



June 29, 2005

**Via Electronic Mail**

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: CBOE Futures Exchange, LLC  
Certification of Mini-Russell 1000 Futures Contract  
Submission Number CFE-2005-19

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.2 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, CBOE Futures Exchange, LLC ("CFE") hereby submits rules and terms and conditions for a new product to be traded on CFE, which are attached hereto along with a chart that summarizes the product specifications. The new product is the Mini-Russell 1000 futures contract ("Product"), and the Product will be listed for trading on CFE commencing on July 1, 2005.

CFE certifies that the Product complies with the Act and the rules thereunder.

Questions regarding this submission may be directed to David Doherty at (312) 786-7466. Please reference our submission number CFE-2005-19 in any related correspondence.

CBOE Futures Exchange, LLC

By: \_\_\_\_\_  
Edward J. Joyce  
President

cc: Mark Baumgardner (OCC)

**Summary Product Specifications Chart for the Mini-Russell 1000 Index Futures Contract**

<b>CONTRACT NAME:</b>	<b>Mini-Russell 1000 Index Futures</b>
<b>DESCRIPTION:</b>	The Russell 1000 Index is designed to measure the performance of the top 1,000 companies from a universe of the 3,000 largest stocks in the U.S. The Russell 1000 Index is capitalization-weighted and includes only common stocks belonging to corporations domiciled in the U.S. and its territories and traded on the NYSE, NASDAQ and/or the AMEX. The Russell 1000 Index is adjusted once per year, in June, to reflect changes in rankings and shares outstanding.
<b>CONTRACT SIZE:</b>	The contract multiplier for the Mini-Russell 1000 Index is \$100. For example, at an index level of 650, the contract size of one Mini-Russell 1000 Index futures contract would be \$65,000 (650 x \$100).
<b>TRADING HOURS:</b>	8:30 a.m. – 3:15 p.m. Chicago time.
<b>TRADING PLATFORM:</b>	CBOE <i>direct</i> .
<b>CONTRACT MONTHS:</b>	Up to three near-term serial months and five months in the March quarterly cycle (March, June, September, December) may be listed for the Mini-Russell 1000 Index futures contract.
<b>TICKER SYMBOLS:</b>	Trading Symbol: RX CBOE Financial Network Dissemination Symbol: RUX Settlement Symbol: RUR
<b>PRICING QUOTATION:</b>	The Mini-Russell 1000 Index futures contract is quoted in terms of the underlying Russell 1000 Index.
<b>PRICING CONVENTIONS:</b>	The futures prices are stated in decimal format.
<b>MINIMUM PRICE INTERVALS:</b>	0.05 of one index point (equal to \$5 per contract). 0.01 of one index point for calendar spreads executed as simultaneous transactions (equal to \$1 per contract).
<b>DOLLAR VALUE PER TICK:</b>	\$5.00 per contract.
<b>FINAL SETTLEMENT DATE:</b>	The third Friday of the expiring month ("Final Settlement Date").
<b>TERMINATION OF TRADING:</b>	The close of trading on the day before the Final Settlement Date. When the last trading day is moved because of a CFE holiday, the last trading day for expiring Mini-Russell 1000 Index futures contracts will be the day immediately preceding the last regularly-scheduled trading day.
<b>FINAL SETTLEMENT VALUE:</b>	The final settlement value for the Mini-Russell 1000 Index futures contract shall be a Special Opening Quotation calculated using the opening reported sales price in the primary market of each component security of the Mini-Russell 1000 Index futures contract on the Final Settlement Date. If the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the rules and bylaws of The Options Clearing Corporation.
<b>DELIVERY:</b>	Settlement of Mini-Russell 1000 Index futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the Final Settlement Date. The cash settlement amount on the Final Settlement Date shall be the final mark to market

	amount against the final settlement price of the Mini-Russell 1000 Index futures contract multiplied by \$100.00.
<b>POSITION ACCOUNTABILITY:</b>	A person may not own or control more than 25,000 contracts net long or net short.  The foregoing position limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange, and shall not apply to arbitrage positions and spread positions as set forth in Rule 412.
<b>MINIMUM REPORTABLE LEVEL:</b>	200 or more contracts.

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**Rule Chapter Setting Forth Contract Specifications for the Mini-Russell 1000 Futures Contract**

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**CHAPTER 20  
MINI-RUSSELL 1000 INDEX FUTURES CONTRACT SPECIFICATIONS**

**2001. Scope of Chapter**

This chapter applies to trading in futures contracts on the Mini-Russell 1000 Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange. The Mini-Russell 1000 Index futures contract was first listed for trading on the Exchange on July 1, 2005.

**2002. Contract Specifications**

(a) *Multiplier.* The contract multiplier for the Mini-Russell 1000 Index futures contract is \$100.00. For example, a contract size of one Mini-Russell 1000 Index futures contract would be \$65,000.00 if the price quotation of the Mini-Russell 1000 Index were 650 (650 x \$100.00).

(b) *Schedule.* The Exchange may list for trading up to three near-term serial months and five months in the March quarterly cycle (March, June, September, December) for the Mini-Russell 1000 Index futures contract. The final settlement date for a Mini-Russell 1000 Index futures contract shall be on the third Friday of the expiring futures contract month.

The trading days for Mini-Russell 1000 Index futures contracts shall be the same trading days of the securities underlying the Mini-Russell 1000 Index.

The trading hours for the Mini-Russell 1000 Index futures contract are from 8:30 a.m. Chicago time to 3:15 p.m. Chicago time.

(c) *Minimum Increments.* The minimum fluctuation of the Mini-Russell 1000 Index futures contract is 0.05 of one index point, which is equal to \$5.00 per contract. The minimum fluctuation for the legs of a calendar spread executed as simultaneous transactions is 0.01, which is equal to \$1.00 per contract.

(d) *Position Limits.* A person may not own or control more than 25,000 contracts net long or net short.

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding shall be cumulated.

The foregoing position limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.

(e) *Termination of Trading.* Trading on the Mini-Russell 1000 Index futures contract terminates at the close of trading on the day before the third Friday of the expiring futures contract month.

(f) *Contract Modifications.* Specifications are fixed as of the first day of trading of a contract. If any U.S. government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(g) *Execution Priorities.* Pursuant to Rule 406(a)(i), the base allocation method of price-time priority shall apply to trading in Mini-Russell 1000 Index futures contracts. Pursuant to Rule 406(b)(iii), a DPM trade participation right priority shall overlay the price-time priority base allocation method.

(h) *Crossing Two Original Orders.* The eligible size for an original Order that may be entered for a cross trade with another original Order pursuant to Rule 407 is one Contract. The request for quote response period under Rule 407(a) for the request for quote required to be sent before the initiation of a cross trade under Rule 407 is five seconds. Following the request for quote response period, the Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(b) at least one of the original Orders that it intends to cross.

(i) *Price Limits and Trading Halts.*

Pursuant to Rule 413, Mini-Russell 1000 Index futures contracts are not subject to price limits.

Trading in Mini-Russell 1000 Index futures contracts shall be halted whenever a market-wide trading halt commonly known as a circuit breaker is in effect on the New York Stock Exchange in response to extraordinary market conditions.

(j) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the Mini-Russell 1000 Index futures contract is 100 contracts. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the Mini-Russell 1000 Index futures contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(k) *No-Bust Range.* Pursuant to Rule 416, the CFE error trade policy may only be invoked for a trade price that is greater than .5% on either side of the market price of the applicable Mini-Russell 1000 Index futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading in other markets.

(l) *Pre-execution Discussions.* Pursuant to Policy and Procedure IV, the time period a Trading Privilege Holder or Authorized Trader must wait after engaging in pre-

execution discussions with the other side of an Order is five seconds after that Order has been entered into the CBOE System.

(m) *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in Mini-Russell 1000 Index futures contracts at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.

### **2003. Settlement**

Settlement of the Mini-Russell 1000 Index futures contract will result in the delivery of a cash settlement amount on the business day immediately following the settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the Mini-Russell 1000 Index futures contract multiplied by \$100.00. The final settlement price of the Mini-Russell 1000 Index futures contract will be rounded to the nearest \$.01.

Clearing Members holding open positions in Mini-Russell 1000 Index futures contracts at the termination of trading in that Contract shall make payment to or receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of the Clearing Corporation.

### **2004. DPM Provisions**

(a) *DPM Appointment.* A Trading Privilege Holder will be appointed to act as a DPM for the Mini-Russell 1000 Index futures contract pursuant to Rule 515.

(b) *DPM Participation Right.* The DPM participation right percentage under Rule 406(b)(iii) for the Mini-Russell 1000 Index futures contract is 30%.

Adopted July 1, 2005 (05-19).