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

ICE FUTURES U.S.[®], INC.

DEFINITIONS

EXCEPT WHERE THE CONTEXT REQUIRES OTHERWISE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANING WHEN USED IN THE BY-LAWS OR RULES. USE OF THE SINGULAR SHALL INCLUDE THE PLURAL AND VICE VERSA, UNLESS THE CONTEXT REQUIRES OTHERWISE.

Energy Clearing Member

The term “Energy Clearing Member” shall mean a Clearing Member of the appropriate Clearing Organization for Energy Contracts.

Energy Member

The term “Energy Member” shall mean an individual who has been granted one or more Energy Memberships.

Energy Member Firm

The term “Energy Member Firm” shall mean any partnership, corporation, limited liability company, sole proprietorship or other entity to which Exchange privileges have been conferred by an Energy Member who is an Affiliated Person of such Firm in accordance with the Rules.

Energy Membership

The term “Energy Membership” shall mean a Trading Membership issued pursuant to Section 1(a)(ii) of Annex A to the Bylaws and Rule 2.02.

Member Firm

The term “Member Firm” shall mean any partnership, corporation, limited liability company, sole proprietorship or other entity to which Exchange privileges have been conferred by a Trading Member who is an Affiliated Person of such Firm in accordance with the Rules. For the avoidance of doubt, the term “Member Firm” shall include NYBOT Member Firms and Energy Member Firms.

Trading Membership

The term “Trading Membership” shall mean the right, as expressly provided for in Section 1(a) of Annex A to the Bylaws, to buy and sell all or any one or more of the categories of Commodity Contracts authorized for trading on the Exchange (as may be determined by the Board of Directors of the Corporation in the case of Trading Memberships authorized pursuant to Section 1(a)(ii) of Annex A to these Bylaws), together with and subject in all respects to such other rights and obligations as are expressly provided in the Bylaws and the Rules, and shall include a NYBOT Membership and an Energy Membership.

ICE FUTURES U.S.[®], INC.

MEMBERSHIP RULES

REQUIREMENTS

Rule 2.01. Qualifications

To be eligible to become and remain a holder of an Energy Membership, a NYBOT Membership, a NYBOT Trading Permit or to lease a NYBOT Membership, a person must be a natural person at least twenty-one (21) years of age, of good character, reputation and business integrity with adequate financial resources ~~and credit~~ to assume the responsibilities and privileges of Membership

Rule 2.02. Reserved Energy Membership

(a) The Exchange hereby establishes a class of Trading Membership pursuant to Section 1(a)(ii) of Annex A to the Bylaws that shall be known as "Energy Membership" and shall have the rights, privileges and obligations set forth herein.

(b) Energy Members will be permitted to trade in all Energy Contracts on the Exchange or subject to the Rules, as well as all other Commodity Contracts traded on the Exchange or subject to the Rules.

(c) For the avoidance of doubt, NYBOT Members will also be permitted to trade in all Energy Contracts on the Exchange or subject to the Rules.

(d) Notwithstanding anything to the contrary in the Rules, Energy Memberships shall not be permitted to be transferred, sold or leased by or to a Member or prospective member at any time. Energy Members shall not be required to own, acquire or pledge Required Shares to the Exchange or to acquire or lease a Trading Membership from another person.

(e) The Exchange may permit a NYBOT Member to convert its NYBOT Membership to an Energy Membership, on terms and pursuant to procedures adopted by the Exchange.

APPLICATION PROCEDURES FOR ENERGY MEMBERSHIP, NYBOT MEMBERSHIP, NYBOT TRADING PERMIT OR TO LEASE A NYBOT MEMBERSHIP

Rule 2.03. Application

(a) An individual applying to be a holder of an Energy Membership, NYBOT Membership or NYBOT Trading Permit or to lease a NYBOT Membership must file with the Exchange an application for Membership in the form supplied by the Exchange, a non-refundable application fee in the amount specified by the Board, ~~a confidential statement or report from two (2) different business references acceptable to the Membership Committee~~ and such other documents as the Exchange may deem necessary or appropriate, including in the case of a NYBOT Membership, evidence that the individual owns or will acquire the Required Shares, or that the Required Shares will be owned by a Member Firm with which the Person has entered into an A-B-C Agreement approved by the Exchange.

(b) Unless the Exchange decides otherwise, an individual who had been a Member in good standing and who, following the transfer of his sole Membership, files an application for readmission to Membership, in the form prescribed by the Exchange, a non-refundable application fee in the amount specified by the Board and such other documents as the Exchange deems necessary or appropriate, shall

be readmitted to Membership if such application, fee and other documents are filed within forty-five (45) calendar days following the date of transfer of the applicant's sole Membership.

(c) Incomplete applications shall be kept on file for two (2) months; thereafter, the application shall be deemed withdrawn and an applicant must submit a new application for Membership.

Rule 2.04. Notice of

The name of each applicant applying to be a holder of an Energy Membership, NYBOT Membership or a NYBOT Trading Permit or to lease a NYBOT Membership shall be posted on the Member Page of the Exchange's website or otherwise sent to all Members at least ten (10) days prior to approval by the Exchange.

Rule 2.05. Review of Application

(a) The Exchange may direct the applicant to supplement, or the Exchange may investigate, any information supplied by the applicant, or which the Exchange believes is appropriate.

(b) The Exchange shall review the application and may ask for and review any additional information it deems relevant; provided however, that review of all the requirements for and the granting of floor trading privileges shall be the exclusive responsibility of the Executive Floor Committee.

Rule 2.06. Election to Membership; Reinstatement; Rejection

(a) The Exchange shall, when it deems the application to be a holder of an Energy Membership, a NYBOT Membership or a NYBOT Trading Permit or to lease a NYBOT Membership to be complete, either approve the application or refer the application to the Membership Committee for action with a recommendation either to approve or disapprove the same, provided that the Exchange shall refer the application to the Membership Committee whenever (i) an application contains, or the Exchange learns of, information of the type specified in the Rules as constituting a condition for denial, (ii) an application is filed by a suspended Member seeking reinstatement or (iii) an application is filed by an expelled Member.

(b) The Membership Committee shall consider each application to be a holder of an Energy Membership, a NYBOT Membership or a NYBOT Trading Permit or to lease a NYBOT Membership referred to it by the Exchange and shall vote for or against election of the applicant to Membership. An applicant receiving affirmative votes of a majority of those members of the Membership Committee present at a duly convened meeting shall be elected to Membership; provided, however, that a suspended Member's application for reinstatement of Membership shall be treated in accordance with the Rules of the Exchange concerning the reinstatement of suspended Members, and an expelled Member's application for readmission to Membership:

(i) shall only be considered if notice thereof shall have been included in written notice of the meeting, which shall have been given at least three (3) days in advance thereof; and

(ii) shall require the affirmative votes of three-fourths of the members of the Membership Committee present to effect a readmission.

Notwithstanding the above, the Membership Committee, by a vote of three-fourths of the members present may place such conditions or restrictions on the execution of Transactions by an applicant elected to Membership as the Membership Committee deems appropriate, including, but not limited to, a restriction against executing Transactions for customer accounts.

(c) In the event that the Exchange recommends to the Membership Committee denial of an application to be a holder of an Energy Membership, a NYBOT Membership, a NYBOT Trading Permit or to lease a NYBOT Membership or the Membership Committee intends to deny such an applicant for Membership, the applicant shall be given notice thereof and an opportunity to be heard by the Membership Committee, or a subcommittee of the Membership Committee designated for this purpose by the Chairman of the Membership Committee, to present evidence as to why the application should not be denied, provided that the Secretary of the Exchange receives a written request from the applicant for such a hearing within ten (10) days after the receipt of such notice by the applicant. If a hearing is held before a subcommittee designated by the Chairman of the Membership Committee pursuant to this paragraph (c), such subcommittee shall report its findings and conclusions to the Membership Committee. The Membership Committee decision shall be the final action of the Exchange.

(d) Any application to be a holder of an Energy Membership, a NYBOT Membership or a NYBOT Trading Permit or to lease a NYBOT Membership rejected by the Membership Committee shall not be reconsidered for one (1) year.

Rule 2.07. Conditions for Denial

The Exchange may deny Membership or reinstatement to any applicant seeking approval to hold an Energy Membership, a NYBOT Membership or NYBOT Permit or to lease a NYBOT Membership who:

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

(b) has been denied registration or whose registration has been revoked or is currently suspended by the CFTC or by the Securities and Exchange Commission;

(c) is the subject of any conviction, finding of guilt, confession of guilt, plea of guilty or nolo contendere involving a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of fiduciary relationship or other similar acts;;

(d) has been enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument;

(e) is or has been subject to an order of the CFTC denying trading privileges on any contract market to the applicant, or suspending or expelling the applicant from membership on any contract market;

(f) has been or is suspended or expelled from any commodity or securities exchange, related clearing organization, the National Futures Association, the Financial Industry Regulatory Authority, Inc., or any other self-regulatory organization or other business or professional association for violation of any rule of such organization;

(g) has accumulated a disciplinary or arbitration record at any exchange, association or similar tribunal which record is judged by the Exchange or the Membership Committee to be such that membership for the applicant would not be in the best interests of the Exchange;

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

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

Rule 2.08. Reserved

MEMBER FIRMS

Rule 2.09. Eligibility for Member Firm Privileges; Conditions for Denial

(a) Any Firm shall be eligible to receive Member Firm privileges provided that at least one (1) of its general partners, directors, officers, members, executive employees or managers (a "Conferring Member") (i) is a full-time employee of such Firm or an Affiliated Firm thereof ; (ii) is a Trading Member in good standing and (iii) has and exercises authority over the affairs of the Firm directly related to the Firm's activities on the Exchange, satisfactory to the Exchange.

(b) A Member who is a special or limited partner in a Firm may not confer any of the privileges of the Exchange on such Firm.

(c) A Member cannot confer Membership privileges upon more than one (1) Firm at any one (1) time.

(d) The Exchange may deny Member Firm status to an applicant or reinstatement to a suspended Member Firm that:

(i) does not meet all of the qualifications for Membership, or does not follow the procedures for application, set forth in these Rules;

(ii) has been denied registration or whose registration has been revoked or is currently suspended by the CFTC or by the Securities and Exchange Commission;

(iii) ~~has been convicted of any felony or misdemeanor~~ is the subject of any conviction, finding of guilt, confession of guilt, plea of guilty or nolo contendere involving a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of fiduciary relationship or other similar acts;

(iv) has been enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument;

(v) is or has been subject to an order of the CFTC denying trading privileges on any contract market to the applicant, or suspending or expelling the applicant from membership on any contract market;

(vi) has been or is suspended or expelled from any commodity or securities exchange, related clearing organization, the National Futures Association, the Financial Industry Regulatory Authority,, or any other self-regulatory organization or other business or professional association for violation of any rule of such organization;

(vii) has accumulated a disciplinary or arbitration record at any exchange, association or similar tribunal which record is judged by the Exchange or the Membership Committee to be such that membership for the applicant would not be in the best interests of the Exchange;

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

(ix) has as one of its Principals, an individual who could be subject to denial of an application for Membership or reinstatement of Membership pursuant to Rule 2.07, and

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

(e) In the event that the Exchange recommends to the Membership Committee denial of an application to be a Member Firm or the Membership Committee intends to deny an application to be a Member Firm., the applicant shall be given notice thereof and an opportunity to be heard by the Membership Committee, or a subcommittee of the Membership Committee designated for this purpose by the Chairman of the Membership Committee, to present evidence as to why the application should not be denied, provided that the Secretary of the Exchange receives a written request from the applicant for such a hearing within ten (10) days after the receipt of such notice by the applicant. If a hearing is held before a subcommittee designated by the Chairman of the Membership Committee pursuant to this paragraph (c), such subcommittee shall report its findings and conclusions to the Membership Committee. The Membership Committee decision shall be the final action of the Exchange.

Rule 2.10. Application for Member Firm Privileges

(a) To obtain Member Firm privileges, a Firm shall file with the Exchange an application for Member Firm privileges in a form approved by the Board, accompanied by a non-refundable application fee in the amount specified by the Board, an agreement whereby the Firm agrees to abide by and be subject to the Rules, and an agreement in a form prescribed by the Exchange, signed by the Conferring Member and such other documents as the Exchange may request, which documents may include, but shall not be limited to:

~~(2) an agreement in a form prescribed by the Exchange, signed by the Conferring Member, making the proceeds from the sale of his Trading Membership and the corresponding Required Shares, if applicable, available for settlement of Exchange, Clearing Organization and Members' Claims against such Firm and against any Affiliated Firms of such Firm that are entitled to Member Firm rates on contract fees in accordance with Standing Resolution No. R-6, but which are not themselves Member Firms, and against such Member as prescribed in such agreement; provided, however, that any Member Firm, which has more than two (2) Persons who are Lessees and are either partners, shareholders or employees soliciting or accepting orders from or executing Transactions for other Persons, must file with the Exchange duly executed Conferring Agreements with respect to two (2) Trading Memberships;~~

(1) in the case of a partnership, a copy of the partnership agreement together with any amendments thereto, certified by a general partner;

(2) in the case of a corporation, a copy of the certificate of incorporation, including all amendments thereto, the by-laws, and a resolution of the board of directors thereof authorizing the application for Member Firm privileges, duly certified by the secretary of the corporation;

(3) in the case of a limited liability company ("LLC"), a copy of the articles of organization and operating agreement, and all amendments thereto, duly certified by an authorized member or manager thereof; and

(4) in the case of a sole proprietorship, a copy of a certificate of doing business as a sole proprietor (d/b/a) which has been filed with the Clerk of New York County, City of New York, at least five days prior to conferring membership privileges upon such sole proprietorship.

(b) If a Member Firm receives privileges on the basis of a NYBOT Membership, an agreement in a form prescribed by the Exchange, shall be signed by the Conferring Member, making the proceeds from the sale of his Trading Membership and the corresponding Required Shares, if applicable, available for settlement of Exchange, Clearing Organization and Members' Claims against such Firm and against any Affiliated Firms of such Firm that are entitled to Member Firm rates on contract fees in accordance with Standing Resolution No. R-6, but which are not themselves Member Firms, and against such Member as prescribed in such agreement; provided,

however, that any Member Firm, which has more than two (2) Persons who are Lessees and are either partners, shareholders or employees soliciting or accepting orders from or executing Transactions for other Persons, must file with the Exchange duly executed Conferring Agreements with respect to two (2) NYBOT Trading Memberships;

(c) The Exchange shall, when it deems the application to be complete, either approve the application or refer the application to the Membership Committee for action with a recommendation either to approve or disapprove the same.

CLEARING MEMBERS AND GUARANTORS

Rule 2.14. Application and Qualification of Clearing Members

(a) Any Firm desiring to become a Clearing Member shall submit an application in the form prescribed by the appropriate Clearing Organization and satisfy such requirements as may be established by such Clearing Organization from time to time.

(b) In order to be eligible to be a Clearing Member of Commodity Contracts, a Firm must continually meet such requirements as the Clearing Organization shall specify.

(c) Each Clearing Member for Commodity Contracts traded on the Exchange or subject to the Rules, must be a Member Firm, provided, however, that a Clearing Member which receives Member Firm privileges solely on the basis of an Energy Membership may only clear Energy Contracts.

NYBOT MEMBERSHIP SALES AND TRANSFERS

Rule 2.24 Security Interest in Disposition of Proceeds from Sale of a Membership and Required Shares

(a) In becoming a NYBOT Member, each NYBOT Member grants to the Exchange for the benefit of the Exchange, the appropriate Clearing Organization, the Clearing Members and all other Members, a security interest in the Required Shares that he owns to satisfy the NYBOT Membership requirements of Section 1(a)(i) of Annex A to the Bylaws and the proceeds thereof, for the purpose of securing such Member's obligations under the Rules, including, without limitation this Rule 2.24. In the case of a NYBOT Member who is a party to an approved A-B-C Agreement with a Member Firm, the Member Firm may grant the required security interest in the Required Shares on behalf of the NYBOT Member. Each such NYBOT Member (and Member Firm, if applicable) shall execute such documentation as may be required by the Exchange to evidence such security interest.

(b) The distribution by the Exchange of the proceeds from the sale of a NYBOT Membership and the Required Shares or of funds deposited with the Exchange pursuant to Rule 2.26(b) shall be made as follows:

[Remainder of Rule Unchanged]

DUTIES OF MEMBERS

Rule 2.27. Duties of Member-Elect

(a) A Member-Elect shall within thirty (30) days after his election or such longer period of time as the President shall determine:

(i) sign an agreement in the form supplied by the Exchange to abide by the Rules and all amendments that may be made thereto; and

(ii) pay the Exchange such initiation fee as the Board may determine from time to time; and

(iii) in the case of a NYBOT Member, secure a transfer or lease of a NYBOT Membership or Trading Permit to himself from another NYBOT Member or NYBOT Permit Holder; and

(iv) in the case of a NYBOT Member, acquire the Required Shares as set forth in Section 1(a)(i) of Annex A to the Bylaws.

(b) Failure by a Member-Elect to secure to himself the Required Shares and a NYBOT Membership, a NYBOT Trading Permit or a lease of a NYBOT Membership, as applicable, within the period of time specified in or under paragraph (a) shall void the Member's election.

(c) Upon compliance with the provisions of paragraph (a) of this Rule within the period of time specified therefor, the Member-Elect shall automatically and without any further act become a Member in the category in which he was elected.

Rule 2.28. Duties of All Members

(a) Each Member shall immediately notify the Exchange in writing at such time as he becomes aware of the occurrence of any of the following events:

(i) In the case of a Member Firm, any material adverse change in financial condition;

(iii) Any material change in the Member's relationship with a guarantor;

(ii) Any refusal of admission to, , any suspension or expulsion, denial of membership, registration or license, permanent injunction, or denial of trading privileges through an adverse determination, voluntary settlement or otherwise, by a commodity or securities exchange, clearing organization, the National Futures Association, the Financial Industry Regulatory Authority, Inc., or any other self-regulatory organization or other business or professional association;

(iv) Any suspension, expulsion, denial of , registration cease and desist order, temporary or permanent injunction, fine in excess of \$25,000 in the case of an individual, or \$150,000 in the case of a Firm, through an adverse determination, voluntary settlement or otherwise by:

(1) the Securities and Exchange Commission, the CFTC or the securities commission or equivalent authority of any state, territory, the District of Columbia or foreign country or;

(2) any federal court, state court, or regulatory agency not mentioned above, or quasi-governmental body;

(v) Any conviction, finding of guilt, confession of guilt, plea of guilty or nolo contendere to a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of a fiduciary relationship or other such act;

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

(vii) The commencement, by the issuance or service of a written complaint (or its equivalent), of any judicial, administrative or self-regulatory proceeding, as the case may be, against such Member by the CFTC, the Securities and Exchange Commission, the securities commission or equivalent authority of any state, territory, the District of Columbia or foreign country, or any commodity or securities exchange or related clearing organization, the National Futures Association, the Financial

Industry Regulatory Authority, Inc., or any self-regulatory organization or other business or professional association;

(viii) Any change in the office where papers may be served upon the Member or any change in the Exchange liaison designated pursuant to subparagraph (b) hereof; or

(ix) If an individual Member is employed by another Member who is the guarantor of such individual Member or upon whom such individual Member confers Membership privileges, any material change in the status of such individual Member's employment, including without limitation any termination, voluntary or otherwise, of his employment by such other Member;.

(b) Each Member shall file with the Exchange (i) a written notice designating an office where papers may be served upon such Member; and (ii) if a partnership, corporation, limited liability company or other entity, a written notice designating an officer, employee, partner or member as the Exchange liaison, whom the Exchange may contact in order to obtain additional information or documentation in connection with any matter whatsoever provided in the Rules.

(c) Each Member shall promptly notify the Exchange's Membership Department in writing of any change in address of the Member. The most recent address of a Member as is on file in the records of the Membership Department shall be deemed to be said Member's current address for all purposes, including service of notices or other documents.