



CME Inactive Clearing Membership
Hedge Fund Application

Name of Firm _____ Date Posted _____

**CME Inactive Clearing Membership
Hedge Fund Application**

Responses to this application form must be either typewritten or printed in ink. Also, attach separate sheets of paper or letters of explanation whenever necessary.

1. Hedge Fund's Full Legal Name _____

2. Type of Organization (check one)

Corporation organized under the laws of _____

C Corporation

Subchapter S Corporation

(check one)

Limited Liability Company organized under the laws of _____

Limited Partnership organized under the laws of _____

General Partnership organized under the laws of _____

Other (please specify) _____

3. Date Established _____

4. Tax Identification Number _____

5. Main Address

Phone Number _____

6. Local Address

Phone Number _____

7. Public Accountant (include address, responsible partner, and direct phone number)

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8. Fiscal Year End _____

9. Please indicate the following for the Hedge Fund:

Investment Manager

Name: _____

Type of Organization: _____

Address:

Contact Name/Title: _____

Phone: _____ Fax: _____ E-mail Address: _____

Investment Advisor

Name: _____

Type of Organization: _____

Address:

Contact Name/Title: _____

Phone: _____ Fax: _____ E-mail Address: _____

Administrator

Name: _____

Type of Organization: _____

Address:

Contact Name/Title: _____

Phone: _____ Fax: _____ E-mail Address: _____

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10. Memberships and Shares Assigned for Inactive Clearing Membership

Owner (Clearing Firm or Person, including Parent Company, with an Acceptable Proprietary Interest)	Membership and Class B Share (Division and Number)	Class A Shares
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Indicate (name and title) who will represent the hedge fund and investment manager before the Exchange and its Committees.

Hedge Fund: _____

Investment Manager: _____

12. Is the hedge fund qualified to do business in the State of Illinois? (If yes, please provide supporting documentation) If not, please execute an Agency Agreement to provide a place for service of process and indicate below who will be appointed.

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13. Is the hedge fund properly registered or authorized by the applicable governmental and regulatory authorities to become an inactive clearing member?

14. Has the hedge fund or investment manager or any present officer or partner of either ever been denied registration, or had a registration suspended, revoked, or conditioned by a governmental or regulatory authority? (If yes, please describe and provide supporting documentation)

15. Has the hedge fund or investment manager or any present officer or partner of either ever been denied membership or clearing privileges by any exchange/clearing organization? Have any such membership/clearing privileges ever been suspended, revoked, or conditioned? (If yes, please describe and provide supporting documentation)

16. Has the hedge fund or investment manager or any present officer or partner of either ever been: (a) convicted of any felony, or (b) convicted of any misdemeanor or found guilty of violating a rule or regulation that involved embezzlement, theft, fraud, extortion, misappropriation of funds, forgery, or bribery, by any U.S. or foreign court, governmental or regulatory authority, or exchange/clearing organization? (If yes, please describe and provide supporting documentation)

17. To the best of your knowledge, is the hedge fund or investment manager or any present officer or partner of either currently subject to an investigation (excluding routine financial audits and examinations) by any governmental or regulatory authority, or exchange/clearing organization? (If yes, please describe and provide supporting documentation)

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18. Indicate the hedge fund's present membership status at all other U.S. and foreign commodity and securities exchanges. (Please distinguish between member and clearing member)

19. Is the hedge fund registered in any regulatory capacity? If so, please indicate the nature of the registration(s) and your lead regulator(s).

20. Is the investment manager registered in any regulatory capacity? If so, please indicate the nature of the registration(s) and your lead regulator(s).

21. Please indicate the clearing member firm(s) that will clear the hedge fund's proprietary trades?

22. Describe the nature of the hedge fund's proprietary trading activities.

23. List all feeder funds who own 5% or more of the hedge fund, including the percentage of ownership.

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24. Does any organization/person directly or indirectly own or control 10% or more, or have the rights to 10% or more, of the profits of the hedge fund and any clearing member of CME? (If yes, please describe)

25. Indicate the individual (including title) to contact for questions concerning this application.

Phone Number _____ E-mail Address _____

26. Please include with this application the following:

- List of Directors of the Hedge Fund, including direct telephone and fax numbers and e-mail addresses
- List of Officers of the Hedge Fund's Investment Manager, including titles, direct telephone and fax numbers and e-mail addresses
- Completed Contact Listing (see attached)
- Constitutional Documents, Prospectus/Offering Document, Investment Management Agreement, and Other Relevant Agreements
- Resolution authorizing the person signing the application to represent the organization
- Ownership/Organizational Chart (detailing percentages of ownership and business form) of all entities, including feeder funds/master funds, the investment manager and other management companies
- The hedge fund's most recent certified financial statement
- Executed Investment Manager Representation & Acknowledgement (see attached)
- Executed Proprietary Trading Attestation (see attached)
- Applications for Assignment of Memberships and Shares

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Authorization & Acknowledgement

Hedge Fund Applicant _____

On behalf of the hedge fund, I make this application for Inactive Clearing Membership on Chicago Mercantile Exchange Inc. and understand that such Inactive Clearing Membership is only available to clearing members that:

- Only conduct proprietary and noncustomer business;
- Are not registered as a Futures Commission Merchant and do not carry any foreign customer accounts;
- Do not clear trades directly with CME;
- Do not qualify traders on CME's trading floor; and
- Do not hold themselves out as clearing members of CME.

If any changes to the hedge fund's business activities occur which alter any of the five criteria noted above, the hedge fund agrees to immediately notify CME's Audit Department.

In conjunction with this application, I also request an exemption from the parent guarantee rules for noncustomer and proprietary obligations under CME Rule 901.L.

I authorize Chicago Mercantile Exchange Inc. to obtain information from sources that Chicago Mercantile Exchange Inc. deems appropriate in order to adequately evaluate and process this application. In addition, I authorize Chicago Mercantile Exchange Inc. to disclose or release any information regarding the hedge fund to U.S. or foreign securities and futures regulators or markets. Such disclosure or release may only be made based on a regulatory need, or if otherwise authorized by the information-sharing agreements or procedures of the Intermarket Surveillance Group, the Intermarket Financial Surveillance Group, or the International Information Sharing Memorandum of Understanding and Agreement of March 15, 1996, or as otherwise permitted or required by law. I represent that I have the authority to legally bind the hedge fund with respect to the authorization to release information in the circumstances set forth above.

I do hereby agree that, if the hedge fund is accepted as an inactive clearing member of the Chicago Mercantile Exchange Inc., it, its investment manager, and its representatives will comply with and agree to be bound by the Bylaws, Certificate of Incorporation, Rules and Regulations of Chicago Mercantile Exchange Inc. and all amendments thereto.

This Application must be signed by an Officer, Managing Member of an LLC or Partner authorized to make the representations, authorizations, and acknowledgements contained in the Application and to sign such Application on behalf of the hedge fund.

(Signature)

(Title)

(Printed Name)

(Date)

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**Investment Manager
Representation & Acknowledgement**

Hedge Fund Applicant _____

In consideration of Chicago Mercantile Exchange Inc. accepting _____
(hedge fund applicant) as an Inactive Clearing Member of CME we, its Investment Manager,
and our representatives agree to comply with and agree to be bound by the Bylaws, Certificate
of Incorporation, Rules and Regulations of Chicago Mercantile Exchange Inc. and all
amendments thereto.

This Representation & Acknowledgement must be signed by an Officer, Managing Member of
an LLC or Partner authorized to make the above representation and acknowledgment on behalf
of the Investment Manager.

(Signature)

(Title)

(Printed Name)

(Date)

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Proprietary Trading Attestation

Hedge Fund Inactive Clearing Member _____

The proprietary trades of an inactive clearing member and all of its 100% owned subsidiaries are entitled to equity member clearing fee rates.

In order to receive equity member clearing fees on CME proprietary trades, the proprietary trading must meet the following requirements:

- Only bona-fide employees included on the firm's payroll records and issued a Form W-2 for all salary and bonus paid, individual equity members, traders on Rule 106.F. memberships, bona-fide owners of the firm, registered Commodity Trading Advisors ("CTAs"), exempt CTAs under CFTC Regulations 4.14(a)(4), 4.14(a)(5) or 4.14(a)(8)(i)(D), and Investment Managers authorized by the Financial Services Authority can conduct the proprietary trading activity.
- Only the firm's capital can be at risk of loss; that is, no traders may make any contributions or payments to the clearing member nor have any capital at risk in connection with their trading of the clearing member's proprietary accounts.
- All trading activity must be solely for the benefit of the clearing member or one of its 100% owned subsidiaries. No other individuals or entities can have any ownership interest in these accounts.

I represent that:

All current and future proprietary trading activity of _____
(Hedge Fund Inactive Clearing Member) receiving equity member clearing fee rates will conform to the requirements for such trading activity established by Chicago Mercantile Exchange Inc.

I attest that the above information is true and correct. If any of the information changes in the future, I will notify CME's Audit Department. I further acknowledge that confirming incorrect information may subject me to Exchange disciplinary action and/or penalties.

Signed and accepted by an Officer, Managing Member of an LLC or Partner authorized to make the representations of behalf of _____
(Hedge Fund Inactive Clearing Member).

Signature: _____

Printed Name: _____

Title: _____

Date: _____

**CME Inactive Clearing Membership
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Contact Listing**

<u>Contact Type</u>	<u>Name</u>	<u>Telephone</u>	<u>Fax Number</u>	<u>Home Number</u>	<u>E-mail Address</u>
Chief Executive Officer	_____	_____	_____	_____	_____
Chief Financial Officer	_____	_____	_____	_____	_____
Chief Operating Officer	_____	_____	_____	_____	_____