



October 12, 2011

Via Electronic Mail

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

Re: CBOE Futures Exchange, LLC Product Certification and Rule Certification
for Radar Logic 28-Day Real Estate Index Futures Contract
Submission Number CFE-2011-20

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.2 and §40.6 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits rules ("Rules") and terms and conditions for a group of new products to be traded on CFE, called Radar Logic 28-Day Real Estate Index ("RPX") Futures (each an "RPX Future" and collectively the "Product"). A chart that summarizes the Product specifications is also attached. RPX Futures will be listed for trading on CFE commencing on or after October 27, 2011 and the Rules and terms and conditions for RPX futures will become effective on October 27, 2011.

RPX Indexes are calculated by Radar Logic, Incorporated ("RLI") and are comprised of residential real estate transactions that occur during a designated 28-day calendar period. On each CFE business day, except when Columbus Day and Veterans Day are observed on a CFE business day, RLI calculates a single value representing the price per square foot paid for residential real estate in a defined Metropolitan Statistical Area ("MSA") covering a major U.S. metropolitan center. RLI gathers data from public source records which is then translated by RLI's proprietary algorithms into a reflection of the values paid in actual arm's-length real estate transactions. RPX Futures are cash-settled futures contracts on individual MSAs, geographic regions composed of multiple MSAs, or the 25-MSA Composite. A detailed description of the methodology used by RLI to calculate the various RPX indexes may be accessed at: <http://www.radarlogic.com/methodology/methodology.htm>.¹

CFE intends to initially list the 25-Metropolitan Statistical Area RPX Composite Futures.

CFE believes that the impact of the Product and Rules will be beneficial to the public and market participants. CFE is not aware of any substantive opposing views to the Product and Rules. CFE hereby certifies that the Product and Rules comply with the Act and the regulations

¹ RLI's General Disclosures may be reviewed at: http://www.radarlogic.com/disclosure_disclaimer.html and specific disclosures relating to MSAs may be reviewed at http://www.radarlogic.com/msa_disclosures.htm.

thereunder. CFE further certifies that CFE has posted a notice of pending certification with the Commission and a copy of this submission on CFE's Web site (<http://cfe.cboe.com/aboutcfe/rules.aspx>) concurrent with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Klebes at (312) 786-7466. Please reference our submission number CFE-2011-20 in any related correspondence.

CBOE Futures Exchange, LLC

By: Andrew Lowenthal/jkl
Andrew Lowenthal
Managing Director

cc: Riva Adriance (CFTC)
Philip Colling (CFTC)
Thomas Leahy (CFTC)
National Futures Association
The Options Clearing Corporation

**Summary Product Specifications Chart for
Radar Logic 28-Day Real Estate Index ("RPX") Futures**

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|----------------------------------|---|----------------------------------|--------------------------------------|-------|---------|------|-------|-----------|------|----------|---------|
| CONTRACT NAME: | RPX Futures | | | | | | | | | | |
| LISTING DATE: | October 27, 2011 | | | | | | | | | | |
| DESCRIPTION: | <p>A Radar Logic 28-Day Real Estate Index ("RPX") is an aggregate of residential real estate prices comprised of all transactions that occur during a designated 28-day calendar period. On each CFE business day, except when Columbus Day and Veterans Day are observed on a CFE business day, Radar Logic, Incorporated ("RLI") calculates a single value representing the price per square foot paid for residential real estate in a defined Metropolitan Statistical Area ("MSA"). RLI gathers data from public source records which is then translated by RLI's proprietary algorithms into a reflection of the values paid in actual arm's-length real estate transactions.</p> <p>The Exchange may list RPX Futures on ten MSAs: Chicago, New York, Los Angeles, Las Vegas, Miami, San Diego, San Francisco, Seattle, Phoenix and Washington DC.</p> <p>The Exchange may also list RPX Futures on four geographical regions consisting of fixed-weight composites of MSAs in the applicable geographical region: Midwest Region (which includes the MSAs for Chicago, Cleveland, Columbus, Detroit, Minneapolis, Milwaukee and St. Louis), Northeast Region (which includes the MSAs for Boston, New York and Philadelphia), West Region (which includes the MSAs for Denver, Los Angeles, Las Vegas, Phoenix, Sacramento, San Diego, San Francisco, San Jose and Seattle) and South Region (which includes MSAs for Atlanta, Charlotte, Jacksonville, Miami, Tampa and Washington DC).</p> <p>Additionally, the Exchange may list RPX Futures on the 25-MSA Composite (which includes the MSAs for Atlanta, Boston, Charlotte, Chicago, Cleveland, Columbus, Denver, Detroit, Jacksonville, Las Vegas, Los Angeles, Miami, Minneapolis, Milwaukee, New York, Philadelphia, Phoenix, Sacramento, San Diego, San Francisco, San Jose, Seattle, St. Louis, Tampa and Washington DC).</p> | | | | | | | | | | |
| CONTRACT SIZE: | The contract multiplier for each RPX Futures is \$10.00. | | | | | | | | | | |
| TRADING HOURS: | 8:30 a.m. - 3:00 p.m. Chicago time. | | | | | | | | | | |
| CONTRACT MONTHS: | <p>Up to twenty quarterly expirations may be listed for each RPX Future. Each RPX Future listed by the Exchange will cover a designated 28-day calendar period and will expire 63 days after the end of the 28-day calendar period measured by the expiring contract. For example, a June 2012 RPX Futures settling on June 29, 2012 would be based on the 28 day-calendar period ending April 27, 2012. The following expiration listing convention for RPX Futures will be used:</p> <table> <tr> <td><u>Contract Expiration Month</u></td><td><u>28-Day Calendar Period Ending</u></td></tr> <tr> <td>March</td><td>January</td></tr> <tr> <td>June</td><td>April</td></tr> <tr> <td>September</td><td>July</td></tr> <tr> <td>December</td><td>October</td></tr> </table> | <u>Contract Expiration Month</u> | <u>28-Day Calendar Period Ending</u> | March | January | June | April | September | July | December | October |
| <u>Contract Expiration Month</u> | <u>28-Day Calendar Period Ending</u> | | | | | | | | | | |
| March | January | | | | | | | | | | |
| June | April | | | | | | | | | | |
| September | July | | | | | | | | | | |
| December | October | | | | | | | | | | |

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|---------------------------------|---|
| | Initially, only March and September contract expiration months will be listed in the 25-MSA Composite RPX Futures and five near-term years beginning with the March 2012 and September 2012 contract months will be listed. |
| TICKER SYMBOL: | Chicago –RPCH New York –RPNY Los Angeles – RPLA Las Vegas – RPLV Miami – RPMI San Diego – RPSD San Francisco – RPSF Seattle – RPSE Phoenix – RPPX Washington DC – RPWA Midwest Region RPX Futures – RPXM Northeast Region RPX Futures – RPXN West Region RPX Futures – RPXW South Region RPX Futures – RPXS 25-MSA Composite RPX Futures – RPXCP |
| PRICING CONVENTIONS: | Both futures prices and cash index levels are stated in decimal format. |
| MINIMUM PRICE INTERVALS: | 0.05 of one RPX index point (equal to \$0.50 per contract). 0.01 of one RPX index point (equal to \$0.10 per contract) for spreads. |
| DOLLAR VALUE PER TICK: | \$0.50 per contract. |
| TERMINATION OF TRADING: | The close of trading on the business day immediately preceding the Final Settlement Date of the expiring RPX Future. When the regularly scheduled last trading day for an expiring RPX Future falls on an Exchange holiday, the last trading day will be the day immediately preceding the last regularly scheduled trading day. |
| FINAL SETTLEMENT DATE: | The last business day of the contract expiration month. This business day is 63 days following the end of the 28-day calculation period for the expiring contract. If the Exchange is closed on the Final Settlement Date because of an Exchange holiday, the Final Settlement Date for the expiring contract will be the immediately preceding business day. |
| FINAL SETTLEMENT VALUE: | The Final Settlement Value for RPX futures shall be the RPX value for the 28-day calculation period covered by the expiring contract as calculated by RLI. Exercise will result in delivery of cash on the business day following expiration. The Final Settlement Value will be rounded to the nearest \$0.01. If the Final Settlement Value is not available, the Final Settlement Value will be determined in accordance with the rules and bylaws of The Options Clearing Corporation. |
| DELIVERY: | Settlement of RPX 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 RPX Futures contract multiplied by \$10.00. |
| POSITION LIMITS: | RPX futures contracts are subject to position limits under Rule 412. A person may not own or control more than 50,000 contracts net long or net short in each RPX Futures combined. |

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| | The foregoing position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules. |
| MINIMUM REPORTABLE LEVEL: | 200 or more contracts. |

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Rule Chapter Setting Forth Contract Specifications for Radar Logic 28-Day Real Estate Index ("RPX") Futures

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**CHAPTER 20
RADAR LOGIC 28-DAY REAL ESTATE INDEX FUTURES
CONTRACT SPECIFICATIONS**

2001. Scope of Chapter

This chapter applies to trading in Radar Logic 28-Day Real Estate Index ("RPX") Futures contracts. 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 Exchange may list the following RPX Futures contracts for trading on the Exchange:

Chicago RPX Futures
New York RPX Futures
Los Angeles RPX Futures
Las Vegas RPX Futures
Miami RPX Futures
San Diego RPX Futures
San Francisco RPX Futures
Seattle RPX Futures
Phoenix RPX Futures
Washington DC RPX Futures
Midwest Region RPX Futures
Northeast Region RPX Futures
West Region RPX Futures
South Region RPX Futures
25-Metropolitan Statistical Area RPX Composite Futures

The Exchange first listed RPX Futures contracts for trading on the Exchange on October 27, 2011.

2002. Contract Specifications

(a) *Multiplier.* The contract multiplier for each RPX Future is \$10.00. For example, a contract size of one RPX Future would be \$2047.60 if the RPX index level were 204.76 (204.76 x \$10.00).

(b) *Schedule.* The Exchange may list for trading up to twenty quarterly expirations for each RPX Future. The final settlement date of RPX Futures shall be on the last business day of the contract expiration month. This business day is 63 days following the end of the 28-day calculation period for the expiring contract. For example, a June 2012 RPX Futures settling on June 29, 2012 would be based on the 28 day-calendar period ending April 27, 2012. The following expiration listing convention for RPX Futures will be used:

Contract Expiration Month
March
June

28-Day Calendar Period Ending
January
April

Contract Expiration Month
September
December

28-Day Calendar Period Ending
July
October

If the Exchange is closed on the final settlement date because of an Exchange holiday, the final settlement date for the expiring contract will be the immediately preceding business day.

The trading days for RPX Futures are any Business Days the Exchange is open for trading.

The trading hours for RPX Futures are from 8:30 a.m. to 3:00 p.m. Chicago time.

(c) *Minimum Increments.* Except as provided in the following sentence, the minimum fluctuation of each RPX Future is 0.05 index points, which has a value of \$0.50.

The individual legs and net prices of spread trades in each RPX Futures may be in increments of 0.01 index points, which has a value of \$0.01.

(d) *Position Limits.* RPX Futures are subject to position limits under Rule 412.

A person may not own or control more than 50,000 contracts net long or net short in each RPX Future combined.

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 limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and Exchange Rules.

(e) *Termination of Trading.* Trading of RPX Futures terminates on the business day immediately preceding the final settlement date of the expiring RPX Future. When the regularly scheduled last trading day for an expiring RPX Future falls on an Exchange holiday, the last trading day will be the day immediately preceding the last regularly scheduled trading day.

(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 RPX Futures. Pursuant to Rule 406(b)(iii), a DPM trade participation right priority shall overlay the price-time priority base allocation method.

(h) *Crossing Two or More Original Orders.* The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders 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 three seconds under Rule 407(b) at least one of the original Orders that it intends to cross.

(i) *Price Limits and Halts.* Pursuant to Rule 413, RPX Futures are not subject to price limits.

Trading in RPX Futures 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) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to RPX Futures. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of Contract for Related Position involving RPX Futures is 0.01 index points.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for RPX Futures is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a spread order, one leg must meet the minimum Block Trade quantity for RPX futures and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. If the Block Trade is executed as a transaction with legs in multiple contract months and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of RPX Futures (a "strip"), the minimum Block Trade quantity for the strip is 300 contracts and each leg of the strip is required to have a minimum size of 100 contracts.

The minimum price increment for a Block Trade in RPX Futures contract is 0.01 index points.

(l) *No Bust Range.* Pursuant to Rule 416, the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable RPX Futures. 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 on the Exchange or other markets.

(m) *Pre-execution Discussions.* The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is three seconds after the first Order was entered into the CBOE System. If no bid or offer price exist in the relevant RPX Futures, the RFQ Response Period under Policy and Procedure IV that must elapse

following the request for quote that is required to be sent prior to the entry of the first Order is five seconds.

(n) *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 RPX Futures at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.

(o) *Threshold Widths.* For purposes of Policy and Procedure I and Policy and Procedure II, the Threshold Widths for RPX Futures contract are as follows:

| RPX Index Level | Threshold Width |
|-----------------|-----------------|
| 1 – 400 | 40 |
| 401 – 2000 | 100 |

The minimum size of bids and offers that establish a Threshold Width is one contract.

(p) *Daily Settlement Price.* The daily settlement price for each RPX Futures contract will be the average of the final bid and final offer for the RPX Futures contract at the close of trading, subject to the following. If the average of the final bid and final offer is not at a minimum increment for the RPX Futures contract, the daily settlement price shall be the average of the final bid and final offer rounded up to the nearest minimum increment. If there is no bid or offer at the close of trading, the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market.

2003. Settlement

Settlement of RPX Futures 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 RPX Future multiplied by \$10.00. The final settlement price of RPX Futures will be rounded to the nearest \$0.01.

Clearing Members holding open positions in RPX Futures 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 Options Clearing Corporation.

2004. DPM Participation Rights and Obligations

(a) *DPM Appointment.* A Trading Privilege Holder will be appointed to act as a DPM for RPX futures contracts pursuant to Rule 515.

(b) *DPM Participation Right.* The DPM participation right percentage under Rule 406(b)(iii) for RPX futures contracts is 30%.