



MINNEAPOLIS GRAIN EXCHANGE

Via Electronic Mail

December 19, 2008

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

SUBJECT: Rule Certification

Dear Mr. Stawick:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), the Minneapolis Grain Exchange ("MGEX") hereby certifies that the attached amendments to the MGEX Rulebook comply with the CEAct and the regulations promulgated thereunder. Additions have been underlined; deletions have been crossed out.

The primary purpose for the Rulebook amendments is to codify the transition from both open outcry and electronic trading to exclusively electronic trading for futures effective December 22, 2008. The effective date for Hard Red Spring Wheat ("HRSW") options will be determined at a later date and upon notification to the Commission and public. As of the afternoon of December 19, HRSW futures and National Corn Index futures and options will no longer trade by open outcry.

Pursuant to the authority of MGEX Rules 204.01. and 210.01., the Board of Directors unanimously approved amendments to the Rules and Regulations. Additionally, the ownership overwhelmingly approved amendments to the Rules.

If there are any questions regarding this submission, please contact me at (612) 321-7169. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Layne G. Carlson".

Layne G. Carlson
Corporate Secretary

Enclosure
cc: Thomas J. Bloom
Anne Reuter

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CHAPTER 1 CHANGES:

CHAPTER 1 DEFINITIONS

BULLETIN BOARD: The Official Bulletin Board, in the Exchange Room and on www.mgex.com, upon which notices are customarily posted.

ELECTRONIC TRADING SYSTEM: The electronic trading platform utilized by the Exchange, market participants, customers, Members, nonmembers and Clearing Members to place orders and execute trades. Also known as or referred to as MGEXpress® or the CME Globex® electronic trading platform.

EXCHANGE ROOM: The Room maintained by the Corporation for Members.

HOURS OF TRADING: The hours, on business days, established by the Rules or Regulations for trading.

MGEXPRESS®: The name of the electronic trading platform or system utilized by the Exchange, market participants, customers, Members, nonmembers and Clearing Members to place orders and execute trades. Also known as or referred to as the CME Globex® electronic trading platform.

CHAPTER 2 CHANGES:

CHAPTER 2 GOVERNMENT

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¶ There shall be established a Committee of the Board of Directors to be known as the Exchange Room Committee. It shall be composed of five (5) Directors.¶

¶ The Committee shall have the duties and powers to:¶

¶ A. Recommend to the Board of Directors changes in the physical appearance and use of the Exchange Room.¶

¶ B. Establish security measures and procedures for admittance of Members and nonmembers to ... [1]

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CHAPTER 3 CHANGES:

CHAPTER 3 MEMBERSHIP

372.00. DELEGATION.

A Member, Firm or Corporation which owns a Membership(s) may assign the rights and privileges of Membership to an individual (Delegate) on the following conditions:

- A. The Delegate shall be approved by the Executive Committee or the Board of Directors under the standards of **Rules 300.00.** and **301.00.** The Delegate shall sign a written agreement to observe and be bound by the Charter, Rules and Regulations of the Association and all amendments subsequently made thereto.
- B. The Delegation Agreement and any amendment(s) thereto shall be in writing in such form as the Exchange may prescribe and a copy shall be filed by the Owner of the Membership with the Secretary of the Association as a precondition to its implementation. However, the Delegation Agreement shall automatically be nullified if there is a loss of any of the qualifications for entering a Delegation Agreement, such as sale of the Membership by the Owner or expulsion of the Owner or Delegate. In the event the Owner sells its Membership, the Delegate shall have thirty (30) days from the effective date of Ownership change to enter into another Delegation Agreement and the transfer fee shall be waived.
- C. The Owner shall remain liable for all assessments and dues.
- D. An Owner who has delegated his/her Membership privileges shall not have physical access to the Exchange Room during the period the Membership has been delegated, unless he/she has another Membership, or registers as a visitor.
- E. A Delegate shall not be entitled to register a Membership for a Firm or Corporation unless the Delegate is employed by the Firm or Corporation for which the Delegate wishes to register and the Firm or Corporation is authorized to trade at the Exchange.
- F. No Delegation Agreement shall have a term of less than ninety (90) days.
- G. No Delegate will be eligible to sponsor an individual for Membership.
- H. A Delegate is limited to trading for his/her own account. A Delegate may not act as a broker.

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- I. The Delegate shall deposit with the Exchange an amount of money to be determined by the Board of Directors. The deposit is to be held for the term of the lease. The deposit shall be refunded at the end of the lease if the Delegate has no outstanding debts due the Exchange or lease payments due the Owner. Claims by the Exchange shall be satisfied first with any surplus to be made available to the Owner to satisfy lease payments. (See **Resolution 372.00.**)
- J. A Delegate shall pay an access fee each month unless said Delegate trades a minimum number of Minneapolis Grain Exchange Futures and/or Options contracts. The Board of Directors shall determine the access fee to be paid and the minimum number of contracts to be traded. (See **Resolution 372.00.**)

K. Unless renegotiated, upon expiration or default of a Delegation Agreement, the Membership shall automatically be transferred back into the name of the Owner.

L. No Delegate or former Delegate shall enter into a Delegation Agreement if there are any unpaid debts due the Exchange or lease payments due the Owner until such debts have been satisfied or reviewed to the satisfaction of the Board of Directors.

M. No Delegate will be eligible to serve on the Board of Directors.

Deleted: K. A temporary access badge may be issued to the Delegate provided the application for Transfer of Membership has been duly filed and has not been acted on by the Board of Directors. The access badge limits the Delegate to admission to the Trading Floor only. This does not allow the Delegate to trade in the pits.¶

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CHAPTER 7 CHANGES:

CHAPTER 7 FUTURES AND OPTIONS TRADING

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704.00. GIVE-UPS.

A market participant must have prior permission from a Clearing Member to give-up its name for a trade executed. A Clearing Member whose name is so given up must enter the trade into the Clearing House in his name. Give-up orders are prohibited when used as a pricing mechanism in connection with cash market contracts. Such transactions must be done only on a versus-cash basis.

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714.00. FUTURES AND OPTIONS CONTRACTS: TIME AND PLACE FOR MAKING

All purchases and sales, and all offers to purchase or sell commodity futures or options in this market, must be made electronically during the hours of trading.

Market participants, Members and Registered Firms and Corporations are hereby prohibited from assembling in any place, public or private, to form a market for the purpose of making purchases or sales or offers to purchase or sell commodity futures or options and any market

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participant, Member, or Registered Firm or Corporation, who or which shall make or offer to make any such purchases or sales in the manner herein prohibited, shall be deemed to have violated this Rule.

717.00. FUTURES AND OPTIONS CONTRACTS: ACCEPTANCE OF OFFERS.

All offers to purchase or sell commodity futures or options in this market shall be open for immediate acceptance by any market participant (but only in the name of a Clearing Member), and such offers shall not be restricted to or specified for any particular market participant as against any other market participant.

An offer to buy or sell any commodity for future delivery shall be deemed an offer to buy or sell all or any part of the quantity specified in the offer and shall be subject to total or partial acceptance up to the total quantity bid for or offered.

728.00. QUOTATION CHANGES.

Quotation changes will be handled in accordance with Exchange procedures.

733.00. ATTEMPT TO UPSET MARKET PROHIBITED.

Purchase or sales of (or offers to purchase or sell) commodity futures or options in this market, made for the purpose of upsetting the equilibrium of the market or bringing about a demoralization of the market, so that prices will not properly reflect values, are forbidden. Any market participant, Member, or Registered Firm or Corporation who makes or assists in making such purchases or sales or such offers to purchase or sell, with knowledge of the purpose thereof or who, with such knowledge, shall be a party to or assist in carrying out any plan or scheme for the making of such purchases or sales or such offers to purchase or sell, shall be deemed and held to be guilty of uncommercial conduct.

743.00. ACCOMMODATION OR WASH TRADES FORBIDDEN.

No market participant shall make risk-free simultaneous purchases and sales of the same month of the same commodity for the same account at the same price.

750.00. PRIORITY OF CUSTOMERS' ORDERS.

No market participant may buy or sell any commodity for future delivery for his own account or for any account in which he has an interest while holding an order for another person for the

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Deleted: 725.01. REPORTING OF TRADES. ¶

¶ Each party to a futures or options transaction made competitively in the Pit must promptly notify the Market Observer(s) of the price at which the trade has been executed. ¶

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Deleted: A. The Quotations Committee may approve the change of an opening range only within thirty (30) minutes after the opening of a specific contract month. ¶

¶ B. The Quotations Committee may approve the change of a closing range only within fifteen (15) minutes after the closing of each contract traded. ¶

¶ C. The Quotations Committee may approve a quotation change that affects a high or low at any time prior to the settlement of each contract traded. ¶

¶ D. The Quotations Committee may approve a quotation change that does not affect an open, high, low or close within fifteen (15) minutes after the close of each contract traded. ¶

¶ E. The Quotations Committee may approve the change of a settlement only within twenty (20) minutes after the closing of each contract traded. ¶

¶ F. A Member requested quotation change must be disclosed in accordance with Exchange procedures and approved by two (2) or more Quotations Committee ... [8]

Deleted: 728.01. AUTHORITY OF THE QUOTATIONS COMMITTEE AND THE BOARD OF DIRECTORS OVER QUOTATION CHANGE ... [9]

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purchase or sale of the same commodity that is executable at the market price, or at the price at which such purchase or sale can be made for the market participant's own account or the account in which he has an interest.

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No market participant, may execute any transaction for any account of another person for which buying and/or selling orders can be placed or originated, or for which transactions can be executed, by such market participant, without the prior specific consent of the account owner, regardless of whether the general authorization for orders or transactions is pursuant to a written agreement, except that orders of such an account may be placed with another market participant for execution. However, a market participant is not required to hand off orders for discretionary accounts or discretionary orders when orders originate on behalf of the market participants' immediate families, contract market members and proprietary accounts of contract market member firms. PROVIDED, however, that customers' orders, including price and time discretion orders, are executed before discretionary account orders for family members, contract market members or proprietary accounts of contract market firms.

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For the purpose of this Rule, immediate family members are defined as spouses, children and stepchildren, parents, brothers, and sisters.

751.00. DISCLOSING ORDERS PROHIBITED.

Market participants are forbidden to disclose to any party the possession or receipt of orders to buy or sell commodity futures or options in this market.

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A market participant may, however, use his discretion and bid or offer any quantity of contracts without violating this Rule when the information may aid or expedite a fill.

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A market participant acting pursuant to the second paragraph of **Rule 750.00**, or when supplying information requested by an authorized representative of the Commodity Futures Trading Commission or an Exchange official, will not be in violation of this Rule.

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752.00. ACCEPTABLE ORDERS.

The following types of orders are acceptable in this market:

- A. Market orders
- B. Limited order
- C. Stop-loss orders
- D. Stop-limit orders
- E. Opening orders
- F. Closing orders
- G. Spread orders

Types of orders not included above may be accepted by a market participant at his own discretion, but entirely at the risk of the account for whom the order is entered.

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753.00. BROKERS' LIABILITIES ON LIMIT ORDERS.

A Broker shall not be liable for failure to execute a Limit Order unless the Broker is found to be negligent. In the case of a dispute regarding any unfilled Limit Order, the Futures Trading Conduct Committee is authorized to determine whether an adjustment is due a customer. No adjustment on any unfilled order shall be allowed if the Broker has not been found negligent by the Futures Trading Conduct Committee.

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754.00. FILLING LIMIT ORDERS ON THE OPENING AND CLOSING.

Brokers are not to be held liable for obtaining a complete or partial fill on Limit Orders falling within the opening price or closing range even when those orders are the high or low prices of the closing range.

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765.00. TRADING FOR OFFICERS, COPARTNERS OR EMPLOYEES.

No market participant, Member, or Registered Firm or Corporation, shall make a purchase or a sale of any commodity futures or options in this market, or accept or carry an account for such purchase or sale, for the account of an officer, copartner, or employee of another market participant, Member, or of another Registered Firm or Corporation, without the written consent of such other market participant, Member, Firm or Corporation having been furnished.

Deleted: 762.00. NONCLEARING MEMBER MAKING OWN TRADES.¶

¶ Members making their own trades in the Pit may be allowed to carry a five (5) contract position without posting margins, provided those positions are marked to the market daily and are closed within fifteen (15) days. All other positions (long or short) carried in the name of the nonclearing Member shall be charged initial margins and shall be maintained in accordance with Rule 760.00. The application of this Rule shall be at the sole discretion of the Clearing Member.¶

¶ Members making their own trades need not be charged margins on spread positions, but spread positions shall be marked to the market daily.¶

¶ This Rule also applies to individual Members who on the Trading Floor give their orders to other Members for execution.¶

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768.00. ACCEPTANCE OF ACCOUNTS FROM OTHERS THAN PRINCIPALS.

Except as provided in OMNIBUS ACCOUNTS and DISCRETIONARY ACCOUNTS no market participant, Member or Registered Firm or Corporation shall make a purchase or a sale of any commodity in futures or options in this market for the account of another party, nor shall any market participant, Member, or Registered Firm or Corporation, accept or carry such an account for such other party, if such other party is known to be acting as an agent for and on behalf of others, unless such other party is registered with the CFTC as a Futures Commission Merchant under the provisions of the Commodity Exchange Act.

No purchase or sale of commodities in futures or options shall be made in this market, and no account for such purchase or sale shall be accepted or carried for the account of any person if such purchases or sales are made pursuant to trading authority given by such person to another person (not a member of the same family) to trade in his or her name, except on the following terms and conditions:

- A. A monthly statement shall be sent directly to the person for whose account such purchases or sales have been made, showing the exact position of the account, including all open trades figured to the market;
- B. Each transaction shall be specifically designated with the name of the person for whose account such purchase or sale has been made at the time the order is accepted;

- C. No transaction shall be held open in the name of the person for whose account such transaction has been made if such transaction can be closed by making up an Account of Purchase and Sale;
- D. Confirmations of all trades shall be sent promptly, both to the person for whose account such purchases or sales have been made and to the party authorized to act for his or her account;
- E. Written evidence of such delegation of authority by such party to such other party to trade in his or her name shall have been furnished to the market participant, Member, or Registered Firm or Corporation making the trade.

775.00. "BUCKET-SHOPS" FORBIDDEN.

No market participant, Member, and no Registered Firm or Corporation, shall make, negotiate in any form, have, or be in any way interested in any "Bucket-Shop" contract, trade, or transaction, whatever, or in any contract for the purchase or sales of any commodity whatever, for futures or options, without intent to make an actual purchase or sale, or to deliver or receive such commodity, but with intent to settle or cancel such contract by the payment of the difference between a contract and the market price, or in dealing in differences in the market price of any commodity without a bona fide purchase or sale of such commodity for actual delivery on this or some other Exchange where such commodity is dealt in.

No market participant, Member, or Registered Firm or Corporation, shall knowingly be interested in the business of, or associated in business with, or shall, in any transaction, act as the representative of, or shall execute any order for or on behalf of any person, exclusively, or otherwise in operating a "Bucket-Shop," in making, negotiating, or dealing in the contracts, trades or transactions previously prohibited in this Rule.

Any market participant, Member, or any Registered firm or Corporation, who or which has violated the provisions of this Rule, shall be subject to disciplinary action and/or termination of access to the Electronic Trading System.

780.00. OFFICIAL OPENING.

The official opening of the market shall be understood to include the price at which the opening orders are executed.

CHAPTER 20 CHANGES:

**CHAPTER 20
REGULATIONS**

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Deleted: 785.00. POST SETTLEMENT SESSION.¶
¶ Following the posting of the settlement prices of the designated contracts and a one (1) minute warning bell, there shall be a post settlement session ("PSS"). Trading may occur only under the following conditions:¶
¶
A. Except as otherwise set forth in this Rule, the Rules applicable to trading during regular trading hours shall be applicable to trading during the PSS.¶
¶
B. Orders entered for execution or potential execution during regular trading hours remain eligible for execution during the PSS, unless otherwise cancelled. Additionally, new orders placed after the end of the regular trading session may be executed during that day's PSS.¶
¶
C. Members, Clearing Members and their customers may participate in the PSS.¶
¶
D. Contract months eligible to be traded during the post settlement session shall include only those contracts that traded during that day's regular trading hours. An expiring Futures Contract is eligible to be traded during the PSS if it previously traded during regular trading hours.¶
¶
E. Trades during the PSS must be executed at prices within the regular trading session's high/low trade price range. Further, at least one (1) leg of a spread trade must be priced ... [10]

2000.00. ADMISSION OF MEMBERS TO THE EXCHANGE ROOM.

Pursuant to the provisions of **Rule 235.00.**, the Board of Directors has adopted this Regulation.

Members are required to wear their name badge plainly displayed so others can readily distinguish the same. There is to be no charge for the first badge issued. However, in the event the badge is lost, a replacement badge will be issued for a fee of twenty dollars (\$20.00).

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2001.00. REGULATIONS GOVERNING ADMISSION OF MESSENGERS TO THE EXCHANGE ROOM.

Pursuant to the provisions of **Rule 235.00.**, the Board of Directors has adopted this Regulation.

Messengers may be admitted to the Exchange Room under the following terms and conditions.

- A. The Secretary shall issue Messenger badges upon application signed by a Member, or by a Registered Firm or Corporation, who is the employer/contractor of the Messenger. Such badges will be good until notification is given to the Secretary. The fee for the issuance thereof shall be twenty-five dollars (\$25.00) per month. In the event a Messenger badge is lost, a replacement badge will be issued for a fee of twenty dollars (\$20.00).
- B. Messenger badges shall not be transferable. When Messengers are changed, the badge then in use will be turned into the Secretary's office and, upon application, a new badge will be issued. However, if a Messenger is unable to perform his duties for reasons of illness or absence from the city or other cause deemed sufficient and proper by the Secretary, a substitute Messenger may be approved by the Secretary upon proper application and a temporary badge will be issued.
- C. Messengers must wear Messenger badges plainly displayed, so that the doorkeeper and others can readily distinguish the same.
- D. Messengers will be permitted to remain in the Exchange Room only for such time as is necessary to deliver and receive written or verbal communications, or to collect, or deposit samples or arrange samples at cash tables. They must not use this permission as an excuse for remaining in the Exchange Room unless so engaged.
- E. Messengers are permitted to confer in the Exchange Room only with persons representing their employer/contractor.
- F. Messengers may deliver messages in the Exchange Room to any Member. However, Messengers may not deliver messages relative to adjustments, settlements or discounts in connection with the sales of

cash commodities to Members other than the representatives of the employers/contractor of such Messengers.

G. Messengers may telephone messages from the Exchange Room to the office of their employer/contractor over private telephones in the Exchange Room belonging to such employer/contractor; but they may not transmit other telephone or facsimile messages from the Exchange Room.

H. Messengers may not transact, or assist Members in any manner in transacting, any business in either cash commodities, ~~Futures or Options~~ or perform any service in the Exchange Room other than as set forth in this Rule.

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I. The license conferred by a Messenger's badge may be revoked at any time by the Exchange if the holder violates any of the provisions of the Rules and Regulations or is guilty of any other improper conduct in the Exchange Room.

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2003.00. ADMITTANCE OF VISITORS TO THE EXCHANGE ROOM.

Visitors' badges, permitting the holder to have access to the Exchange Room, shall be issued on the following terms and conditions:

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A. The Secretary, at his discretion, may authorize the issuance of visitors' badges.

B. The license conferred by a visitor's badge may be revoked at any time by the Secretary if the holder violates any of the provisions of the Rules and Regulations.

C. Members, Firms or Corporations may accept orders from visitors in the Exchange Room.

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D. No visitor shall have access to the Exchange Room for more than three (3) days per month without the express approval of the Secretary.

2011.00. HOURS OF TRADING.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

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The hours of trading at the Minneapolis Grain Exchange shall conform to Central Time.

A. CASH MARKET

The hours of trading in the cash market shall be from nine-thirty o'clock (9:30) a.m. to one-fifteen o'clock (1:15) p.m.

B. SPRING WHEAT CONTRACT

1. The hours of trading in Spring Wheat Futures on MGEXpress® shall be from six o'clock (6:00) p.m. to six o'clock (6:00) a.m. and from nine-thirty o'clock (9:30) a.m. to one-fifteen o'clock (1:15) p.m.

Deleted: 1. The hours of trading in Spring Wheat Futures by open outcry shall be from nine-thirty o'clock (9:30) a.m. to one-fifteen o'clock (1:15) p.m.¶

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2. The hours of trading in Spring Wheat Options on MGEXpress® shall be from six o'clock (6:00) p.m. to six o'clock (6:00) a.m. and from nine-thirty o'clock (9:30) a.m. to one-thirty o'clock (1:30) p.m.

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C. NATIONAL CORN INDEX CONTRACT

1. The hours of trading in National Corn Index Futures on MGEXpress® shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

2. The hours of trading in National Corn Index Options on MGEXpress® shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

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D. NATIONAL SOYBEAN INDEX CONTRACT

1. The hours of trading in National Soybean Index Futures shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

2. The hours of trading in National Soybean Index Options shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

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E. WHEAT INDEX CONTRACTS

1. The hours of trading in Wheat Index Futures contracts shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

2. The hours of trading in Wheat Index Options contracts shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

2012.00. TRADING LIMITS.

Trading is prohibited during any day in Futures Contracts of commodities traded on this Exchange at a price outside the limit above or the limit below either the settlement price for such commodity on the previous business day, or the price of the first trade during the first day of trading in a Futures Contract.

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A. Wheat \$0.60 per bushel

Should two or more wheat futures contract months within a crop year (or the remaining contract month in a crop year) close at limit bid or limit offer, the daily price limits for all contract months shall increase by 50 percent the next business day and an additional 50 percent each subsequent day two or more contract months within a crop year (or the remaining contract month in a crop year) close at limit bid or limit offer. Daily price limits shall revert back to \$0.60 after no wheat futures contract month closes limit bid or limit offer for three consecutive business days.

- B. National Corn Index \$0.35
- C. National Soybean Index..... \$0.80
- D. Wheat Indices..... \$0.60

However, there shall be no price limits on the spot Hard Red Spring Wheat futures contract month commencing the first business day after expiration of non-serial options on the spot month.

Further, there shall be no price limits on Index futures and options contracts commencing two business days proceeding the first business day of the expiring contract month.

2014.00. SETTLEMENT PRICES.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A. MGExpress® Contracts.

Promptly after the close of the trading session in each Futures Contract, the Exchange shall ensure that settlement prices are calculated for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1. Exchange staff will determine all applicable trades, bids and offers made in the closing period on MGExpress®. The settlement price shall be determined by the weighted average of the trades and applicable bids and offers made in the closing period. If there are no trades, higher bids or lower offers, the settlement price will remain unchanged from the prior business day.
2. If such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price shall be prepared.

Deleted: A. Open Outcry/MGExpress® Contracts.¶

¶ 1. Settlement prices for Futures Contracts which have both Open Outcry and MGExpress® sessions shall be determined by the trading session with the later closing time.¶

¶ 2. Promptly after the close of trading in each Futures Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement prices for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.¶

¶ After the closing bell, all Brokers and Traders in the Pit shall report to the Market Observer and a member of the Quotations Committee all trades, bids and offers made in the closing period. Exchange staff will determine all applicable trades, bids and offers made in the closing period on MGExpress®. The settlement price shall be determined by the combined weighted average of the trades and applicable bids and offers made in the closing period.¶

¶ 3. If no trade occurs in the closing period, the settlement price shall be the last trade price, unless there is a higher bid or lower offer. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer. In such cases, the higher bid or lower offer shall be the settlement price.¶

Deleted: 4. If such settlement price is not consistent with the settlements in other months or with market information known to the designated Exchange official supervising the closing or to members of the Quotations Committee, or if the settlement was inaccurately determined, the designated Exchange official, with the advice of the Quotations Committee, may e... [11]

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Deleted: 1. The settlement price shall be the last trade price, unless there is a higher bid or lower offer that existed at the close of the market. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a ... [12]

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B. Reservation.

The Exchange reserves the right to modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

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2016.00. FILLING ORDERS AND WITHHOLDING OR WITHDRAWING OF TRADES.

Pursuant to the provisions of **Rule 616.00.**, the Board of Directors adopted this Regulation.

- A. **Filling of Orders.** Orders to buy or sell futures or options must be executed sequentially by completely filling an order bearing an earlier time stamp before proceeding with the next earliest time-stamped order at the same price. Any and all verbal orders received must be, as a minimum, immediately documented as to time of receipt, and the order with the earliest time must be filled first.

In the event orders carry identical time stamps, or in the absence of time stamps, and should it be necessary to allocate trades among these accounts, a record of the accounts, the amount assigned to each account, and why it was necessary to make the assignment, must be documented.

- B. **Withholding or Withdrawing Trades.** No market participant, Member, Registered Firm or Corporation shall withhold or withdraw from the market any order of part of an order for another person for the convenience of another market participant, Member, Registered Firm or Corporation.

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2023.00. STRIKING PRICES.

The Board of Directors shall set the procedure for introduction of striking prices and may modify the procedure as it deems appropriate in order to respond to market conditions, subject to the provisions of the Commodity Exchange Act and Commodity Futures Trading Commission (CFTC) regulations promulgated thereunder.

- A. **Spring Wheat.** Pursuant to the provisions of **Rule 1403.00.**, the Board of Directors has adopted this Regulation.

Deleted: 2022.00. DIVISION OF SPRING WHEAT PIT DURING OPENING AND CLOSING PERIODS.¶

¶

During the time defined to be the opening and the closing, any Member initiating a bid or offer must be located in the specific area designated for that month, or a price quotation may not be recognized by the Quotations Committee. A black line marks this Pit division. All bids or offers made in the nearby month must be originated in that part of the Pit closest to the pulpit. All other bids or offers must be originated on the other side of the black line. Any bid or offer may be accepted from any part of the Pit.¶

1. Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10) per bushel. At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Spring Wheat Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

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Deleted: If the initial futures trade is executed on MGExpress, striking prices will not be available until the open outcry session.

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

2. When Options in months not listed for trading in futures become available to trade, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Spring Wheat Futures Contract and the next ten (10) higher and ten (10) lower striking prices in five cent (\$0.05) increments. If the previous day's settlement price on the underlying Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure at least ten (10) striking prices in five cent (\$0.05) increments above and below the previous day's settlement price.

- B. **National Corn Index.** Pursuant to the provisions of **Rule 7410.00.**, the Board of Directors has adopted this Regulation.

Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying National Corn Index Futures Contract and the next five (5) consecutive higher and the next consecutive lower in five cent (\$0.05) increments, and the next five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying National Corn Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5)

consecutive lower in five cent (\$0.05) increments and an additional five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

- C. **National Soybean Index.** Pursuant to the provisions of **Rule 7610.00.**, the Board of Directors has adopted this Regulation.

Trading may be conducted for Options with striking price increments of ten cents (\$0.10) and twenty cents (\$0.20). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying National Soybean Index Futures Contract and the next five (5) consecutive higher and the next five (5) consecutive lower in ten cent (\$0.10) increments, and the next five (5) consecutive higher and five (5) consecutive lower in twenty cent (\$0.20) increments. If the previous day's settlement price on the underlying National Soybean Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments and an additional five (5) consecutive higher and five (5) consecutive lower in twenty cent (\$0.20) increments above and below the previous day's settlement price.

- D. **Wheat Indices.** Pursuant to the provisions of **Rules 7810.00.**, **8010.00.** and **8210.00.**, the Board of Directors has adopted this Regulation.

Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Wheat Index Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying Wheat Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

2090.00. PHYSICAL EMERGENCIES.

Pursuant to the provisions of **Rules 210.01.** and **210.02.**, the Board of Directors has adopted this Regulation.

The Exchange shall have the power upon recognizing a problem to serve notice to market participants that trading will be suspended immediately.

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A problem may be the result of the following:

- A. fire or other casualty,
- B. bomb threat,
- C. power failure,
- D. communications breakdown,
- E. computer malfunction, or
- F. other - technical difficulties.

In no event shall a suspension of trading continue for more than five (5) calendar days.

Deleted: When the Market Observer's decision to suspend trading is announced, the available chairman of the Quotations Committee will assemble and choose from among the Board's previously approved procedures.¶

CHAPTER 21 CHANGES:

CHAPTER 21 CLEARING HOUSE REGULATIONS

2100.00. METHOD OF CLEARING.

All transactions for Futures or Options in any commodity traded on the Minneapolis Grain Exchange shall be submitted to the Clearing House to be cleared. Upon acceptance by the Clearing House of such transactions, the Clearing House assumes the position of Buyer to the Seller and Seller to the Buyer in respect to such transactions, and the last settling price shall be considered as the contract price.

It shall be the duty of each Member with clearing privileges making a transaction for Futures or Options in any commodity under the Rules and Regulations of the Exchange to submit each such transaction using "TEMS" to the Clearing House office. Transactions should be submitted at times determined by the Clearing House Committee (see **Res. 2101.00.C.**). The transactions shall be in a format approved by the Clearing House and shall contain, at a minimum, the following information:

- A. Date of transaction
- B. Clearing Member name
- C. Type of account (Regular or Segregated)
- D. Customer type indicator (CTI) as defined below:

CTI 1. Transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has ownership or financial interest.

CTI 2. Transactions executed for the proprietary account of a clearing member.

CTI 3. Transactions where an individual member or nonmember executes for the personal account of another individual member, for an account the other member controls or for an account in which the other individual member has ownership or financial interest.

CTI 4. Any transaction not meeting the definition of CTI 1, 2 or 3.

E. Quantity, commodity, contract month, price or premium, whether the transaction involved a put or a call, strike price, buy or sell.

F. Both the buying and selling market participant's identifier, and the opposite Clearing Member's symbol.

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G. Transaction time to the minute.

H. Indicators for the following types of transactions: (C) cash exchange; (T) office transfer; (S) spread; (D) delivery; (R) risk exchange.

I. Account Identification. (For initial set-up and new accounts, provide a listing of account name, type, and position. This information will be available to the President and designated Clearing House/Compliance personnel only.)

J. Any other information required by the Clearing House.

The Clearing House shall match the trades as submitted and shall list for each Clearing Member its cleared trades and unmatched trades. A recapitulation statement shall be produced, showing updated contract positions and settling all matched trades to the official Exchange settling prices. After completion of the clearing process, the Clearing House shall notify each Clearing Member as to the net pay or collect amounts due by account (Regular and/or Segregated). Such amounts shall be submitted by wire transfer of funds or other acceptable method. Amounts due to the Clearing House shall be submitted at times determined by the Clearing House Committee (see **Res. 2101.00.C.**). All clearing statements shall be disseminated by the Clearing House to each Clearing Member's designated contact.

If the report of a trade by a market participant does not correspond to the report of the other party to the trade, the Clearing House shall reject the trade and notify both Clearing Members showing the discrepancy of the reports. The Clearing Members must thereafter submit

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corrections to the Clearing House at times determined by the Clearing House Committee (see **Res. 2101.00.C.**).

It shall be the primary responsibility of the Clearing Member to see that all trades are resolved. Each Clearing Member shall designate a person or persons to be available and responsible for reconciling the Clearing Member's unmatched trades. Failure to have a qualified representative available shall constitute negligence in the determination of responsibility for any unmatched trades.

CHAPTERS 74, 76, 78, 80 & 82 CHANGES:

7405.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium may be one dollar (\$1.00).

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7605.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium may be one dollar (\$1.00).

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7805.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium may be one dollar (\$1.00).

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8005.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium may be one dollar (\$1.00).

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8205.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium may be one dollar (\$1.00).

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255.00. EXCHANGE ROOM COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Exchange Room Committee. It shall be composed of five (5) Directors.

The Committee shall have the duties and powers to:

- A. Recommend to the Board of Directors changes in the physical appearance and use of the Exchange Room.
- B. Establish security measures and procedures for admittance of Members and nonmembers to the Exchange Room.
- C. Establish the decorum and dress policy, and the food and beverage policy.
- D. Work with Exchange Staff to ascertain the equipment needs of the Exchange Room.
- E. Report and make recommendations to the Finance Committee or Board of Directors.

In no event shall this Committee become a hearing Committee for any Rule or Regulation infraction sustained in the Exchange Room. Any violation that is subject to a hearing will be referred to the appropriate Committee.

263.00. QUOTATIONS COMMITTEE.

There shall be established a Committee of the Corporation to be known as the Quotations Committee. It shall be composed of a minimum of eleven (11) Members of the Corporation. Each contract shall be represented on the Committee.

The Committee shall have the duties and powers to:

- Establish nonpermanent subcommittees, or otherwise organize itself as necessary, in order to address the reporting needs of each contract or trading pit. Such subcommittees shall be composed of members of the Quotations Committee.

- Review and recommend Regulations governing procedures for execution and reporting of trades, quotation changes, settlements and fast markets.

Assemble, without formal notice, to approve or declare a fast market or quotation change. Such authority may be delegated to one (1) or more subcommittees.

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Assemble, without formal notice, when a technical problem exists which may cause or is causing interruption of trading and choose from pre-approved Board of Directors procedures.

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- A. The Quotations Committee may approve the change of an opening range only within thirty (30) minutes after the opening of a specific contract month.
- B. The Quotations Committee may approve the change of a closing range only within fifteen (15) minutes after the closing of each contract traded.
- C. The Quotations Committee may approve a quotation change that affects a high or low at any time prior to the settlement of each contract traded.
- D. The Quotations Committee may approve a quotation change that does not affect an open, high, low or close within fifteen (15) minutes after the close of each contract traded.
- E. The Quotations Committee may approve the change of a settlement only within twenty (20) minutes after the closing of each contract traded.
- F. A Member requested quotation change must be disclosed in accordance with Exchange procedures and approved by two (2) or more Quotations Committee members. Additionally, a Quotations Committee member may not approve a quotation change if that member has a financial or personal interest that would be affected by the quotation change under consideration.
- G. A quotation change must be accompanied by a written request form signed by the individual Member requesting the change.
- H. For MGEXpress contracts, quotation changes will be handled in accordance with Exchange procedures.

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728.01. AUTHORITY OF THE QUOTATIONS COMMITTEE AND THE BOARD OF DIRECTORS OVER QUOTATION CHANGES.

The Quotations Committee may review and recommend to the Board of Directors requests for quotation changes that affect an open, high, low or close which are not encompassed by **Rule 728.00**. The final disposition of such requests will be left to the Board of Directors.

785.00. POST SETTLEMENT SESSION.

Following the posting of the settlement prices of the designated contracts and a one (1) minute warning bell, there shall be a post settlement session ("PSS"). Trading may occur only under the following conditions:

- A. Except as otherwise set forth in this Rule, the Rules applicable to trading during regular trading hours shall be applicable to trading during the PSS.
- B. Orders entered for execution or potential execution during regular trading hours remain eligible for execution during the PSS, unless otherwise cancelled. Additionally, new orders placed after the end of the regular trading session may be executed during that day's PSS.
- C. Members, Clearing Members and their customers may participate in the PSS.
- D. Contract months eligible to be traded during the post settlement session shall include only those contracts that traded during that day's regular trading hours. An expiring Futures Contract is eligible to be traded during the PSS if it previously traded during regular trading hours.
- E. Trades during the PSS must be executed at prices within the regular trading session's high/low trade price range. Further, at least one (1) leg of a spread trade must be priced within the regular trading session's high/low trade price range. However, for single line entry differential spreads (SLEDS) leg prices may be assigned by the Clearing House.
- F. Trade prices and trade volume during the PSS will not be used to compute any settlement price.
- G. Commodity Futures and Options Contracts designated for trade during the PSS, the start of the PSS, the length of time of the PSS and additional conditions for trading during the PSS shall be established and may be modified at any time by the Board of Directors.

- 4. If such settlement price is not consistent with the settlements in other months or with market information known to the designated Exchange official supervising the closing or to members of the Quotations Committee, or if the settlement was inaccurately determined, the designated Exchange official, with the advice of the Quotations Committee, may establish a settlement price at a level consistent with such other settlement prices or

market information and shall prepare a written record setting forth the basis for any modification of such settlement price.

1. The settlement price shall be the last trade price, unless there is a higher bid or lower offer that existed at the close of the market. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer that existed at the close of the market. In such cases, the higher bid or lower offer shall be the settlement price.