

RECEIVED  
C.F.T.C.

February 12, 2004

2004 FEB 12 PM 2: 52

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Reference File # 2424.01  
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6, the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following:

- **Amendments to Regulation 1007.02 per the attached text (additions bolded; deletions struck through).**

These amendments will clarify the process by which CBOT settlement prices are determined.

The CBOT intends to implement these amendments one day after the Commission's receipt of this filing.

There were no opposing views among the CBOT's Board of Directors concerning these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths  
Vice President and Secretary

b021004

Additions are **bolded**; deletions are ~~struck through~~

**1007.02 Modified Closing Call** - Immediately following the prescribed closing procedure for all **futures contracts traded by open outcry**, there shall be a two (2) minute trading period (the "modified closing call"). (i) All trades which may occur during regularly prescribed trading hours may occur during the call at prices within the closing range; (ii) no new customer orders may be entered into the call, unless such orders are for contracts that are also traded electronically during the call; (iii) cancellations may be entered into the call; (iv) stop, limit and other resting orders elected by prices during the close may be executed during the call; (v) individual members may execute or enter orders for their own accounts in the call; and (vi) member firms, and those entities which are wholly-owned by member firms, that wholly-own member firms, or that are wholly-owned by the same parent company(ies) as member firms, trading for such firms' or entities' own proprietary accounts may initiate trades or enter orders into the call.

~~The recommended settlement price shall be the midpoint of the closing range unless extenuating circumstances exist under which the pit committee can justify setting the recommended settlement price at a price different from the midpoint. If the recommended settlement price differs from the midpoint of the closing range, then the pit committees are required to document the basis for the deviation. Such documentation must be signed by two members of the pit committee.~~

**Unless otherwise specified by Exchange regulation or policy, the daily settlement price for each contract shall be determined by the relevant Pit Committee at the close of Regular Trading Hours. The settlement price shall be determined by the Pit Committee based upon various factors including, but not limited to (a) the prices that traded during the close; (b) the volume traded at particular prices within the closing range; (c) bids and offers made during the close; (d) the prices at which spreads traded during the close; and (e) the settlement price(s) of related contracts. If the proposed settlement price differs from the midpoint of the closing range for a particular contract, the Pit Committee will document the basis for the deviation from the midpoint. Such documentation must be signed by two members of the Pit Committee. In all cases, however, the Exchange, in its capacity as a Derivatives Clearing Organization, reserves the right to make the final decision on settlement prices.**