

MGEX RULEBOOK

1232.00. RECORDKEEPING FOR OPEN OUTCRY ACTIVITY.

All open outcry trading cards, order forms, or order tickets required to be prepared and maintained pursuant to MGEX Rules and Regulations, as well as all trade data recorded and submitted in connection with such documents, must be accurate, complete, and in compliance with such rules and regulations.

The Exchange will conduct regular audits of each Clearing Member or Member with open outcry activity to evaluate compliance with such rules and regulations. An audit will be based on a sampling of trading cards, order forms, and order tickets drawn from a set period of time from a particular Clearing Member or Member. The number of documents containing a deficiency(ies) will be divided by the total number of documents examined to determine the percentage of documents with deficiencies.

The audit threshold for trade data recordkeeping and submission deficiencies is 20%. The audit threshold for non-trade data recordkeeping and submission deficiencies, including, but not limited to, time stamps, illegible writing, and crossing out unused lines, is 30%. Clearing Members and Members will be subject to a fine for any occurrence exceeding the threshold in accordance with the following fine schedule:

1 st Occurrence:	Warning Letter
2 nd Occurrence:	\$1,000

Unless otherwise stated, occurrences and fines shall be based upon audits occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee. If a recordkeeping and/or submission deficiency is found outside of an audit, the Exchange has the discretion to include the occurrence under this fine schedule.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.