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**By Electronic Mail**

November 8, 2010

Mr. David A. Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

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O.F.T.O.  
OFFICE OF THE SECRETARIAT

**Re: NYSE Liffe U.S. Submission 2010-119 – Notice 27/2010 announcing amendments clarifying procedures to settle disciplinary proceedings**

Dear Mr. Stawick:

I am the Chief Regulatory Officer of NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”). Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and U.S. Commodity Futures Trading Commission Regulations (the “Regulations”) Sections 40.6, I enclose a Cover Sheet for NYSE Liffe US Submission 2010-119 and NYSE Liffe US Notice 27/2010 which announces amendments to Chapter 7 of the NYSE Liffe US Rulebook. The amendments announced in Notice 27/2010 are meant to clarify the procedure to settle disciplinary proceedings.

NYSE Liffe US hereby certifies that Notice 27/2010 and the rule amendments announced therein comply with the Commodity Exchange Act and the regulations promulgated thereunder.

If you have any questions, please call me at (212) 656-4568.

Respectfully submitted,

A handwritten signature in black ink that reads "Karl D. Cooper".

Karl D. Cooper

Enclosures



## NYSE LIFFE U.S. NOTICE No. 27/2010

ISSUE DATE: November 8, 2010  
EFFECTIVE DATE: November 10, 2010

### NYSE Liffe U.S.- Revisions to Chapter 7 Rules Clarifying Procedures to Settle Disciplinary Proceedings

#### Summary

This Notice announces amendments to Chapter 7 Rules clarifying procedures to settle disciplinary proceedings.

#### 1. Introduction

Rule 709 sets forth the procedure for the settlement of Exchange disciplinary proceedings. Although Rule 709 refers to the service of an "order" on a respondent to make a settlement final, it does not specify who is responsible for issuing such order. The amendments announced in this Notice clarify the procedure for review and approval of written offers of settlement.

#### 2. Chapter 7 Amendments

- 2.1 The attached amendments to Chapter 7 clarify that a written offer of settlement submitted by a potential respondent or respondent shall be referred by the Chief Regulatory Officer, or his or her designee, along with a recommendation whether to accept or reject the offer, to either the Review Panel, Hearing Panel or Appeals Panel depending on the procedural posture of the proceedings.
- 2.2 In cases where no notice of charges has been issued, and the Review Panel has authorized the Market Regulation Department to notify a potential respondent of the potential charges pursuant to Rule 704, a written offer of settlement shall be referred to the Review Panel for approval or rejection. A written offer of settlement will also be referred to the Review Panel seated in a matter where a Notice of Charges has been issued but no Answer has been served by the respondent. The Review Panel will issue an order either approving or rejecting the written offer of settlement.
- 2.3 In cases where an Answer has been served, but no Notice of Appeal has yet been filed, written offers of settlement shall be referred to the Hearing Panel. The Hearing Panel will issue an order either approving or rejecting the written offer of settlement.

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NYSE Liffe US LLC is NYSE Euronext's U.S. Futures Market, a Commodity Futures Trading Commission designated contract market.

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- 2.4 In cases where a Notice of Appeal has been filed, written offers of settlement shall be referred to the Appeals Panel. The Appeals Panel will issue an order either approving or rejecting the written offer of settlement.
- 2.5 The Market Regulation Department shall serve any order approving or rejecting a written offer of settlement issued by a Review Panel, Hearing Panel or Appeals Panel, on the respondent or potential respondent. If the order approves the offer, the settlement will become final upon the expiration of 20 days after service of the order on the respondent, unless, as is provided currently in Rule 709, the Board calls the matter for review before the end of the 20-day period.
- 2.6 In Summary Proceedings, the Chief Regulatory Officer shall refer offers of settlement, along with his or her recommendation whether to accept or reject the offer, to the Summary Review Panel. The Summary Review Panel will issue an order either approving or rejecting the written offer of settlement. The effectiveness of decisions of the Summary Review Panel is governed by Rule 719(e), which provides that such decisions become final and not subject to appeal within the Exchange upon service of a copy of the decision upon the respondent.

Members who have questions or seek additional information in respect of this Notice should contact:

Market Regulation Department +1 212 656 4300

[NLMktReg@nyx.com](mailto:NLMktReg@nyx.com)

# Appendix to Notice 27/2010 Amendments to Chapter 7 Rules

## CHAPTER 7

### 701. General

(a) through (g)

No Changes.

(h) Exchange disciplinary proceedings will be conducted as set forth in this Chapter 7 by the following panels, which shall be formed in accordance with Rule 701(i):

(i) Appeals Panel

The term "Appeals Panel" means a panel comprised of three individuals, two of whom shall be Members (or officers of Members or affiliates of Members). The Chief Regulatory Officer shall form an Appeals Panel upon the filing of one or more notices of appeal pursuant to Rule 717. The Appeals Panel will consider the appeal or appeals for which it was formed in accordance with Chapter 7, and determine whether offers of settlement shall be accepted or rejected in matters pending before the Appeals Panel pursuant to Rule 709.

(ii) Hearing Panel

The term "Hearing Panel" means a panel consisting of five individuals. The Chief Regulatory Officer shall form a Hearing Panel upon the service of ~~one or more Notices of Charges pursuant to Rule 708~~an answer to the Notice of Charges or upon a default pursuant to Rule 707(c). The Hearing Panel will conduct hearings in connection with any disciplinary proceedings, make findings and impose sanctions pursuant to Chapter 7 and determine whether offers of settlement shall be accepted or rejected in matters pending before the Hearing Panel pursuant to Rule 709.

(iii) Review Panel

The term "Review Panel" means a panel comprised of three individuals, two of whom shall be Members (or officers of Members or affiliates of Members). The Chief Regulatory Officer shall form a Review Panel upon his or her determination to initiate one or more disciplinary proceedings pursuant to Rule 703(b). The Review Panel will commence its deliberations and take the actions it deems appropriate as set forth in Rules 704 and 705 to review investigation reports submitted to it by the Market Regulation Department to determine (a) whether a reasonable basis exists to believe that a violation of a Rule of the Exchange has occurred and (b) whether commencing disciplinary proceedings in respect of such potential violation is warranted. In addition, the Review Panel will determine whether offers of settlement shall be accepted or rejected pursuant to Rule 709 unless an answer to the Notice of Charges has been

served on the Exchange, in which case such determination shall be made by the Hearing Panel.

(iv) Summary Review Panel

The term "Summary Review Panel" means a panel comprised of three individuals, two of whom shall be Members (or officers of Members or affiliates of Members). The Chief Regulatory Officer shall form a Summary Review Panel upon the President or his or her designee's determination to initiate one or more summary actions pursuant to Rule 719. The Summary Review Panel will commence its deliberations and take the actions it deems appropriate as set forth in Rule 719 to conduct a hearing concerning the summary action. In addition, the Summary Review Panel will determine whether offers of settlement shall be accepted or rejected pursuant to Rule 709.

**702 through 706.**

No Changes.

**707. Answer to Notice of Charges**

If the respondent determines to answer a notice of charges, the respondent must file answers within 20 days after being served with such notice, or within such longer time period determined appropriate by the Chief Regulatory Officer, unless such time is tolled by the operation of Rule 709(a).

**708. Service of Notice of Charges**

No Changes.

**709. Settlements**

(a) A respondent or potential respondent may at any time propose in writing an offer of settlement to anticipated or instituted disciplinary proceedings. Any offer of settlement should contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Market Regulation Department. A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings but must accept the jurisdiction of the Exchange over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed. When respondent submits a written offer of settlement, the time to file answers pursuant to Rule 707 is tolled unless and until an order rejecting such offer of settlement is served, such offer of settlement fails to become final, or is withdrawn by the respondent, at which time such matter will proceed and the answers must be filed within the appropriate time period.

(b) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Chief Regulatory Officer or his or her designee the Market Regulation Department will forward the offer to the Chief Regulatory Officer or his or her designee with a recommendation on whether to accept or reject the offer to one of the following panels formed pursuant to Rule 701(h). If the Chief Regulatory Officer or his or her designee, as the case may be, conditionally accepts an offer of settlement, the settlement will become final upon the expiration of 20 days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent. If the offer of settlement is made prior to the service of an answer to the Notice of Charges pursuant to Rule 707, then the Chief Regulatory Officer will forward the offer and his or her recommendation to the Review Panel for consideration. If the offer of settlement is made after the service of an answer to the Notice of Charges but prior to the service of a Notice of Appeal, then the Chief Regulatory Officer will forward the offer and his or her recommendation to the Hearing Panel for consideration. If the offer of settlement is made after the service of a Notice of Appeal, then the Chief Regulatory Officer will forward the offer and his or her recommendation to the Appeals Panel for consideration. In Summary Proceedings, the Chief Regulatory Officer will forward the offer and his or her recommendation to the Summary Review Panel. Upon consideration of the offer and the Chief Regulatory Officer's recommendation, the Review Panel, Hearing Panel, Appeals Panel or Summary Review Panel, as the case may be, shall render a decision as to whether to accept or reject the offer of settlement, and issue an appropriate order. The Market Regulation Department shall serve any order accepting or rejecting a written offer of settlement on the respondent. An order accepting an offer of settlement issued by a Review Panel, Hearing Panel or Appeals Panel shall be effective upon the expiration of 20 days following the service of the decision upon the respondent or respondents who made the written offer of settlement, unless the Board calls the matter for review before the end of the 20-day period. An order accepting an offer of settlement issued by a Summary Review Panel shall be effective as set forth in Rule 719(e).

**710 through 721.**

No Changes.