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C.F.T.C.
OFFICE OF THE SECRETARIAT
2009 DEC 24 AM 10 14

December 22, 2009

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

Re: **New OCX Rules 207(n) and (o) and Revision of Chapter 7
Discipline and Enforcement
Submission and Rule Certification**

Dear Mr. Stawick:

On behalf of OneChicago, LLC ("OCX" or "Exchange"), and pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and section 41.24 of the regulations promulgated by the Commission under the Act, submitted herewith are new **Rules 207 (n) and (o) and the Revised Chapter 7**. These Rules are required in order to comply with Section 5(d)(15) (Core Principle 15) of the Act which, among other things, mandates Public Directors and a Regulatory Oversight Committee as an acceptable practice. Additionally, we have made some minor conforming changes to our Rules consistent with the acceptable practices.

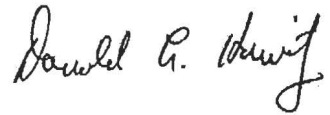
The proposed new rules are included as Attachment A. Deleted materials are show with a strikethrough (---) and new material is underlined ().

These Rules will become effective on December 24, 2009.

There are no opposing views that are not incorporated into this rule amendment.

On behalf of OCX, I hereby certify that the amendment complies with the Act and the regulations promulgated thereunder.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald L. Horwitz". The signature is written in a cursive style with a large initial 'D' and 'H'.

Donald L. Horwitz
Managing Director and General Counsel

Encl: Attachment A

Chapter 1 Definitions

New Definitions

116A. Chief Regulatory Officer

The term “Chief Regulatory Officer” means the individual appointed by the Exchange to oversee compliance matters and for managing the day-to-day regulatory functions of the Exchange and shall report jointly to the Regulatory Oversight Committee and the Chief Executive Officer.

125A Department

The term “Department” has the meaning set forth in Chapter 7 Introduction.

127 Disciplinary Panel

The Disciplinary Panel shall consist of three individuals selected by the Chief Regulatory Officer from the Exchange’s Board and/or Exchange Members, including at least one individual who would qualify as a Public Director and shall act as chairman.

152 Public Director

The term “Public Director” means a Person with the qualifications set forth in Rule 207.

Deleted Definitions

~~109 — Business Conduct Committee~~

~~The term “Business Conduct Committee” means the business conduct committee of the Exchange constituted as described in Chapter 2, with the authority and rights set forth in Rule 703.~~

~~127 — Division~~

~~———— The term “Division has the meaning set forth in Rule 703.~~

152 — Probable Cause Committee

The term “~~Probable Cause Committee~~” means the ~~probable cause committee of the Exchange constituted as described in Chapter 2, with the authority and rights set forth in Rule 704.~~

Chapter 2

205. Authorization

The Board and its committees, as well as the committees and officers of the Exchange, shall be established, appointed or elected as described in this Chapter 2, and shall have the rights, duties and responsibilities set forth herein. Notwithstanding anything in these Rules to the contrary, the Board shall have the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions of its committees and of the committees and officers of the Exchange except for any action of the Regulatory Oversight Committee that is not directly related to the Exchange’s budget.

206. Eligibility

No Person may serve as a member or alternate of the Board, ~~the Business Conduct Committee~~, the Regulatory Oversight ~~Probable Cause~~ Committee, the Arbitration Committee the Disciplinary Panel or any other such “disciplinary committee”, “arbitration panel” or “oversight panel” (all as defined in Commission Regulation § 1.63) of the Exchange if, in the last three years before the date of determination, such Person was found to have committed any “disciplinary offense” (as defined in Commission Regulation § 1.63), was suspended from trading, had a registration revoked or was suspended from serving on a governing board under federal laws.

207. Directors

(a) [No change.]

(b) *Designation of Directors; Alternates ~~Initial Board~~.* The Board shall be composed of eight Directors, which shall be elected or appointed as follows:

- (i) The CBOE Subsidiary shall appoint ~~two~~ one Director;
- (ii) The CME shall appoint two Directors;
- (iii) ~~The CBoT shall appoint one Director;~~ IBG shall appoint ~~three~~ two Directors, and
- (iv) The Board shall appoint three Public Directors as set forth in Section (n), below.
- (v) The number and or designation of Directors shall be deemed to conform to any change to the definition of "Public Director" set forth in Core Principal 15 of Section 5(d) of the CEA or any CFTC Regulation.

Each Director, except for the Public Directors, may at any time appoint an alternate to act in their stead, upon notification to the entire board and the Secretary. An alternate Director while acting as Director is vested with all the rights and obligations of the Director for whom the alternate is substituting as provided by law, the Operating Agreement and these Rules provided that the alternate Director may not further designate an alternate.

(c) – (l) [No change.]

(m) *Committees.* The Board may designate by resolution one or more committees, which shall be comprised of individuals appointed by the Board and may at the Board's discretion, include non-Board members. Any such committee, to the extent provided in the resolution, shall have the authority and power to exercise the functions delegated to it by the Board, which delegation may be revoked by the Board at any time and in its discretion. The Board may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of such committee. In the absence or in the case of disqualification of any member of such committee or committees, the member or members thereof present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another person to act at such meeting in the place of such absent or disqualified member. Notwithstanding the above, the Board shall designate a Compensation Committee empowered to make decisions regarding the compensation and benefits programs for the Exchange and to determine the annual compensation for the Exchange's Officers, subject to approval of the Board. Such Compensation Committee shall be comprised of one Director from each of IBG, CME and CBOE. The provisions of this Subsection (m) shall not apply to the Regulatory Oversight Committee.

(n) Public Director

(i) To qualify as a Public Director, a Person must be found, by action of the Board, on the record, to have no relationship with the Exchange that reasonably could affect the independent judgment or decision making of the Person as a Public Director.

(ii) A Person shall not be considered a "Public Director" if any of the following circumstances exist:

(A) Within the last year the Person is an officer or employee of the Exchange or an officer or employee of its affiliate. In this context, "affiliate" includes parents or subsidiaries of the Exchange or entities that share a common parent with the Exchange;

(B) Within the last year, the Person is a Member of the Exchange, or an officer or director of a member as defined in Rules 118 and 132;

(C) Within the last year, the Person, or a firm with which the Person is an officer, director, or partner, receives more than \$100,000 in combined annual payments from the Exchange, or any Affiliate of Exchange for legal, accounting, or consulting services. Compensation for services as a director of the Exchange or as a director of an Affiliate of the Exchange does not count toward the \$100,000 payment limit, nor does deferred compensation for services prior to becoming a director, so long as such compensation is in no way contingent, conditioned, or revocable. In this context a person is "affiliated" with the vendor or Affiliate if their impartiality could be called into question in matters concerning the vendor or Affiliate.

(D) Any of the relationships above apply to a member of the director's "immediate family," i.e., spouse, parents, children and siblings.

(iii) OneChicago's Public Directors may also serve as directors of OneChicago's Affiliates if they otherwise meet the definition of Public Director in these Rules.

(iv) OneChicago shall disclose to the CFTC which members of its Board are Public Directors, and the basis for those determinations.

- (v) This Rule shall be deemed to be modified to conform to any change to the definition of “Public Director” set forth in Core Principle 15 of Section 5(d) of the CEA or any CFTC Regulation.

(o) Regulatory Oversight Committee

(i) The Regulatory Oversight Committee (ROC) of the Board shall consist only of Public Directors. Each member of the ROC shall serve for a term of two years from their appointment date or for the remainder of the Public Director’s term to which they were appointed and until their earlier resignation or removal (as a member of the ROC or the Board) for cause. The ROC shall oversee the Exchange’s regulatory program on behalf of the Board and shall assist it in minimizing actual and potential conflicts of interest. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the ROC to fulfill its mandate.

(ii) The ROC shall have the authority to:

(A) Monitor the Exchange's regulatory program for sufficiency, effectiveness, and independence;

(B) Oversee all facets of the program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to member firms (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;

(C) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;

(D) Supervise the Chief Regulatory Officer, who will report jointly to the ROC for all regulatory, compliance, supervisory, and surveillance matters and to the Chief Executive Officer for all others matters that are not related to regulation and supervision;

(E) Prepare an annual report assessing the Exchange’s self-regulatory program for the Board and the CFTC, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;

(F) Recommend changes that would ensure fair, vigorous, and effective regulation; and

(G) Review regulatory proposals and advise the Board as to whether and how such changes may impact regulation and

(H) Exercise any other functions expressly assigned to it in these Rules.

(iii) Quorum and Vote Required for Action. At all meetings of the ROC, a majority of the ROC members shall constitute a quorum for the transaction of business and the act of a majority of the ROC present at any meeting at which there is a quorum shall be the act of the ROC. If a quorum is not present at any meeting of the ROC, a majority of the ROC members present at such meeting may adjourn such meeting from time to time, without notice other than announcement at such meeting, until a quorum is present. In the event that there is a tie vote, after all of the ROC members eligible to vote have voted, on any matter requiring a majority vote of the ROC for approval, a Director (other than a Public Director) representing the Owner with the largest Voting Interest may vote on the matter in order to break the tie.

208. Officers

(a) – (e) [No changes.]

(f) The “Chief Regulatory Officer” means the individual appointed by the Exchange to oversee compliance matters and for managing the day-to-day regulatory functions of the Exchange. Such person must (i) satisfy the applicable eligibility requirements of Rule 206, (ii) should be knowledgeable about futures trading and futures market operations as well as Applicable Law, and (iii) who will report jointly to the ROC for all regulatory, compliance, supervisory, and surveillance matters and to the Chief Executive Officer for all others matters that are not related to regulation and supervision.

[GO TO NEXT PAGE]

Entire Chapter Has Been Re-Written

CHAPTER 7

DISCIPLINE AND ENFORCEMENT

Introduction

The Board of the Exchange has adopted rules, and from time to time may adopt amendments or supplements to such rules, to assure a free and open market on the Exchange, to maintain proper and appropriate trading conduct and to provide protection to the public in its contacts with the Exchange, Clearing Members, Exchange Members or Access Persons. The Board has appointed officers and created the Regulatory Oversight Committee and the Disciplinary Committees to whom it has delegated responsibility for the investigation, hearing and imposition of penalties for violations of the Rules of the Exchange. In addition, the Board has delegated responsibility for the investigation and enforcement the Rules of the Exchange to the Chief Regulatory Officer and the Compliance Department as set forth in this Chapter 7. The Chief Regulatory Officer shall have available, at all times, the facilities of the Exchange's Compliance Department (which may consist of Exchange staff or staff provided by any Affiliate of the Exchange or any third party with which the Exchange may have entered into a contractual arrangement for such purpose) (the "Department") to conduct investigations of rule violations and market conditions.

701. General

(a) All Members and other Access Persons shall be subject to the Exchange's jurisdiction. All Members and other Access Persons are subject to this Chapter 7 if they, or with respect to a An Access Person, any other Person using any of its User IDs, are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule of the Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.

(b) The Exchange, through the facilities and staff of the Department, will conduct:

(i) Market surveillance and trade practice surveillance using data from the trading system with programs and procedures designed to alert the Exchange when potentially unusual trading activity takes place.

(ii) The Department will initiate reviews and, where appropriate, commence investigations of unusual trading activity or other activity that the Department has reasonable cause to believe could constitute a violation of these Rules.

(c) No member of the staff of the Exchange will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action. No member of the Board will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action with respect to which the Board member is not a member of the relevant appeals panel.

(d) Counsel may represent any Member or Access Person during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, and summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 7.

(e) Pursuant to this Chapter 7, the Exchange may hold a Member liable for, and impose sanctions against such Member for their own acts and omissions that constitute a violation as well as for the acts and omissions of each:

(i) Access Person authorized by such Member,

(ii) Other persons supervised by the Member,

(iii) Other persons using a User ID of such Member or

(iv) Other agents or representative of such Member, in each case, that constitutes a violation as if such violation were that of the Member..

(f) Pursuant to this Chapter 7, the Exchange may hold an Access Person liable for, and impose sanctions against him or her, for such Access Person's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Access Person that constitute a violation as if such violation were that of the Access Person.

(g) Pursuant to this Chapter 7 the Exchange may review an appeal by any applicant of the Exchange's decision to deny or otherwise limit Trading Privileges of such applicant pursuant to the Rules of the Exchange; provided, however, that any such decision by the Exchange

to deny or otherwise limit applicant's Trading Privileges shall continue in effect during such review.

702. Inquiries and Investigation

(a) The Department will investigate any matter within the Exchange's disciplinary jurisdiction which it has reasonable cause to believe could constitute a violation of these Rules. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of the Exchange.

(b) The Department has the authority to:

(i) Initiate and conduct inquiries and investigations;

(ii) Prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;

(iii) Prosecute alleged violations within the Exchange's disciplinary jurisdiction; and

(iv) Represent the Exchange on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

(c) Each Member or Access Person:

(i) Is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Department in connection with:

(A) Any Rule of the Exchange;

(B) Any inquiry or investigation; or

(C) Any preparation by and presentation during a disciplinary proceeding or appeal from a decision in a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Exchange;

(ii) Is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Department in connection with:

(A) Any Rule of the Exchange;

(B) Any inquiry or investigation; or

(C) Any preparation by and presentation during a disciplinary proceeding or appeal from a decision in any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Exchange; and

(iii) May not impede or delay any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

703. Reports of Investigations

(a) The Department will maintain a log of all investigations commenced as a result of a determination made pursuant to Rule 702 (a) above, and their disposition. The Department will prepare a written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any written report of an investigation will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, and the recommendation of the Department. For each potential respondent, the Department will recommend either

(i) Closing the investigation without further action,

(ii) Summary action,

(iii) Resolving the investigation through an informal disposition, including the issuance of a warning letter or

(iv) Initiating disciplinary proceedings.

(c) An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction.

704. Opportunity to Respond

(a) After completing its investigation report, the Department may, upon approval of the Chief Regulatory Officer, notify each potential respondent that the Department has recommended formal disciplinary charges against the potential respondent.

(b) The Department may allow a potential respondent to propose a settlement of the matter or to submit a written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. The potential respondent shall submit such written statement within the time limit established by the Department.

705. Review of Investigative Reports.

(a) The Chief Regulatory Officer will review promptly each completed investigation report to determine whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.

(b) If the Chief Regulatory Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, the Chief Regulatory Officer will direct the Department to conduct further investigation.

(c) After receiving completion of an investigation, the Chief Regulatory Officer will determine for each potential respondent whether to authorize:

(i) The commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur;

(ii) The informal disposition of the investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Oversight Committee; or

(iii) The closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Oversight Committee.

706. Notice of Charges.

(a) If the Chief Regulatory Officer authorizes disciplinary proceedings pursuant to Rule 705(c)(i), the Department will prepare, and serve in accordance with Rule 708, a notice of charges.

(b) A notice of charges will:

(i) State the acts, practices or conduct that the respondent is alleged to have engaged in;

(ii) State the Rule of the Exchange or provision of Applicable Law alleged to have been violated or about to be violated;

(iii) State the proposed sanctions;

(iv) Advise the respondent of its right to a hearing;

(v) State the period of time within which the respondent can request a hearing on the notice of charges, which will not be less than 20 days after service of the notice of charges;

(vi) Advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and

(vii) Advise the respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted.

707. Answer to Notice of Charges.

(a) 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 other time period determined appropriate by the hearings staff.

(b) To answer a notice of charges, the respondent must in writing:

(i) Specify the allegations that the respondent denies or admits;

(ii) Specify the allegations that the respondent does not have sufficient information to either deny or admit;

(iii) Specify any specific facts that contradict the notice of charges;

(iv) Specify any affirmative defenses to the notice of charges; and

(v) Sign and serve the answer on the hearings staff.

(c) Any failure by the respondent to timely serve an answer to a notice of charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer one or more allegations in a notice of charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a notice of charges that the respondent fails to expressly deny will be deemed admitted. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b) above.

708. Service.

Any notice of charges, any responses thereto, or other documents required to be served pursuant to this Chapter 7 will be delivered by electronic mail to the respondent at the address as it appears on the books and records of the Exchange or to the Exchange at enforcement@onechicago.com.

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 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.

(b) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Department will forward the offer to the Chief Regulatory Officer with a recommendation on whether to accept or reject the offer. Any preliminary determination by the Chief Regulatory Officer to accept the offer shall be submitted for review by the Regulatory Oversight Committee. If the Regulatory Oversight Committee agrees, then the Chief Regulatory Officer shall conditionally accept an offer of settlement, and that 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.

(c) If an offer of settlement is accepted and the related order of disciplinary proceedings becomes final, the respondent's submission of the offer will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review and appeal under these Rules.

(d) If the offer of settlement of a respondent or potential respondent is not accepted by agreement between the Chief Regulatory Officer and the Regulatory Oversight Committee, fails to become final or is withdrawn by the respondent or potential respondent, the matter will proceed as if the offer had not been made and the offer and all documents relating to it will not become part of the record. Neither a respondent or potential respondent nor the Department may use an unaccepted offer of settlement as an admission or in any other manner at a hearing of, or appeal from, disciplinary proceedings.

710. Disciplinary Panel.

(a) A Disciplinary Panel will conduct hearings in connection with any disciplinary proceedings, to make findings and impose sanctions pursuant to this Chapter 7. A separate Disciplinary Panel will be established prior to the commencement of each disciplinary matter.

(b) Within 10 days of being notified of the appointment of the Disciplinary Panel, a respondent may seek to disqualify any individual named to the Disciplinary Panel for the reasons identified in Rules of the Exchange or for any other reasonable grounds, by serving written notice on the Chief Regulatory Officer and providing a copy thereof to the hearings staff. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The Chief Regulatory Officer will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

711. Convening Hearings of Disciplinary Proceedings.

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 716) will be conducted at a hearing before the Disciplinary Panel. A hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality.

(b) After reasonable notice to each respondent, the Disciplinary Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Department.

(c) The chairman of the Disciplinary Panel may continue, adjourn or otherwise conduct the hearing, as he or she may deem

appropriate. The chairman of the Disciplinary Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chairman of the Disciplinary Panel will not be bound by any evidentiary or procedural rules or law. Once admitted during the hearing, the Disciplinary Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The Exchange will provide guidance to the chairman of the Disciplinary Panel on the conduct of the hearing.

(d) Except for procedural and evidentiary matters decided by the chairman of the Disciplinary Panel pursuant to paragraph (c) above and Rule 712, unless each respondent otherwise consents, the entire Disciplinary Panel must be present (either in person or by electronic means) during the entire hearing and any related deliberations.

712. Respondent Review of Evidence.

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of the Exchange that the Department will use to support the allegations and proposed sanctions in the notice of charges or which the chairman of the Disciplinary Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and the Exchange will have no obligation to disclose, any information protected by attorney-client privilege.

(b) If any books, records, documents, papers, transcripts of testimony, or other tangible evidence contain information that could adversely affect the competitive position of the Person providing the information or if such information might compromise other investigations being conducted by the Department, the Department may redact, edit or code such information before furnishing it to the respondent.

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Department:

(i) Will not redact, edit or code competitive or investigative information contained in documents in a manner that would impair the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges, and

(ii) Will provide the respondent with access to the information and portions of the documents that the Department

intends to rely on to support the allegations or proposed sanctions in the notice of charges.

(d) For purposes of this Rule 712, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Member or Access Person and the personal finances of the Person providing the information.

713. Conducting Hearings of Disciplinary Proceedings.

(a) At a hearing conducted in connection with any disciplinary proceedings, the Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Disciplinary Panel. If a respondent has timely filed an answer to the notice of charges in accordance with Rule 707, the respondent is entitled to attend and participate in the hearing.

(b) At a hearing conducted in connection with any disciplinary proceedings, the Disciplinary Panel or the Department and each respondent may:

(i) Present evidence and facts determined relevant and admissible by the chairman of the Disciplinary Panel;

(ii) Call and examine witnesses; and

(iii) Cross-examine witnesses called by other parties.

(c) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the notice of charges are not expressly denied in the respondent's answer, the chairman of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges, or otherwise) unless the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel will adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 707.

(d) Any Person entitled, or required or called upon, to attend a hearing before a Disciplinary Panel pursuant to paragraph (b)(ii) above will be given reasonable notice, confirmed in writing, specifying the

date, time and place of the hearing, and the caption of the disciplinary proceedings. The Exchange will require all Members and Access Persons (that are individuals) that are called as witnesses to appear at the hearing and produce evidence. The Exchange will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(e) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule of the Exchange or a provision of Applicable Law other than the violations alleged in the notice of charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 707. In connection with considering apparent violations pursuant to this paragraph (e), the Disciplinary Panel may request that the Department provide the Disciplinary Panel with any additional information.

(f) The Disciplinary Panel may summarily impose sanctions on any Member or Access Person, which impedes or delays the progress of a hearing.

(g) The Exchange will arrange for any hearing conducted in connection with disciplinary proceedings (or any appeal therefrom pursuant to Rule 716 below) to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription. If the respondent requests a copy of all or portions of the recording of a hearing, the chairman of the Disciplinary Panel may within his or her sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

(h) No interlocutory appeals of rulings of any Disciplinary Panel or chairman of the Disciplinary Panel are permitted.

714. Decision of Disciplinary Panel

(a) As promptly as reasonable following a hearing, the Disciplinary Panel will issue an order rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel.

(b) The Exchange will serve a copy of the order of the disciplinary proceedings on the respondent and the Department. The order will include:

(i) The notice of charges or summary of the allegations;

- (ii) The answer, if any, or a summary of the answer;
 - (iii) A brief summary of the evidence introduced at the hearing;
 - (iv) Findings of fact and conclusions concerning each allegation, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated;
 - (v) The imposition of sanctions, if any, and the effective date of each sanction; and
 - (vi) Notice of the respondent's right to appeal pursuant to Rule 716.
- (c) Unless a timely notice of appeal is filed pursuant to Rule 716, the order of the disciplinary proceedings will become final upon the expiration of 20 days after the order is served on the respondent and a copy thereof is provided to the Department.

715. Sanctions

- (a) After notice and opportunity for hearing in accordance with these Rules, the Exchange will impose sanctions if any Member or Access Person or other Person using any of the Members Ids, is found to have violated or to have attempted to violate a Rule of the Exchange or provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction. The Exchange may impose one or more of the following sanctions or remedies:
- (i) Censure;
 - (ii) Limitation on Trading Privileges or other activities, functions or operations;
 - (iii) Suspension of Trading Privileges for a period not to exceed 12 months;
 - (iv) Fine (subject to paragraph (b) below);
 - (v) Restitution or disgorgement;
 - (vi) Termination of Trading Privileges; or
 - (vii) Any other sanction or remedy deemed to be appropriate.

(b) The Exchange may impose a fine of up to \$500,000 for each violation. If a fine or other amount is not paid within 30 days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. The Exchange has sole discretion to select the bank on whose quotations to base the prime rate. Each Member will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Access Persons. Any and all unpaid fines or other amounts imposed upon a Member will survive the Members transfer, termination or withdrawal.

716. Appeal from Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions.

(a) Each respondent found by the Disciplinary Panel to have violated a Rule of the Exchange, a provision of Applicable Law, or who is subject to any summary fine imposed pursuant to Rule 717 or any summary action imposed pursuant to Rule 718 may appeal the decision within 20 days of receiving the order of the disciplinary action or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Regulatory Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended, except as provided in Rule 701(g) with respect to any denial or limit on Trading Privileges.

(b) The notice of appeal must state in writing the grounds for appeal, including the findings of fact, conclusions or sanctions to which the respondent objects. An appellant may appeal the order of disciplinary proceedings or any summary decision on the grounds that:

(i) The order or decision was arbitrary, capricious, an abuse of discretion, or not in accordance with the Rules of the Exchange;

(ii) The order or decision exceeded the authority or jurisdiction of the Disciplinary Panel, the Chief Regulatory Officer or the Exchange;

(iii) The order or decision failed to observe required procedures

(iv) The order or decision was unsupported by the facts or evidence; or

(v) The imposed sanctions, remedies or costs are inappropriate or unsupported by the record.

(c) The Chief Regulatory Officer will forward copies of any notice of appeals received by it to all parties to the disciplinary proceeding or summary action, as the case may be, except the appellant. On or before the 20th day after filing a notice of appeal, the appellant must file with the Chief Regulatory Officer and serve on the Department a brief supporting the notice of appeal and documents supporting the brief. On or before the 20th day after the date on which the appellant serves their supporting brief, the appellee must file and serve its brief in opposition. On or before the 10th day after the date on which the appellee serves its brief in opposition, the appellant must file and serve a brief in reply.

(d) In connection with any appeal, the Department will furnish to the Chief Regulatory Officer and to the respondent/appellant a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and oppose the appeal.

(e) Within 30 days after the last submission filed pursuant to paragraph (c) above, the Chief Regulatory Officer will request that the Regulatory Oversight Committee appoint an appeals panel, consisting of three Board Members (one of whom is a Public Director) (“Appeals Panel”) to consider and determine the appeal. The Public Director will act as chairman of the Appeals Panel.

(f) The Appeals Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeals Panel may appoint an expert to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeals Panel will not be bound by evidentiary or procedural rules or law.

(g) The Appeals Panel will only consider on appeal the record before the Disciplinary Panel or, in the case of a summary action, the record considered by the Chief Regulatory Officer, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeals Panel may only consider new evidence when the Appeals Panel is satisfied that good cause exists on why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.

(h) After completing its review, the Appeals Panel may affirm, modify or reverse any order of the disciplinary proceedings or summary action under appeal, in whole or in part, including increasing, decreasing sanction or remedy authorized by the Rules of the Exchange, or remanding the matter to the same or a different Disciplinary Panel for

further disciplinary proceedings or for reconsideration by the Chief Regulatory Officer. The Appeals Panel may order a new hearing for good cause or if the Appeals Panel deems it appropriate.

(i) As promptly as reasonably possible following its review, the Appeals Panel will issue a written decision on appeal rendering its decision based on the weight of the evidence before the Appeals Panel. The decision of the Appeals Panel will include a statement of findings of fact and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost.

(j) The Appeals Panel's written order on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy cost) will be the final action of the Exchange and will not be subject to appeal within the Exchange.

717. Summary Imposition of Fines

(a) The Chief Regulatory Officer may summarily impose a fine against a Member (on behalf of itself or any of its Access Persons or other Persons using any of its User IDs) for failing:

(i) To make timely payments of original or variation margin, options premiums, fees, cost, charges or fines to the Exchange or the Clearinghouse;

(ii) To make timely and accurate submissions to the Exchange of notices, reports or other information required by the Rules of the Exchange; and

(iii) To keep any books and records required by the Rules of the Exchange.

(b) The Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule 717 to each Member or Access Person subject thereto. The notice will specify

(i) The violations of the Rules of the Exchange for which the fine is being imposed,

(ii) The violation date and the amount of the fine.

(c) Within 20 days of serving the notice of fine, the Member or Access Person, as the case may be, must either pay or cause the payment of the fine or file notice of an appeal pursuant to Rule 716. Unless timely notice of appeal is filed pursuant to Rule 716, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Member or Access Person, as the case may be.

(d) The Exchange will set the amount of any fines imposed pursuant to this Rule 717, with the maximum fine for each violation not to exceed \$5,000. Summary imposition of fines pursuant to this Rule 717 will not preclude the Exchange from bringing any other action against the Member (or any of its Access Persons), as the case may be.

718. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the Rules of the Exchange to the contrary, the Chief Regulatory Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Member or Access Person, and may take other summary action against any member or Access Person in accordance with the Rules of the Exchange; provided, however, that the Chief Regulatory Officer must reasonably believe that the business, conduct or activities of the Member or Access Person in question is not in the best interests of the Exchange or the marketplace, including based on any of the following:

(i) Statutory disqualification from registration as provided in CEA Section 8a(2) or (3);

(ii) Non-payment of fees, costs, charges, fines or arbitration awards; or

(iii) The reasonable belief that immediate action is necessary to protect the public or the best interests of the Exchange.

(b) Whenever practicable, the Department, acting on behalf of the Chief Regulatory Officer, shall provide prior written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The Department, acting on behalf of the Chief Regulatory Officer, will prepare a notice of summary action (which will state the action, the reasons for the action, and the effective time, date and duration of the action) and serve the notice on such party.

(c) Unless timely notice of appeal is filed pursuant to Rule 716, the summary action will become final upon the expiration of 20 days after the notice of action is served on the respondent.

(d) At the request of the Exchange, a respondent against whom a summary action is brought pursuant to this Rule 718 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before the Exchange in connection with the enforcement of any Rule of the Exchange.

(e) A respondent whose Trading Privileges are suspended, revoked, limited, conditioned, restricted or qualified pursuant to this Rule 718 may apply for reinstatement by filing with the Department a written request stating the applicant's reasons for seeking reinstatement. The Exchange will not consider a respondent's request for reinstatement if the respondent:

(i) Owes any fines, fees, charges or costs to the Exchange,

(ii) Continues to fail to appear at disciplinary proceedings without good cause or

(iii) Continues to impede the progress of disciplinary proceedings.

(f) Within a reasonable period after the filing of a request for reinstatement, the Appeals Panel will conduct a hearing to consider the request. At the hearing for reinstatement, the respondent will present its, his or her case supporting the reinstatement and the Department, acting on behalf of the Chief Regulatory Officer may, in its discretion, present its case opposing or supporting the reinstatement and each may present relevant and admissible evidence and facts and call, examine and cross-examine witnesses. At the hearing for reinstatement, the Exchange may require any Member or Access Person to appear as witnesses and produce evidence if the Appeals Panel determines that the evidence is relevant.

(g) As promptly as reasonably possible after a reinstatement hearing, the Appeals Panel will issue an order reinstating, denying the reinstatement, or placing conditions on the reinstatement of the Trading Privileges of the respondent. The order will include a brief summary of the evidence introduced at the reinstatement hearing; and, if applicable, findings of fact and conclusions not contained in the notice of summary action issued pursuant to Rule 718(b) above. The Appeals Panel's order may not be appealed.

719. Rights and Responsibilities After Suspension or Termination

(a) When the Trading Privileges of a Member or Access Person are suspended for a period of 12 months or less, none of its rights and Trading Privileges (including the right to hold oneself out to the public as a Member or Access Person, enter Orders into the CBOEdirect System or the OCX.BETS platform, and receive Member rates for fees, costs, and charges and deposit margin at Member levels) will apply during the period of the suspension, except for the right of the Member or Access Person in question to assert claims against others as provided in the Rules of the Exchange. Any such suspension will not affect the rights of creditors under the Rules of the Exchange or relieve the Member or Access Person in question of its, his or her obligations under the Rules of the Exchange to perform any Contracts entered into before the suspension, or for any Exchange fees, costs, or charges incurred during the suspension. The Exchange may discipline a suspended Member or Access Person under this Chapter 7 for any violation of a Rule of the Exchange or provision of Applicable Law committed by the Member or Access Person before, during or after the suspension.

(b) When the Trading Privileges of a Member or Access Person are terminated, all of its rights and Trading Privileges will terminate, except for the right of the Member or Access Person to assert claims against others, as provided in the Rules of the Exchange. Any such termination will not affect the rights of creditors under the Rules of the Exchange. A terminated Member or Access Person may only seek to reinstate its Membership and Access Privileges by applying pursuant to Chapter 3 of these Rules. The Exchange will not consider the application of a terminated Member or Access Person if such Member or Access Person, as the case may be, continues to fail to appear at disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.

(c) A suspended or terminated Member or Access Person remains subject to the Rules of the Exchange and the jurisdiction of the Exchange for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, disciplinary proceeding, appeal of disciplinary proceedings, summary suspension or other summary action as if the suspended or terminated Member or Access Person still had Trading Privileges.

720. Notice to the Respondent and the Public

The Exchange will provide written notice of disciplinary proceedings to the parties consistent with applicable CFTC Regulations and orders. Whenever the Exchange suspends, expels, fines or otherwise disciplines, or denies any

person access, to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.

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