

**Cantor Futures Exchange, L.P.**  
**Rule Amendment Submission 2018-1**  
**February 16, 2018**

1. The text of the rule changes to the Cantor Futures Exchange, L.P. Rulebook is attached. Additions are underlined and deletions are stricken through. These amended rules have been approved by Cantor Futures Exchange, L.P. Capitalized terms, unless otherwise defined herein, shall possess the meaning(s) ascribed in the Cantor Futures Exchange, L.P. Rulebook.
2. The proposed effective date is ten business days after receipt by the Commodity Futures Trading Commission of this submission.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act, and the Commission's regulations thereunder; and (2) concurrent with this submission, Cantor Futures Exchange, L.P. posted on its website: (i) a notice of pending certification of the rule submissions with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.
5. There were no opposing views expressed regarding these amended rules.

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**CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND  
EFFECT OF THE CERTIFIED RULE AND ITS COMPLIANCE WITH APPLICABLE  
PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION'S  
REGULATIONS THEREUNDER**

Pursuant to Commission Rule 40.6(a)(7)(v), the following is a concise explanation and analysis of the operation, purpose, and effect of the amended rules.

For internal business reasons, Cantor Futures Exchange, L.P. (the "Exchange") is changing its corporate name to CX Futures Exchange, L.P. Similarly, Cantor Clearinghouse, L.P. is changing its corporate name to CX Clearinghouse, L.P. The Exchange is amending its Rulebook to reflect these name changes.

The Exchange has considered the Core Principles for Designated Contract Markets under section 5(d) of the Commodity Exchange Act in the context of these amended rules and believes the amendments are in accordance with these obligations.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE  
ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6,  
17 C.F.R. §40.6

I hereby certify that:

- (1) the amended Rules above comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, Cantor Futures Exchange, L.P. posted on its website: (a) a notice of pending certification of the above Rules with the Commission; and (b) a copy of this submission.

Nolan Glantz

By: Nolan Glantz  
Title: COO  
Date: February 16, 2018

## Attachment—Rule Amendments

(Additions are underlined, deletions are struck through)

### I-1. Defined Terms

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#### Authorized Trader

The term “Authorized Trader” means any natural person who is authorized by a Participant to place Orders on the ~~Cantor~~CX Direct System.

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#### Board of Directors

The term “Board of Directors” means the Board of Directors of the Exchange constituted from time to time in accordance with the ~~Cantor~~CX Futures Exchange, L.P. Operating Agreement and the Amended and Restated Limited Liability Company Agreement of ~~Cantor~~CX Futures Exchange Holdings, LLC, dated as of February 18, 2009.~~November 14, 2006~~.

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#### ~~Cantor~~CX Direct System

The term “~~Cantor~~CX Direct System” means the proprietary order entry and execution system ~~operated by Cantor and~~ used by the Exchange for the placement and execution of Orders or the collection and transmission of information relating to Contracts. Participants (and their Authorized Traders) will access the ~~Cantor~~CX Direct System directly via the Internet.

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#### Clearinghouse

The term “Clearinghouse” means ~~Cantor~~CX Clearinghouse, L.P. (including its successors), a limited partnership organized under the laws of the State of Delaware, or such other third-party clearing organization as the Exchange may designate in the future to provide clearing services with respect to any or all of its Contracts.

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## Exchange

The term “Exchange” means ~~Cantor CX~~ Futures Exchange, L.P. (including its successors), a limited partnership organized under the laws of the State of Delaware, and when used with reference to the administration of any Rule of the Exchange, means either the Board of Directors or the Officer, employee, agent, committee or delegee to whom appropriate authority to administer such provision has been delegated by the Board of Directors.

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## General Partner

The term “General Partner” means ~~Cantor Futures Exchange Holdings, LLC~~, the general partner of the Exchange.

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## Trading Privileges

The term “Trading Privileges” means, with respect to Participants and their respective Authorized Traders, the right (a) to transmit Orders for certain or all Contracts in electronic form directly to the ~~Cantor CX~~ Direct System and (b) to enter into the ~~Cantor CX~~ Direct System EFPs and Block Trades involving certain or all Contracts, subject to the specific requirements and conditions applicable thereto.

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## II-1. Board of Directors

(a) The business and affairs of the Exchange shall be managed by the Board of Directors in accordance with the ~~Cantor CX~~ Futures Exchange, L.P. Operating Agreement and Applicable Law.

(b) The number of directors on the Board of Directors shall be seven, at least three of whom shall be Public Directors (or such other percentage of the Board of Directors as may be required by the CFTC Regulations, as amended from time to time, *provided* that the number of Public Directors shall at all times equal no less than 35% of the entire Board of Directors). Any vote made by the Board of Directors that results in a tie will require that the Board of Directors reconvene to reconsider the matter until such tie is broken.

(c) The appointment of the members of the Board of Directors will be made by the General Partner. ~~Cantor Fitzgerald, L.P.~~,

~~the~~The sole member of the General Partner, shall make such appointments on behalf of the General Partner.

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## **II-7. Officers**

The Board of Directors shall appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers (each such person, an “Officer”) as it may deem necessary or appropriate from time to time, in each case for such term and on such other conditions as it sees fit. Any officer of the Exchange may also be a director, officer, partner or employee of ~~Cantor Fitzgerald, L.P.~~the sole member of the General Partner or any of its affiliates.

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## **III-1. Participants and Trading Accounts**

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(b) Each Participant and its Authorized Traders shall have the right to access the ~~Cantor~~CX Direct System, including the right to place Orders for each of such Participant’s Trading Account(s).

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## **III-2. Authorized Traders**

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(f) Each Participant may at any time revoke an authorization granted by it to any Authorized Trader by disabling such authorization in the ~~Cantor~~CX Direct System.

(g) Without limiting the foregoing, each Authorized Trader will consent, in a form satisfactory to the Exchange, to abide by the Rules of the Exchange and Applicable Law prior to accessing the ~~Cantor~~CX Direct System, and each Participant will ensure on an ongoing basis that (i) none of its Authorized Traders is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto), (ii) each of its Authorized Traders will be technically proficient, (iii) each of its Authorized Traders will conduct its business in a fair and equitable manner, and (iv) each of its Authorized Traders will conduct its business in accordance with the Rules of the Exchange.

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### **III-7. Application of Rules and Jurisdiction Following Termination**

(a) By accessing, or entering any Order into, the ~~Cantor-CX~~ Direct System, and without any need for any further action, undertaking or agreement, a Participant and its Authorized Traders agree (i) to be bound by, and comply with, the Rules of the Exchange, the Rules of the Clearinghouse and Applicable Law, in each case to the extent applicable to it, and (ii) to become subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant and its Authorized Traders.

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### **III-11. Referral and Solicitation of Participants and Orders**

(a) Notwithstanding anything to the contrary in these Rules, a Participant may refer or solicit another Person to become a Referred Participant or may solicit a Referred Participant's Orders, and may provide software, technical or other associated services, upon being notified by the Exchange under the procedures specified in paragraph (b) that the Referring Participant satisfies, and remains in compliance with, the following conditions and is being permitted by the Exchange to act in the capacity of Referring Participant. The Referring Participant must:

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(ix) For the avoidance of doubt, a Referring Participant shall not enter Orders into the ~~Cantor-CX~~ Direct System on behalf of a Referred Participant as the Authorized Trader of a Referred Participant or in any other capacity.

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### **IV-3. Order Entry**

The Authorized Traders of each Participant shall enter Orders by electronic transmission to, and shall be required to provide the information required on the order entry page of, the ~~Cantor-CX~~ Direct System. The Exchange shall maintain an electronic record of those entries. Each Participant shall be responsible for any and all Orders in each of its Trading Accounts to be entered by any of its Authorized Traders.

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#### **IV-5. Acceptable Orders**

At the discretion of the Exchange, the following types of Orders, as well as any other types that may be approved from time to time, may be entered into the [Cantor CX Direct System](#) by Participants (via their Authorized Traders) with respect to a Contract:

(i) *Limit Orders.* A “Limit Order” is an Order to purchase or sell a Contract at a specified price or better. A Limit Order will be executed when entered to the extent that there are opposite Orders open in the [Cantor CX Direct System](#), with any balance to remain as an open Order until it is executed or is cancelled, or until it expires at the End of Trading on the Trading Day designated on such Order.

(ii) *Market Orders.* A “Market Order” is an Order to purchase or sell a Contract at the best price available in the [Cantor CX Direct System](#) at the time the Order is entered. A Market Order will be executed when entered to the extent that there are opposite Orders open in the [Cantor CX Direct System](#), with any balance cancelled.

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#### **IV-6. Modification and Cancellation of Orders**

Any Order that has been entered into the [Cantor CX Direct System](#) may be modified or cancelled unless and until it has been executed or has otherwise expired. Any such modification or cancellation requires that a Cancel Replace Order or Cancel Order, as the case may be, with respect to the original order be entered into the [Cantor CX Direct System](#). Such modification or cancellation will become effective upon the issuance of an acknowledgement by the [Cantor CX Direct System](#) of the Cancel Order or Cancel Replace Order, as the case may be.

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#### **IV-7. Execution of Orders by the [Cantor CX Direct System](#)**

Orders to buy or sell any Contract are subject to the minimum trading requirements specified in the relevant Contract Rules and any margin requirements as imposed from time to time in the relevant Contract Rules or by the Clearinghouse. All Orders are matched with each other and executed electronically through the [Cantor CX Direct System](#) 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 their time of entry into the [Cantor CX Direct System](#), with the Order first entered receiving first priority. Without limiting the generality of the foregoing, the algorithm to match Orders entered in the [Cantor CX Direct System](#) is based upon the following principles:

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#### **IV-9. Market Crossing**

The Exchange may from time to time adopt procedures for facilitating crossing of orders through the [Cantor-CX](#) Direct System.

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#### **IV-10. Information Regarding Orders**

The Exchange may make information regarding Orders (including prices bid or offered), trades and any other matters it may deem appropriate available to Participants, Authorized Traders and other Persons at such times and in such manner (whether through the [Cantor-CX](#) Direct System, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time.

Each Participant, Authorized Trader or other Person receiving any such information through the [Cantor-CX](#) Direct System is expressly prohibited from redistributing such information unless expressly permitted by the Exchange. Employees and agents of the Exchange shall have access to the offices of any Participant and each of its Authorized Traders during regular business hours in order to observe the compliance by such Participant and its Authorized Traders with the immediately preceding sentence.

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#### **IV-11. Errors**

(a) If an Order was incorrectly executed or rejected by the [Cantor-CX](#) Direct System, a Participant or its Authorized Trader may, within ten minutes thereafter, request review of the Order by providing the confirmation number for the Order and stating the grounds for the disagreement.

(b) Upon receipt by the Exchange of a request for review of an Order and the accompanying confirmation number, the Exchange will review its electronic audit trail to determine if the [Cantor-CX](#) Direct System correctly interpreted and executed the Order. Such review will be completed (i) on the same Business Day if the Exchange received such request for review prior to 12:00 Noon on any Business Day or (ii) by the end of the following Business Day if such request was received (x) on or after 12:00 Noon on any Business Day or (y) on any day that is not a Business Day.

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(e) Notwithstanding anything to the contrary in this Rule IV-11, if the Exchange determines in its sole discretion that the execution of any trade was the result of Orders being incorrectly processed by the Cantor-CX Direct System, or any other cause beyond the control of any Participant, then the Exchange may cancel such trade in the Trading Accounts of all affected Participants.

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**IV-15. EFP Transactions**

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(f) The Exchange will review the information submitted by the Participants for the EFP transaction and will post the transaction to the Cantor-CX Direct System if the transaction details are complete and accurate in accordance with this Rule. The Exchange will immediately publicize information identifying the transaction as an EFP trade and identifying the relevant Contract, contract month, quantity and, if applicable, whether the transaction involved a put or a call and the strike price.

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**IV-16. Block Trading**

(a) Participants may, subject to the relevant Contract Rules, enter into transactions outside the Cantor-CX Direct System, at prices mutually agreed, with respect to Contracts that have been designated by the Exchange for such purpose (each, a “Block Trade Contract”), *provided* that all of the following conditions are satisfied (each such transaction, a “Block Trade”):

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(b) Prior to entering into a Block Trade, an Authorized Trader of one participating Participant must apply for a unique identifying number (a “Block Trader ID”) by such means as prescribed by the Exchange from time to time. Once issued, the Block Trader ID number will be valid for a period of 5 minutes only. Block Trades will only be accepted from Authorized Traders accessing the Cantor-CX Direct System with a valid Block Trader ID.

(c) Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the Cantor-CX Direct System.

(d) When negotiating or executing a Block Trade, an Authorized Trader must ensure that the price quoted for a Block Trade represents a fair price. When determining a fair price, an Authorized Trader should take into account the prevailing bids and offers and volume currently available in the [Cantor-CX](#) Direct System.

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(g) The Exchange will review the information submitted by the Participant(s) for the Block Trade and will post the Block Trade to the [Cantor-CX](#) Direct System if the details are complete and accurate in accordance with this Rule. The Exchange will immediately publicize information identifying the trade as a Block Trade and identifying the relevant Contract, contract month, price or premium, quantity and, if applicable, whether the transaction involved a put or a call and the strike price.

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#### **IV-19. Emergencies**

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(b) *Physical Emergency.* If, in the judgment of the President, or any individual designated by the President and approved by the Board of Directors, the physical functions of the Exchange are, or are threatened to be, severely and adversely affected by a physical emergency, such Person shall have authority to take such action as he or she may deem necessary or appropriate to respond to such physical emergency, including closing the Exchange, delaying the opening of trading in one or more Contracts or suspending trading in or extending trading hours for one or more Contracts. In the event that any action has been taken pursuant to the immediately preceding sentence, any Person who is authorized to take such action may order the removal of any restriction previously imposed pursuant to such sentence, upon a determination by such Person that the physical emergency that gave rise to such restriction has sufficiently abated to permit the physical functions of the Exchange to continue in an orderly manner. Any order by any Person pursuant to this sentence shall be subject to review, modification or reversal by the Board of Directors. In the event that trading is suspended in any or all Contracts, unexecuted Orders for the suspended Contracts that are currently resting in the [Cantor-CX](#) Direct System will automatically be cancelled and must be resubmitted by the Participants upon resumption of trading in the affected Contracts.

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**IV-20.           Limitation of Liability**

EXCEPT AS OTHERWISE PROVIDED IN THESE RULES, AND EXCEPT IN INSTANCES WHERE THERE HAS BEEN A FINDING OF WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE IV-20, NEITHER THE EXCHANGE (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUB-CONTRACTORS PROVIDING SERVICES TO THE EXCHANGE) NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS SHALL BE LIABLE TO ANY OTHER PERSON, INCLUDING ANY PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER), FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES), ARISING FROM (A) ANY FAILURE OR MALFUNCTION, INCLUDING ANY INABILITY TO ENTER OR CANCEL ORDERS, OF THE ~~CANTOR-CX~~ DIRECT SYSTEM OR ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE ~~CANTOR-CX~~ DIRECT SYSTEM, OR (B) ANY FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY OR TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE ~~CANTOR-CX~~ DIRECT SYSTEM OR ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE ~~CANTOR-CX~~ DIRECT SYSTEM. THE FOREGOING SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. FURTHERMORE, THERE SHALL BE NO LIABILITY BASED UPON, OR IN CONNECTION WITH, ANY QUOTE OR OTHER INFORMATION IF NO CORRELATIVE PURCHASE OR SALE OF A CONTRACT IS MADE, AND IF A CORRELATIVE PURCHASE OR SALE OF A CONTRACT IS MADE, ANY LIABILITY SHALL BE LIMITED IN AMOUNT TO THE AGGREGATE PRICE OF THE CONTRACTS PURCHASED OR SOLD.

THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE EXCHANGE (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE EXCHANGE), RELATING TO THE ~~CANTOR-CX~~ DIRECT SYSTEM OR ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE ~~CANTOR-CX~~ DIRECT SYSTEM, INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THE SERVICES OF THE EXCHANGE ARE BEING PROVIDED ON AN "AS IS" BASIS AT THE SOLE RISK OF THE PARTICIPANT AND ANY PERSON ASSOCIATED WITH THE PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER). NEITHER THE EXCHANGE (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE EXCHANGE) NOR ANY OF

THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS MAKE ANY WARRANTY WITH RESPECT TO, AND NO SUCH PARTY SHALL HAVE ANY LIABILITY TO ANY PARTICIPANT OR ANY PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER) FOR, THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE OR CONTINUED AVAILABILITY OF THE CANTOR-CX DIRECT SYSTEM OR THE EXCHANGE, DELAYS, OMISSIONS OR INTERRUPTIONS IN EXCHANGE SERVICES OR THE CREDITWORTHINESS OF ANY OTHER PARTICIPANT OR ANY PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER). THE EXCHANGE SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE CANTOR-CX DIRECT SYSTEM OR OTHERWISE. EACH PARTICIPANT AND EACH PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER) ACKNOWLEDGES AND AGREES THAT THE EXCHANGE (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE EXCHANGE) DOES NOT AND SHALL NOT SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY SUCH PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER), AS THE CASE MAY BE, AND IS NOT AN ADVISOR OR FIDUCIARY OF SUCH PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER), AS THE CASE MAY BE.

EXCEPT AS OTHERWISE PROVIDED IN THESE RULES, ANY LIABILITY OF THE EXCHANGE (OTHER THAN LIABILITY THAT IS EXCLUDED PURSUANT TO THE PRECEDING TWO PARAGRAPHS OF THIS RULE IV-20) WILL BE LIMITED TO DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE ACTS OR OMISSIONS OF THE EXCHANGE OR ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS; PROVIDED THAT THE TOTAL COMBINED AGGREGATE LIABILITY OF THE EXCHANGE AND ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS TO ANY ONE PARTICIPANT SHALL NOT, TAKEN TOGETHER WITH ANY LIABILITY OF THE CLEARINGHOUSE TO SUCH PARTICIPANT RESULTING FROM THE ACTS OR OMISSIONS OF THE CLEARINGHOUSE OR ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, EXCEED \$25,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED ON A SINGLE CALENDAR DAY; \$50,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$500,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR.

ANY DISPUTE ARISING OUT OF THE USE OF THE CANTOR-CX DIRECT SYSTEM OR EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE CANTOR-CX DIRECT SYSTEM IN WHICH THE EXCHANGE (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE EXCHANGE) OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS IS A PARTY SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. ANY ACTIONS, SUITS OR PROCEEDINGS AGAINST ANY OF THE FOREGOING MUST BE BROUGHT WITHIN TWO YEARS FROM THE TIME THEY FIRST ARISE,

AND ANY SUCH ACTION, SUIT OR PROCEEDING MAY 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 RULES OF THE EXCHANGE.

ANY PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED TRADER) WHO FAILS TO PREVAIL IN A LAWSUIT OR OTHER LEGAL PROCEEDING INSTITUTED BY SUCH PERSON AGAINST THE EXCHANGE (INCLUDING ITS AFFILIATES) OR ANY OF ITS DIRECTORS, COMMITTEE MEMBERS, OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS, AND RELATED TO THE BUSINESS OF THE EXCHANGE, WILL PAY TO THE EXCHANGE ALL REASONABLE EXPENSES, INCLUDING ATTORNEYS' FEES, INCURRED BY THE EXCHANGE IN THE DEFENSE OF SUCH PROCEEDING TO THE EXTENT THAT SUCH EXPENSES EXCEED FIFTY THOUSAND DOLLARS (\$50,000.00). THIS PROVISION WILL NOT APPLY TO DISCIPLINARY ACTIONS BY THE EXCHANGE, ADMINISTRATIVE APPEALS OF EXCHANGE ACTIONS OR IN ANY SPECIFIC INSTANCE WHERE THE BOARD OF DIRECTORS HAS GRANTED A WAIVER OF THIS PROVISION.

NOTWITHSTANDING ANY OF THE FOREGOING PROVISIONS, THIS RULE IV-20 SHALL IN NO WAY LIMIT THE LIABILITY OF ANY PERSON ARISING FROM ANY VIOLATION OF SUCH PERSON OF THE CEA OR CFTC REGULATIONS THEREUNDER.

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## **V-9. System Security**

(a) Each Participant that is an Entity shall at all times have at least one employee or agent (each, a "Responsible Agent") designated as its administrator with respect to the use of the ~~Cantor-CX~~ Direct System by the Authorized Traders of such Participant. Each Participant that is a natural person shall serve as its own Responsible Agent. The Exchange may prescribe such qualification standards for Responsible Agents as it may from time to time determine necessary or advisable. Among other things, each Responsible Agent shall (i) have full control over access to the ~~Cantor-CX~~ Direct System by the Participant (including its Authorized Traders) represented by such Responsible Agent and (ii) be able to access, and, if required, modify and withdraw, any and all Orders placed, or purported to be placed, by the Authorized Traders of such Participant. The Responsible Agent or Responsible Agents of any Participant shall also be solely responsible for any and all communications between the Exchange and such Participant, and any and all notices or other communications sent to such Responsible Agent or Responsible Agents by the Exchange shall be binding on such Participant. Each

Participant shall notify the Exchange promptly of any change regarding any of its Responsible Agents.

(b) Each Participant shall (i) be solely responsible for controlling and monitoring the use of all user identification codes and passwords to access the ~~Ganter~~-CX Direct System (collectively, "Passwords") issued to its Authorized Traders and Responsible Agents by the Exchange, (ii) provide such Passwords only to its Authorized Traders and Responsible Agents, and (iii) shall notify the Exchange promptly upon becoming aware of any unauthorized disclosure or use of the Passwords or access to the Exchange or of any other reason for deactivating Passwords. Each Participant, on behalf of itself and its Authorized Traders, shall be bound by any actions taken through the use of its Passwords (other than any such actions resulting from the fault or negligence of the Exchange), including the execution of transactions, whether or not such actions were authorized by such Participant or any of its Supervised Persons or executed by anyone other than an Authorized Trader of such Participant.

(c) Notwithstanding anything to the contrary in Rule V-9(b), each Authorized Trader shall have his or her own unique Passwords that may be used only by such Authorized Trader and solely for the purpose of submitting Orders in respect of the Trading Account for which the Authorized Trader has Trading Privileges.

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#### **VI-4. Market Demoralization**

Orders entered into the ~~Ganter~~-CX Direct System for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Participant, Authorized Trader and, if applicable, any other Supervised Person who makes or assists in entering any such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, will be deemed to have engaged in an act detrimental to the Exchange.

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#### **VI-11. Pre-Execution Discussions**

(a) Authorized Traders seeking to execute a pre-negotiated transaction must wait for a reasonable period of time, which shall be presumed to be not less than 15 seconds after the initial Order is submitted to the ~~Ganter~~-CX Direct System, before submitting the opposite side Order.

(b) Except in the case of transactions effected pursuant to Rule VI-11(a), no Authorized Traders shall enter through the Cantor-CX Direct System into a pre-discussed or pre-arranged transaction.

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**VII-19. Rights and Responsibilities after Suspension or Termination**

(a) When the Trading Privileges of a Participant are, or the association of an Authorized Trader with a Participant is, 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 Participant, enter Orders into the Cantor-CX Direct System and receive Participant rates for fees, costs, and charges and deposit margin at Participant levels) will apply during the period of the suspension, except for the right of the Participant or Authorized Trader in question to assert claims against others as provided in the Rules of the Exchange. Any such suspension will not relieve the Participant or Authorized Trader 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 Participant or Authorized Trader under this Chapter VII for any violation of a Rule of the Exchange or provision of Applicable Law committed by the Participant before, during or after the suspension.

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