

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 2014-06D

Date: March 28, 2014

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION

trueEX LLC

FILING AS A:



DCM



SEF



DCO



SDR



ECM/SPDC

TYPE OF FILING

- **Rules and Rule Amendments**

Certification under § 40.6 (a) or § 41.24 (a)

“Non-Material Agricultural Rule Change” under § 40.4 (b)(5)

Notification under § 40.6 (d)

Request for Approval under § 40.4 (a) or § 40.5 (a)

Advance Notice of SIDCO Rule Change under § 40.10 (a)

- **Products**

Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)

Swap Class Certification under § 40.2 (d)

Request for Approval under § 40.3 (a)

Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

101, 304, 537, and 539

DESCRIPTION

Non-substantive and typographical rulebook revisions.



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March 28, 2014

Via E-Mail: submissions@cftc.gov

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: Weekly Notification of Rule Amendments: Submission Pursuant to Regulation 40.6(d)

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(d), trueEX LLC (“**trueEX**”) submits this weekly notification of the following rule amendments made effective on the date set forth below during the calendar week preceding the date of this notice.

- On March 21, 2014, trueEX revised its rulebook as follows:
 - trueEX revised Rule 101 by making typographical corrections to the definition of the terms “Clearing House”, “Derivatives Clearing Organization”, and “Trading Hours”;
 - trueEX revised Rule 304 to correct a typographical error;
 - trueEX revised Rule 537 to correct paragraph numbering; and
 - trueEX revised Rule 539 to correct inaccurate rule references and typographical errors.

Amendments to the Rulebook that add or delete text are underlined or overstruck, respectively, in Exhibit A attached hereto.

If you have questions regarding this notice, please contact me at (347) 292-6078 or by email at gloria.flinn@trueex.com.

Sincerely,

/s/ Gloria Flinn

Gloria J. Flinn
Acting Chief Legal Officer

cc: dmosubmissions@cftc.gov
submissions@cftc.gov
Fran Kenck, trueEX LLC

EXHIBIT A

TRUEEX LLC

RULEBOOK

Amendments/Revisions to Rulebook

Effective Date	Amendment(s) and/or Revision(s)
<u>March 21, 2014</u>	<ul style="list-style-type: none"> • <u>Rule 101 – Typographical correction in the definition of “Clearing House”, “Derivatives Contract Organization” and “Trading Hours”</u> • <u>Rule 304 – Typographical correction</u> • <u>Rule 537 – Clarifying revision and renumbering</u> • <u>Rule 539 – Typographical correction</u>

RULE 101. Definitions

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“Clearing House” means ~~those—Derivativea~~ Derivatives Clearing ~~Organizations~~Organization that is registered with the Commission as such, ~~which have~~and has an agreement with the Exchange to provide clearing services with respect to any or all Contracts.

...

“Derivatives Clearing Organization” has the meaning attributed to such term by section 1a(915) of the CEA.

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“Trading Hours” means, for any Business Day, (a) with respect to the DCM Trading System, the hours during which Orders may be placed on the DCM Trading ~~Facility~~System, and (b) with respect to the SEF Trading System, the hours during which requests for quotes to enter into a Contract may be made, or Orders may be placed, on the SEF Trading System, in each case, as shall be established, and may be revised from time to time, by the Exchange pursuant to Rule 503.

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RULE 304. Clearing Firms

(a) In order to operate as a Clearing Firm, an applicant must demonstrate to the satisfaction of the Exchange that it:

(i) meets the requirements of, and is approved for, clearing membership at one or more Clearing House and is authorized pursuant to the applicable Clearing House Rules to clear trades in any or all of the Contracts; and

(ii) satisfies the provisions set forth in Rule 306(e).

(b) A Clearing Firm that seeks to effect transactions on the Platform for its own account or the account of any Customer must be a Participant, in addition to satisfying the criteria set forth in Rule 304(a).

(c) The Exchange may share information with any Clearing House that would assist such Clearing House in evaluating and monitoring a Clearing Firm's compliance with these criteria. By becoming a Clearing Firm, a Clearing Firm and its Supervised Persons, agents and employees agree to cooperate with the Exchange and each relevant Clearing House in any such monitoring.

(d) Clearing Firms shall have the right to clear Contracts in accordance with all applicable Rules and Clearing House Rules.

(e) A Clearing Firm that is an FCM and has agreed to accept for clearing Transactions that are executed by a Participant or Sponsored Access Customer trading on the DCM Trading System for its own account or on behalf of Customers must use the risk controls provided by the Exchange to set risk limits for each such Participant, Sponsored Access Customer or Customer, as applicable. A Clearing Firm shall not be required to use the risk controls provided by the Exchange to set risk limits on the DCM Trading System if Orders are screened on a pre-trade basis ~~using~~ provided by the FCM or through a credit limit screening service that provides pre-trade credit checks for the FCM.

(f) A Clearing Firm that has agreed to accept for clearing Transactions that are executed on the SEF Trading System by a Participant or a Customer of Participant, as applicable, shall establish risk-based limits for the account(s) of such Participant or Customer of Participant, and use automated means to screen Orders of such Participant or Customer of Participant using such risk-based limits in accordance with Applicable Law. The Exchange shall provide Clearing Firm means to facilitate such screening.

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RULE 537. Limitation of Liability, No Warranties

~~(a)~~—THIS RULE 537 SHALL SET FORTH THE LIABILITY AND INDEMNIFICATION OBLIGATIONS OF THE EXCHANGE AND ANY PARTICIPANT, CUSTOMER, SUBJECT PERSON OR ANY OTHER PARTY ACCESSING THE PLATFORM, EXCHANGE SERVICES OR EXCHANGE EXCEPT AS OTHERWISE PROVIDED:

~~(1)~~—IN THIS RULEBOOK; OR

~~(2)~~—IN ANY WRITTEN AGREEMENT IN EFFECT BETWEEN THE EXCHANGE AND ANY PARTICIPANT, CUSTOMER, SUBJECT PERSON OR OTHER PARTY ACCESSING THE PLATFORM, EXCHANGE SERVICES OR EXCHANGE IN WHICH THE PARTIES AGREE TO SUPERSEDE THE TERMS OF THIS RULE 537.

(a) SUBJECT TO CLAUSES (e) AND (f) OF THIS RULE 537, EXCEPT IN INSTANCES WHERE A PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 537(a)), NEITHER THE EXCHANGE, ITS SUBSIDIARIES AND AFFILIATES, NOR ANY TECHNOLOGY SERVICE PROVIDER OR CONTRACTOR PROVIDING SERVICES TO THE EXCHANGE, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, NOR ANY OF THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, MEMBERS, PARTNERS, MANAGERS, AGENTS OR SUPPLIERS PROVIDING SERVICES TO THE EXCHANGE (EACH, A “TRUEEX PARTY”) SHALL BE LIABLE TO ANY PERSON OR ENTITY FOR:

(i) ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, THE COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY, CORRUPTION OR LOSS OF DATA) ARISING FROM OR IN CONNECTION WITH, IN EACH CASE:

(A) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, ERROR, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE PROVISION, PERFORMANCE, MAINTENANCE, OR USE OF, THE PLATFORM, WEBSITE, ANY INFORMATION OR SERVICES PROVIDED BY THE EXCHANGE OR ANY FACILITIES OR TECHNOLOGY USED TO SUPPORT THE PLATFORM, WEBSITE, EXCHANGE OR EXCHANGE SERVICES INCLUDING ANY FAILURE TO PROVIDE ALL OR ANY PART OF THE PLATFORM, OR ANY INABILITY OF ANY PERSON TO VIEW, ENTER, EXECUTE OR CANCEL ORDERS OR TRANSACTIONS IN WHOLE OR IN PART;

(B) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY A TRUEEX PARTY, THE PLATFORM OR ANY PLATFORM SYSTEMS, SERVICES OR FACILITIES, ANY ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, SERVERS, SOFTWARE, HARDWARE, AND FIRMWARE, WHETHER SUCH ERRORS OR INACCURACIES ARE A RESULT OF ANY ACTION OR INACTION OF A TRUEEX PARTY OR AN INDEPENDENT THIRD PARTY;

(C) THE CREDITWORTHINESS OF ANY PARTICIPANT OR CUSTOMER;

(D) ACTS OR OMISSIONS OF ANY SUBJECT PERSON, AUTHORIZED TRADER, AUTHORIZED REPRESENTATIVE, OR CUSTOMER THEREOF; OR

(E) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

(ii) THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE AND REGARDLESS OF

WHETHER THE EXCHANGE HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED, THE POSSIBILITY OF SUCH LOSSES, DAMAGES, COSTS OR EXPENSES.

(b) THE EXCHANGE SHALL NOT BE LIABLE TO ANY PARTY FOR ANY DAMAGES, COSTS, LOSSES OR EXPENSES AND THE PARTICIPANT, CUSTOMER OR CLEARING FIRM (AS THE CASE MAY BE) SHALL INDEMNIFY, PROTECT AND HOLD THE EXCHANGE AND ANY TRUEEX PARTY HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, COSTS OR EXPENSES BASED UPON, OR IN CONNECTION WITH ANY CLAIM BY A THIRD PARTY BASED UPON THE DELAY, OMISSION, SUSPENSION, INACCURACY, ERRORS OR TIMELINESS OR OTHER ACTS OR OMISSIONS OF SUCH PARTICIPANT, CUSTOMER OR CLEARING FIRM, OR ANY OF ITS OR THEIR SUPERVISED PERSONS (AS THE CASE MAY BE) IN RESPECT OF TRANSACTIONS OR ANY RELATED DATA, INCLUDING IN CONNECTION WITH QUOTES, BIDS, OFFERS OR OTHER PRICE INFORMATION PROVIDED IN CONNECTION WITH OR RELATING TO ANY TRANSACTION.

(c) NEITHER THE EXCHANGE NOR ANY TRUEEX PARTIES MAKE ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS RELATING TO THE EXCHANGE, THE PLATFORM OR ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE PLATFORM, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THE EXCHANGE WILL PROVIDE ALL SERVICES ON AN "AS IS" AND "AS AVAILABLE" BASIS AT THE SOLE RISK OF THE PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON, AS THE CASE MAY BE. FURTHERMORE, THE EXCHANGE DOES NOT GUARANTEE OR MAKE ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE VALIDITY, SEQUENCE, TIMELINESS, COMPLETENESS, ACCURACY OR CONTINUED AVAILABILITY OF ANY INFORMATION OR DATA MADE AVAILABLE ON OR THROUGH THE EXCHANGE. THE EXCHANGE SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE PLATFORM SYSTEM OR OTHERWISE. EACH PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON ACKNOWLEDGES AND AGREES THAT NEITHER THE EXCHANGE NOR ANY TRUEEX PARTY SERVES OR SHALL SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY SUCH PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON, AS THE CASE MAY BE, NOR SHALL ANY OF THEM BE DEEMED TO ACT AS AN ADVISOR OR FIDUCIARY OF ANY PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON, AS THE CASE MAY BE.

(d) ANY DISPUTE ARISING OUT OF THE USE OF THE PLATFORM OR EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE PLATFORM TO WHICH ANY TRUEEX PARTY IS A PARTY SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. ANY ACTIONS, ARBITRATIONS, SUITS OR PROCEEDINGS SHALL BE BROUGHT WITHIN TWO YEARS FROM THE TIME THEY FIRST ARISE. ANY SUCH ACTION, SUIT OR PROCEEDING MUST BE BROUGHT IN ANY FEDERAL OR STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK. THIS PROVISION SHALL IN NO WAY CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE ANY ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES OF THE EXCHANGE.

(e) UNDER NO CIRCUMSTANCES WILL ANY TRUEEX PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES.

(f) NOTWITHSTANDING ANY OF THE FOREGOING PROVISIONS, THIS RULE 537 SHALL IN NO WAY LIMIT THE LIABILITY OF ANY PERSON ARISING FROM ANY VIOLATION BY SUCH PERSON OF THE CEA OR CFTC REGULATIONS THEREUNDER.

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RULE 539. Execution of Orders

(a) *Transactions on the DCM Trading System:* This Rule 539(a) applies to the DCM Trading System.

(i) Orders to buy or sell any Contract are subject to the minimum trading requirements specified in the relevant Contract rules. For each trade matched on the DCM Trading System, the Platform shall promptly notify each Participant party to such trade that the trade has been executed (provided that a trade that is executed for a commodity pool needs to be confirmed only to the operator of such pool).

Except as expressly provided for by the Rules, all Orders are matched with each other and executed electronically through the Platform in accordance with an algorithm that gives first priority to Orders at the best price and priority among Orders entered at the same price based on the length of time such Order has been resting. Without limiting the generality of the foregoing, the algorithm to match Orders entered in the Platform is based upon the following principles:

(ii) An Order at a better price will always have priority over Orders at inferior prices, except as provided in Rule 539(a)(iv).

(iii) Except as provided in Rule 539(a)(iv), as among resting Orders at the same price, the algorithm will identify the resting Order to be matched against by length of time such Order has been resting. For the first two years following the date of the Exchange's designation as a Designated Contract Market, any decrease or increase to the size of a resting Order will not affect the priority of such Order. An Iceberg Order will not be treated as a resting Order eligible to be matched, except to the extent of its displayable portion.

(iv) *TRADEON Sessions:* A TRADEON Session will start for a Contract if an Order and a contra-Order are matched for that Contract (a "Matched Session"). Each Matched Session shall, if any Order for the relevant Contract remains unmatched at the end of such session, be followed by a new session (a "Continuing Session" and together with a Matched Session, a "TRADEON Session"). Each TRADEON Session lasts for typically ten seconds. Orders in the Contract subject to a TRADEON Session will only be matched at the "Market Equilibrium Price", which is the price at which a trade was executed in the Matched Session. In the event that a trade executed in the Matched Session is a sweep of the order book in which a trade is executed at multiple prices, the Market Equilibrium Price shall be the worst price from the perspective of the aggressor.

(A) *Initial Session:* At the start of a Matched Session, a TRADEON window appears on the platform screen, indicating that a TRADEON session has begun. The initial session is a limited time window (typically 10 seconds) during which any participant on the DCM Trading System may submit an order to buy or sell specified sizes of the product at the indicated Market Equilibrium Price. Orders place during this time window are not visible to the market. Users can submit their Orders beginning immediately at the start of a TRADEON Session and for the duration of the session, and any Orders submitted for a TRADEON Session will be

queued in priority order. During an initial TRADEON Session, priorities are as follows:

(B) In a Matched Session, any unfilled portion of the original Orders that initiated the trade is moved into the TRADEON Session, and the original parties may add to their Orders during the session and retain top priority.

(C) Users with resting Orders in the DCM Trading System order book at the Market Equilibrium Price will automatically be moved into the TRADEON Session and have the same priority in the initial session as they do in the order book.

(D) For all other users, any Orders entered during the initial session are lower priority than any of the Orders described in paragraphs (A) and (B) of this Rule 539(a)(iv)(A). Such Orders are prioritized among themselves by the time of submission. For Iceberg Orders, the notional visibility (i.e., the displayed notional amount of an Iceberg Order) has priority over the reserve portion of an Iceberg Order.

(E) Orders in the initial TRADEON session are matched at the end of the session and based on the priority order set forth above. If both of the original parties to the trade (for trade-initiated TRADEON Session) enter an order, the orders will match immediately as they have the highest priority and are guaranteed to match.

(v) *Continuing Session*: If any Orders remain unmatched at the end of a TRADEON Session and a trade occurred during such TRADEON Session, a Continuing Session will begin. Additional Orders may be submitted at any time during the Continuing Session. During a Continuing Session, Orders are prioritized solely by notional visibility and time. All Orders are matched at the Market Equilibrium Price and are matched immediately if there is a contra order in the Continuing Session. If, at the end of the Continuing Session, a trade has occurred, and there are unmatched TRADEON orders remaining, another Continuing Session will begin.

(vi) *Termination*: At the conclusion of a TRADEON Session, if no Continuing Session will follow pursuant to Rule 539(a)(v) above, the session shall terminate and any Orders that have not matched during such session shall be placed in the order book based on their price.

(b) *Transactions on the SEF Trading System*: This Rule 539(b) applies to the SEF Trading System.

(i) *Request for Quote Functionality*. The Request for Quote (“RFQ”) functionality of the SEF Trading System allows a Participant (the “Requesting Participant”) to send an RFQ to buy or sell a Contract to certain other Participants, to which all such Participants may respond. RFQ functionality will be operate in conjunction with an order book for Required Transactions.

(ii) *Execution of Orders for Required Transactions*. An RFQ for a Contract that is a Required Transaction must be sent to at least the Required Number of Recipient Participants.

“Recipient Participant” means, with respect to any Requesting Participant sending any RFQ via the Request for Quote functionality of the SEF Trading System, a Participant, other than the Requesting Participant, that (x) is not an Affiliate of or

Controlled by the Requesting Participant, and (y) is not an Affiliate of or Controlled by any other Person that responds to the same RFQ of the Requesting Participant.

“Required Number” means (x) prior to October 2, 2014, two, and (y) on or after October 2, 2014, three.

(iii) *Execution of Orders for Permitted Transactions.* An RFQ for a Contract that is a Permitted Transaction must be sent to at least one other Participant.

(iv) *Order Book.* The Exchange shall make an order book available as an execution method for all Required Transactions.

(A) The Exchange will list for trading certain Required Transactions on the order book of the DCM Trading System as determined by the Exchange in its sole discretion. The order book of the DCM Trading System shall operate pursuant to Rule 539 (a)(i) through (a)(~~iv~~vi), and serve as the minimum trading functionality for the SEF Trading ~~Facility~~System pursuant to CFTC Regulation 37.3 with respect to those Required Transactions listed by the Exchange exclusively on DCM Trading System.

(B) The Exchange shall communicate any bid or offer that is resting on the order book of the DCM Trading System to Requesting Participants at the same time that Requesting Participants receive the first responsive bid or offer, as applicable, in response to a RFQ on the SEF Trading System; provided, however that such RFQ is in respect of a Required Transaction that is offered for trading on the order book of the DCM Trading System. Requesting Participants shall have the ability to execute against the bid or offer, as applicable, communicated to them from the order book of the DCM Trading System or any responsive quotes to the RFQ of Requesting Participants.

(C) The Exchange shall offer a customized order book on the SEF Trading ~~Facility~~System for Required Transactions that are not listed for trading on the order book of the DCM Trading System.