WILMERHALE

January 16, 2014

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Via electronic mail to secretary@cftc.gov

Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street NW
Washington, D.C. 20581

Re: TeraExchange, LLC – Rule 40.6 certification of amended rules

Dear Secretary Jurgens:

On behalf of our client TeraExchange, LLC ("TeraExchange"), pursuant to Section 5c(c) of the Commodity Exchange Act (the "Act") and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the "Commission"), we hereby submit the certification of TeraExchange of amendments to the TeraExchange Rulebook. We understand that, absent contrary action by the Commission, these amendments will become effective ten business days after filing of this submission.

Attached, please find the submission cover sheet and supplemental information required pursuant to Commission Rule 40.6.

Please do not hesitate to contact me with any questions.

Respectfully submitted,

Paul M. Architzel

Cc: Nancy Markowitz, DMO
Mark Schlegel
Jasmine Lee
Leonard T. Nuara, TeraExchange

SUBMISSION COVER SHEET

Registered Entity Identifier Code: 2014-01 **Date: January 16, 2014**

***IMPORTANT*: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**
☐

ORGANIZATION	TeraExchange, 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

Rules 301, 302, 304, 309, 310, 401, 404, 405, 406, 409, 801, 818,and 904.

DESCRIPTION

The following amendments to TeraExchange LLC's ("TeraExchange") Rules clarify a number of rules and Tera processes, including the on-boarding process, the relationship of customers of Participants to Tera and the requirements that apply to such customers, and the use of pre-trade credit checking processes.

TeraExchange, LLC
Rule Implementation Submission 2014-01
January 16, 2014

1. The texts of the amended Rules are appended as Attachment A. Any additions are underlined and any deletions are struck through.

2. The date of intended implementation for these rules is ten business days following the filing of this submission.

3. Attached, please find a certification that: (1) these rules comply with the Act, and the Commission's regulations thereunder; and (2) concurrent with this submission, TeraExchange posted on its website: (i) a notice of pending certification of the rule amendments with the Commission; and (ii) a copy of this submission.

4. A concise explanation and analysis of the operation, purpose, and effect of each of the amended rules appears below.

5. There were no opposing views expressed regarding these amended rules.

6. Confidential treatment is not requested.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE RULE AMENDMENT 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)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the added and amended rules As noted above, these added and amended rules clarify the information that may be requested of Participants during onboarding; the relationship of Authorized Traders and customers of Participants to Tera; the process for pre-order credit checks, and various other procedural clarifications.

The following chart identifies the changed rules and the reason for, and effect of, the rule change. The remaining rule changes are technical changes in nature, the effects of which are apparent on their face.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT

Rule	Rule Title	Summary of Rule Change	Effect
301	Eligibility Criteria for Becoming a Participant	• Clarification of Criteria	• Amends rule to clarify that applicants must satisfy any other criteria that TeraExchange may reasonably require.
302	Authorized Traders	• Clarification of Participant Obligations with Respect to Authorized Traders • Clarification of Conditions and Procedure for Termination of Authorized Trader	• Removes redundant provision regarding Authorized Trader conduct; • Clarifies conditions under which TeraExchange may postpone the effective time and date of an Authorized Trader termination.
304	Limitations on Trading Privileges	• Clarification of Conditions for Limiting Trading Privileges	• Clarifies conditions under which TeraExchange may revoke, suspend, limit, condition, restrict, or qualify Trading Privileges.
309	Communications Between Tera and Participants	• Clarification of Methods of Communication	• Clarifies information that Participants must provide to TeraExchange; • Clarifies responsibilities of Participants with respect to communications from TeraExchange.
310	Application of Tera Rules and Jurisdiction	• Clarification of Application of Tera Rules	• Clarifies that Account Holders provided direct electronic access are also bound by TeraExchange rules.
401	Information to	• Clarification of	• Clarifies that the provision applies to a

Rule	Rule Title	Summary of Rule Change	Effect
	be Provided by Participants	Scope of Information Required	Participant that is an Executing Firm, and clarifies the on-boarding process.
404	Inspections by Tera	• Amend Notice Provisions	• Clarifies the conditions under which TeraExchange may access the premises of a Participant.
405	Mandatory Use of TeraCheck for Pre-Trade Credit Checks	• Clarifies Credit Requirement	• Clarifies operation of pre-order credit checks.
406	Minimum Financial and Related Reporting Requirements	• Clarification of Requirement to Provide Information to Tera	• Clarifies that Participants must provide to TeraExchange a copy of any notice or report required under CFTC Rule 1.12.
409	Participants or Executing Firms Accessing Tera on Behalf of Others	• Clarification of Conditions for Entering Orders on Behalf of Distinct Entities	• Clarifies the conditions under which a Participant may enter orders or access TeraExchange for a legally distinct Account Holder; • Specifies conditions under which an Executing Firm may enter orders on behalf of a Participant or legally distinct Account Holder, arrange Block Trades, or report Arranged Transactions.
801	General	• Clarification of Sanctions Applicable to Authorized Traders	• Clarifies that Authorized Traders are subject to termination provided under Rule 302(h) rather than to sanctions under Chapter 8.
818	Sanctions	• Clarification of Sanctions Applicable to Authorized Traders	• Same as amendment to Rule 801.
904	Market Data	• Clarification of Conditions of Distribution	• Clarifies that TeraExchange may only use or distribute data in a manner that, except as required for regulatory or self-regulatory purposes, prevents identification of Participants, Account Holders, their Accounts, or IDs.

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, TeraExchange, LLC posted on its website: (a) a notice of pending certification of the above Rules with the Commission; and (b) a copy of this submission

By: LEONARD T. NUARA
Title: President + COO
Date: January 15, 2014

TeraExchange, LLC Rulebook

BY BECOMING A PARTICIPANT, OR BY ACCESSING TERAEXCHANGE IN ANY WAY, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PERSON AGREES (I) TO BE BOUND BY AND COMPLY WITH TERA RULES AND OBLIGATIONS, THE CLEARING HOUSE RULES, AND INSTRUMENT SPECIFICATIONS, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, AND APPLICABLE LAW, (II) TO BECOME SUBJECT TO THE JURISDICTION OF TERAEXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS, OR OMMISSIONS OF SUCH PERSON RELATED TO TERA RULES, AND (III) TO ASSIST TERAEXCHANGE IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS, (IV) TO COOPERATE WITH TERAEXCHANGE AND THE CFTC IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING, AND (V) TO AUTHORIZE TERAEXCHANGE TO PROVIDE INFORMATION REGARDING IT TO THE REGULATORY SERVICE PROVIDER, THE CFTC OR ANY SELF-REGULATORY ORGANIZATION.

TERA EXCHANGE

Ver. ~~1.4~~1.5

Rule 301 Eligibility Criteria for Becoming a Participant

(a) To be eligible for admission as a Participant, an applicant must demonstrate to the satisfaction of Tera that it:

(i) Is an ECP;

(ii) Is of good reputation and business integrity;

(iii) Maintains adequate financial resources and credit;

(iv) Is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade financial products of a type consistent with Instruments;

(v) Has not filed for bankruptcy;

(vi) Is not a SEF Official, agent or affiliate of Tera;

(vii) Holds all registrations required under Applicable Law, if any;

(viii) Is not subject to statutory disqualification under Section 8a(2) of the CEA; and

(ix) Satisfies any other criteria that Tera may reasonably require from a Participant.

(b) Each Participant that is acting as agent for an Account Holder must provide Tera with all information necessary for Tera to establish Accounts for such Account Holder and provide Tera with written representations or proof of authority to place Orders and execute Trades on Tera on behalf of or in the name of such Account Holder.

(c) Once admitted, the Participant shall continue to comply with all applicable eligibility criteria in this Rule 301.

(d) Each Account Holder must be either a Clearing Firm of a Clearing House where the Clearable Instruments are cleared or have a clearing account with a Clearing Firm with respect to such Clearable Instrument and, through its Executing Firm, provide Tera with evidence of such relationship.

(e) Each Executing Firm that is acting as agent for an Account Holder must ensure that each such Account Holder has established a clearing account with a Clearing Firm of the Clearing House accepting for clearance the Clearable Instruments traded on Tera.

(f) Participants that do not have a relationship with a Clearing Firm as set forth in subsection (d) or (e) of this Rule 301 are prohibited from entering Orders on Tera.

(g) Upon request of Tera, each Participant shall promptly provide to Tera or the Regulatory Services Provider such information about its Authorized Traders as Tera requests, including but not limited to, the names and dates of birth of such Authorized Traders.

Rule 302 Authorized Traders

(a) Each Participant shall designate one or more Authorized Traders, who will be responsible for all SEF Activity conducted on behalf of the Participant.

(b) Each Authorized Trader of a Participant:

(i) Must be a natural person;

(ii) Must satisfy any other requirements as may be prescribed by Tera from time to time.

(iii) Must have a Trader ID.

(c) A Participant that authorizes a third party to trade for its Account on a discretionary basis pursuant to a power of attorney or other written delegation of authority must identify at least one specific natural person as its Authorized Trader with respect to such Account.

(d) Without limiting the foregoing, each Authorized Trader will consent, in a form satisfactory to Tera, to abide by the Tera Rules and Applicable Law prior to accessing Tera, 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; and

(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 Tera Rules.

(e) By agreeing to become an Authorized Trader, an individual agrees to be bound by the duties and responsibilities of an Authorized Trader and to be subject to, and comply with, the Tera Rules and Obligations. Among other duties and responsibilities that Tera may impose, an Authorized Trader must ensure that any SEF Activity conducted under any Trader ID assigned to him or her complies with all Tera Rules and Obligations.

(f) To nominate an Authorized Trader, a Participant must follow the procedures established by Tera. Tera may establish criteria that individuals must fulfill to become an Authorized Trader. Tera will not accept the registration as an Authorized Trader of any individual who is a SEF Official.

(g) Tera will promptly notify a Participant in Writing of the approval of nominated Authorized Traders or if Tera declines to approve the nomination.

(h) Tera may, in its sole discretion revoke or suspend the designation of an Authorized Trader and shall promptly notify the Participant in Writing of such action. Upon such request Tera will disable access of such Authorized Trader to Tera.

(i) To request the termination of the designation of an Authorized Trader, the Participant or the Authorized Trader must notify Tera following the procedures established by Tera. Tera~~ may~~, in its sole discretion, ~~refuse to accept a request to terminate the registration of an Authorized Trader, or~~ may postpone the effective time and date of the termination of ~~registration~~the Authorized Trader if Tera considers it necessary to avoid any adverse impact on the market and/or other Participants, for the protection of other Participants or in Tera's best interest. Based on the information provided to, and other information gathered by, Tera regarding the request to terminate the ~~registration~~designation of an Authorized Trader, Tera will determine whether to:

(i) Accept the request to terminate the designation;

(ii) Postpone the effective date of termination of the designation; and/or

(iii) Impose any terms or conditions before or after the effective date of termination of the designation.

Rule 304 Limitations on Trading Privileges

Tera may at any time revoke, suspend, limit, condition, restrict or qualify the Trading Privileges of any Participant with or without notice to such Participant if, in the sole discretion of Tera, such action is in the ~~best~~commercially reasonable interest of Tera.

Rule 309 Communications between Tera and Participants

Each Participant ~~must provide Tera with~~shall advise the Facility of its current ~~electronic mail address and telephone~~phone number, fax number and ~~the electronic mail~~e-mail address~~ and telephone number of any of its Authorized Traders and immediately (and in any event within 24 hours) update this information whenever it changes~~. All communications between Tera and the Participant will be transmitted by electronic mail and/or posted on Tera's website, except as otherwise specified by Tera~~. The Participant shall be responsible for conveying such communications to its Authorized Traders, Account Holders on behalf of who they act, if any, and/or to any agents, advisors, or managers. Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from Tera to the Participant or any of its Account Holders, Authorized Traders, its other Supervised Persons, any Participants acting as agents, or any Person to whom it has given Trader ID(s)~~. All communications made to a Participant shall also be deemed to have been made to all Account Holders, Authorized Traders and Supervised Persons, and agents of such Participant.

Rule 310 Application of Tera Rules and Jurisdiction

(a) By becoming a Participant or by accessing, or entering any Order or submitting any Instrument into Tera, and without any need for any further action, undertaking or agreement, a Participant, its Authorized Traders, Supervised Persons, any Account Holder provided with electronic access to the Tera System by its Executing Firm directly through the Tera System or indirectly through the Executing Firm's proprietary trading system, and any Participants acting as agents agrees to:

(i) Be bound by, and comply with, the Tera Rules and obligations, the Clearing House Rules, Instrument Specifications and Applicable Law, in each case to the extent applicable to it;

(ii) Become subject to the jurisdiction of Tera with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Person; and

(iii) Assist Tera in complying with its legal and regulatory obligations;

(iv) Cooperate with Tera, its agents, the Regulatory Service Provider, and the CFTC in any inquiry, investigation, audit, examination or proceeding; and

(v) Authorize Tera to provide information regarding such Participant, its Account Holders, Authorized Traders, Supervised Persons, and any Participants acting as agents to the Regulatory Services Provider, the CFTC or any Self-Regulatory Organization.

(b) By accessing Tera through an Executing Firm that has not provided the Account Holder with electronic access to the Tera System, an Account Holder ~~shall~~agrees to assist Tera in complying with its legal and regulatory obligations, and thereby agrees without any further action, undertaking or agreement, to cooperate with Tera, its agents, and the Regulatory Service Provider in any inquiry, investigation, audit, examination or proceeding relating to transactions entered on Tera on its behalf~~.~~;

(c) Any Participant whose Trading Privileges are revoked or terminated shall remain bound by the Tera Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of Tera with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant prior to such revocation or termination.

(d) Any Participant that is suspended for any period remains subject to the Tera Rules, the Obligations and Tera's jurisdiction throughout the period

of suspension. After termination or revocation of the designation of a Participant, the Participant remains subject to the Tera Rules, the Obligations and the jurisdiction of Tera for acts done and omissions made while registered or acting as an Participant. Any SEF Proceeding relating to a Participant shall occur as if the Participant were still registered or acting as such.

Rule 401 Information to be Provided by Participants

Each Participant, including a Participant that is an Executing Firm, shall provide such information as may be requested by Tera from time to time, including but not limited to, such information as may be requested during the Participant onboarding process about the Participant, its Authorized Traders, and where applicable, its Account Holders. Such information shall include but not be limited to the following:

(a) Legal Entity name;

(b) Legal Entity Identifier, if available;

(c) An indication of whether the Participant or Account Holder is a Swap Dealer;

(d) An indication of whether the Participant or Account Holder is a Major Swap Participant with respect to the Instrument with respect to which the Order is placed;

(e) An indication of whether the Participant or Account Holder is a Financial Entity;

(f) An indication of whether the Participant or Account Holder is a U.S. person;

(g) If Participant or Account Holder is not a U.S. person, the name and contact information for an agent for service of process; and

(h) For individuals identified as Authorized Traders, name, date of birth, and regulatory registration number, if applicable.

Rule 404 Inspections by Tera

(a) Tera (or the Regulatory Services Provider or other authorized representatives), shall have the right with such prior reasonable advance notice as is practicable under the circumstances, in connection with determining whether all Tera Rules and Obligations are being, will be, or have been complied with by the Participant, to:

(i) Inspect systems, equipment and software of any kind operated by the Participant in connection with SEF Activity, wherever located;

(ii) Access, either physically or electronically, the systems, equipment, software, and the premises on which the systems, equipment, and software are located, any data stored in any of the systems or equipment, during the regular business hours and the Trading Hours of Tera~~, without prior notice to Participants~~; and/or

(b) Each Participant and Supervised Person shall provide the Regulatory Services Provider with the same access to their books and records and offices as they are required to provide to Tera under the Tera Rules and Applicable Law.

(c) The Compliance Department may require a Participant to furnish (periodically or on a particular occasion) information concerning the Participant's SEF Activity or open trading positions, Instruments to which the Participant is a party, or any other information related to the Participant's SEF Activity.

Rule 405 Mandatory Use of TeraCheck for Pre-Trade Credit Checks

(a) Each Participant~~ or its~~, shall enter into an agreement with the applicable Clearing ~~Firm shall establish prudent risk parameters in~~Firm(s) for its Accounts to utilize the TeraCheck or a ~~third-party~~third party credit hub service pre-trade risk~~ system for all Orders~~/credit filter functionality for all orders for Transactions entered ~~into~~on Tera~~. Participants shall monitor and at all times maintain their credit parameters in such credit check system to ensure consistency with any of Participant's applicable internal risk policies and procedures.~~ by it or on its behalf;

(b) Participant shall not enter Orders for an Account greater than the levels set by the applicable Clearing Firm(s) for such Account(s).

~~(b)~~(c) Tera reserves the right to suspend or terminate any Participant's access to Tera at any time in the event that Participant or its Clearing Firm fails to establish reasonably prudent risk parameters for its Orders in such credit check system, as determined by Tera in its sole discretion.

Rule 406 Minimum Financial and Related Reporting Requirements

(a) Each Participant that is registered with any Self-Regulatory Organization shall comply with the provisions of Applicable Law relating to minimum financial and related reporting and recordkeeping requirements. ~~A~~Such Participant shall provide to Tera at the time that it files with the CFTC a copy of any notice or Written report that ~~a~~ Participant is required to file with the CFTC ~~regarding the financial condition of a Participant, including, but not limited to, any report~~ pursuant to CFTC Regulation 1.12~~, shall be concurrently provided to Tera~~. A Participant that violates the aforementioned CFTC Regulation shall be deemed to have violated this Rule 406.

Rule 409 Participants or Executing Firms Accessing Tera on Behalf Others

(a) ~~Except as provided in subsection (c) of this rule, no~~A Participant shall not enter an Order or otherwise access Tera on behalf of a legally distinct Account Holder unless~~ the Participant has entered into a Written agreement with such Account Holder containing such terms as may from time to time be prescribed in the Tera Rules.~~:

~~(b) Without prejudice to the generality of paragraph (a) of this Rule 409, each such Written agreement must:~~

(i) the Participant has authority to do so;

~~(i)~~(ii) ~~Contain a representation from~~the Account Holder ~~that~~has represented to the Participant that the Account Holder is an ECP; and

~~(ii) In relation to any business done with Account Holder, enable the Participant to comply with all requirements of the Tera Rules and any other arrangements, provisions and directions given by Tera.~~

(iii) the Participant will be able to comply with Tera Rules.

~~(c)~~(b) An Executing Firm may not enter Orders into the Trading System on behalf of a Participant or a legally distinct Account Holder, arrange Block Trades pursuant to Rule 513 or report Arranged Transactions pursuant to Rule 529 ~~by entering into a written agreement with the Participant or a legally distinct Account Holder to perform such Executing Firm services on behalf of the Participant or legally distinct Account Holder. Such agreement shall also~~unless:

(i) the Executing Firm has authority to do so;

~~(i)~~(ii) ~~Contain a representation from~~the Account Holder has represented that ~~Account Holder~~it is an ECP; and

~~(ii) In relation to any business done with Account Holder, enable the Executing Firm to comply with all requirements of the Tera Rules and any other arrangements, provisions and directions given by Tera; and~~

(iii) the Executing Firm will be able to comply with Tera Rules.

(c) If an Executing Firm provides access to the Tera System electronically either directly through the Tera System itself or indirectly through the Executing Firm's proprietary trading system, the Executing Firm shall inform the Account Holder of the provisions of Rule 310(a) and obtain an

acknowledgement from the Account Holder of its agreement to be bound by its provisions.

(d)

Rule 801 General

(a) All Participants shall be subject to Tera's jurisdiction. All Participants are subject to this Chapter 8 if they, or with respect to a Participant, any other Person using any Trader ID and/or login credentials linked to the Participant, are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Tera Rule or any provision of Applicable Law for which Tera possesses disciplinary jurisdiction.

(b) Tera, through the Compliance Department and the Disciplinary Panels, will conduct inquiries, investigations, disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 8.

(c) No Director will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding and summary imposition of fines, summary suspension or other summary action, except to the extent provided under the Tera Rules with respect to a proceeding in which the Director is a member of the relevant panel.

(d) Any Participant may be represented by counsel during any inquiry, investigation, disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 8.

(e) Pursuant to this Chapter 8, Tera may hold a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation as well as for the acts and omissions of each

(i) Authorized Trader of such Participant;

(ii) Other Supervised Person of such Participant;

(iii) Other Person using the Trader ID or login credentials linked to the Participant, or

(iv) Other agent or representative of such Participant, in each case, that constitute a violation as if such violation were that of the Participant.

~~(f) Pursuant to this Chapter 8, Tera may hold an Authorized Trader liable for, and impose sanctions against him or her, for such Authorized Trader's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized Trader that constitute a violation as if such violation were that of the Authorized Trader.~~

~~(g)~~(f) Pursuant to this Chapter 8, Tera may review an appeal by any applicant of Tera's decision to deny or otherwise limit Trading Privileges of such applicant pursuant to the Tera Rules; provided, however, that any such decision by Tera to deny or otherwise limit applicant's Trading Privileges shall continue in effect during such review.

~~(h)~~(g) A Person subject to a disciplinary proceeding (and any counsel or representative of such Person) and the Compliance Department and/or the Review Panel (and any counsel or representative of the Compliance Department including any Regulatory Service Provider and Review Panel) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding to any member of the Hearing Panel hearing such proceeding. Members of a Hearing Panel shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Compliance Department (and any counsel or representative of the Compliance Department) or the Review Panel (and any counsel or representative of the Review Panel). Any Person who receives, makes or learns of any communication which is prohibited by this rule shall promptly give notice of such communication and any response thereto to the Compliance Department and all parties to the proceeding to which the communication relates. A Person shall not be deemed to have violated this rule if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

Rule 818 Sanctions

(a) After notice and opportunity for hearing in accordance with the Tera Rules, Tera will impose sanctions if any Participant is found to have violated or to have attempted to violate a Tera Rule or provision of Applicable Law for which Tera possesses disciplinary jurisdiction. Tera may impose one or more of the following sanctions or remedies:

(i) Censure;

(ii) Limitation on Trading Privileges or other activities, functions or operations;

(iii) Suspension of Trading Privileges;

(iv) Fine (subject to paragraph (b) below);

(v) Restitution or disgorgement;

(vi) Termination of Trading Privileges; or

(vii) Any other sanction or remedy deemed to be appropriate.

(b) Tera may impose a fine of up to $1,000,000, or such other amount Tera determines in its sole discretion to be equitable and just under the circumstances, for each violation of a Tera Rule. If a fine or other amount is not paid within 30 days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. Tera has sole discretion to select the bank on whose quotations to base the prime rate. ~~Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders, Supervised Persons, or any Participant acting on its behalf.~~

Rule 904 Market Data

(a) All Participants understand and acknowledge that Tera has a proprietary interest in:

(i) The price and quantity data from each and every bid, offer, Order, Transaction, and modification thereof, including the time at which the Transaction was executed by, or submitted to, Tera and the Participant ID and the Trader ID under which it was entered (as well as other information identifying persons involved in the Transaction);

(ii) The price and quantity data of each bid and offer submitted to Tera, including the time at which such bid or offer was submitted to the Trading System;

(iii) Any yield curves prepared by Tera;

(iv) Any data and information derived from (i), (ii) and (iii) and the format and presentation thereof; and

(v) The transmissions and dissemination of the data and information to Participants, any publisher of the data or information with whom Tera has a written agreement, and any other Persons.

(vi) Except as may be required for regulatory or self-regulatory purposes, Tera may only use or distribute the aforementioned data in a manner that prevents identification of Participants or Account Holders, their Accounts or their Participant ID or TraderID.

(b) Tera may at any time restrict or establish utilization fees in respect of data described in Rule 904(a), with respect to all or any Participants, in order to safeguard the security or operations of Tera, or to preserve market, integrity, fair and orderly trading, or if otherwise in the public interest.

(c) Participants may not distribute, sell or retransmit information displayed on the Tera to any third party.

(d) Notwithstanding Rule 904(b) and Rule 904(c), and pursuant to Part 43 and Part 45 of the CFTC Regulations, the CFTC will have access to the data described in Rule 904(a).