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Associate Director and Assistant General Counsel
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OFFICE OF THE
SECRETARIAT

November 10, 2011

Mr. David Stawick

Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: Regulation 40.6(a) Rule Certification. Chicago Mercantile Exchange Inc. /The Board of Trade of the City of Chicago, Inc. /New York Mercantile Exchange, Inc. /Commodity Exchange, Inc.

Submission # 11-411: Revisions to Rule 411 ("Appeal to a Hearing Panel of the Board of Directors")

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, "the Exchanges") are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying revisions to Rule 411 ("Appeal to a Hearing Panel of the Board of Directors"). The revisions clarify that appeals from decisions rendered by the Business Conduct Committee must be submitted in writing and must include the grounds for the appeal and the specific error or impropriety of the original decision. The changes are being implemented to ensure that appellants provide sufficient information in their initial requests for an appeal to allow the appellate panel to determine whether sufficient grounds exist to hold a hearing on the appeal. The revisions to Rule 411 with respect to the appeal process are substantially similar to existing language in each Exchange's Rule 409 ("Summary Proceedings before the Floor Conduct Committee").

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market ("DCM") core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, we have identified that the revisions to Rule 411 may have some bearing on the following Core Principle:

- **Disciplinary Procedures:** The proposed revisions to Rule 411 clarify that appeals must be in writing. Additionally, the revisions will require appellants to specify the grounds for the appeal and the specific error or impropriety of the original decision. This information is necessary in order for the appellate panel to make a reasoned decision with respect to whether there are sufficient grounds to hold a hearing on the appeal. The revisions are intended to ensure that initial requests for an appeal contain more information than a simple request to appeal the decision with no supporting information. The Exchanges note that the revisions comply with the requirements set forth in Commission Regulation 8.19 ("Appeal") which permit an exchange to require that an appeal be in writing and specify the findings, conclusions, and/or penalty to which objection is taken.

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The Exchanges certify that the revisions to Rule 411 comply with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal. The amendment will become effective on Tuesday, November 29, 2011.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

The revisions to Rule 411 appear below, with additions underscored.

411. APPEAL TO A HEARING PANEL OF THE BOARD OF DIRECTORS

The Market Regulation Department may request an appeal to a hearing panel of the Board ("Appellate Panel") regarding a final decision of or sanction imposed by the BCC, or any refusal by the PCC to issue those charges requested by the Market Regulation Department, by filing a written request for an appeal with the Exchange Legal Department within 10 business days after receiving notice of such decision, sanction or refusal. Filing of a request for an appeal by the Market Regulation Department shall stay any decision that is appealed unless the Chairman of the Board or the BCC Hearing Panel Chair from which the appeal is taken specifically directs that the decision is not stayed pending appeal.

A Member found guilty of an offense or otherwise aggrieved by a final decision of the BCC, may request an appeal to an Appellate Panel provided that the decision assesses a monetary sanction greater than \$10,000 and/or an access denial or suspension of any membership privileges for greater than five business days against the Member. The request shall be filed in writing with the Exchange's Legal Department within 10 business days after Notice of any such decision. Filing of a request for an appeal by a Member shall stay the decision appealed unless the Market Regulation Department objects to such a stay and the Chairman of the Board or the BCC Hearing Panel Chair from which the appeal is taken specifically directs that the decision is not stayed pending appeal.

A written request for an appeal must specify the grounds for the appeal and the specific error or impropriety of the original decision. Upon receiving the written request for an appeal, the Appellate Panel, by a majority vote, shall determine whether sufficient grounds exist to hold a hearing on the appeal. The Appellate Panel may only determine that sufficient grounds exist if there is a reasonable basis to conclude that the appellant might be able to meet one of the three standards identified below that would permit the Appellate Panel to set aside, modify or amend the appealed decision or the refusal to issue charges. The Appellate Panel's determination shall be based solely upon the written request and, in the case of an appeal of a BCC decision, any written response by the opposing party. The Appellate Panel's determination of whether to hold a hearing on an appeal shall be final.

[The remainder of the Rule is unchanged.]

If you have any questions regarding this submission, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or via email at Robert.Sniegowski@cmegroup.com. Alternatively, you may contact me at 312.930.8167 or via email at Sean.Downey@cmegroup.com. Please reference CME/CBOT/NYMEX/COMEX Submission No. 11-411 in any related correspondence.

Sincerely,

/s/Sean M. Downey
Associate Director & Assistant General Counsel