

UNITED STATES OF AMERICA

Before the

COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Request of Nodal Exchange, LLC
for Designation as a Contract Market Under Section 5
of the Commodity Exchange Act and Part 38 of the Rules
of the Commodity Futures Trading Commission

ORDER OF DESIGNATION AS A CONTRACT MARKET

Nodal Exchange, LLC (“Nodal”), a wholly-owned subsidiary of Nodal Exchange Holdings, LLC, submitted an application, which includes submissions dated October 11, 2012, through September 20, 2013, pursuant to Sections 5 and 6(a) of the Commodity Exchange Act, as amended (“Act”), 7 U.S.C. §§ 7 and 8, requesting designation as a contract market. Having reviewed the complete record in this matter, including the application and the accompanying Nodal representations, the Commission makes the following findings and rulings:

WHEREAS, Nodal represents that it will meet all the requirements and comply with all core principles applicable to designated contract markets under Section 5(d) of the Act and the Commission’s regulations thereunder and remain compliant with all provisions of the Act and the Commission’s regulations applicable to designated contract markets;

AND WHEREAS, the Commission FINDS that, as required by Sections 5 and 6(a) of the Act, 7 U.S.C. §§ 7 and 8, Nodal has provided a showing that it complies with the provisions set forth in the Act, and the Commission’s regulations thereunder applicable to it, for designation as a contract market, and Nodal has provided sufficient assurance that it will continue to comply with those provisions of the Act and all applicable Commission regulations;

Therefore:

IT IS HEREBY ORDERED that Nodal's application for designation as a contract market is approved, effective on September 30, 2013;

IT IS FURTHER ORDERED that this approval of the application for contract market designation shall be subject to compliance by Nodal with all provisions of the Act and the Commission's regulations thereunder applicable to Nodal as a designated contract market;

IT IS FURTHER ORDERED that Nodal shall be responsible for such compliance with respect to all regulatory services performed by any third party service provider on behalf of Nodal, within or without the jurisdiction of the United States;

IT IS FURTHER ORDERED that the Limited Liability Company Agreement of Nodal is approved;

IT IS FURTHER ORDERED that, pursuant to Section 5c(c) of the Act, 7 U.S.C. §7a-2(c), the following rules submitted as part of the DCM application: Nodal Rules 1.1-1.78; 2.1-2.11; 3.1-3.16; 4.1-4.14; 5.1-5.7; 6.1-6.11; 7.1-7.7; 8.1-8.3; 9.1-9.10 are approved.

IT IS FURTHER ORDERED that this designation as a contract market shall be subject to Nodal's compliance with representations it made to the Commission in its application, as shown in the application record, including, but not limited to, the following specific representations:

- A. Nodal will certify products or seek prior Commission approval pursuant to Commission Regulations for such products and will comply with all Commission Regulations applicable to such products including, but not limited to, those Commission Regulations applicable to futures and options on futures; and

IT IS FURTHER ORDERED that on September 30, 2013, the effective date of Nodal's designation as a contract market, all existing customer positions in products listed for trading by

Nodal (“Nodal Products”) in its capacity as an Exempt Commercial Market (“existing customer positions”), and all money, securities and property held to margin, guarantee, or secure such positions, will be transferred to futures customer accounts held by futures commission merchants (“FCMs”) that are clearing members of LCH.Clearnet Ltd (“LCH”), a registered derivatives clearing organization, in accordance with Section 4d of the Act and Commission regulations thereunder. Based on the representations made by Nodal and LCH to the Commission, the account transfers will be effected as follows:

- A. On September 30, 2013, prior to Nodal’s commencement of operations as a designated contract market, LCH will collect initial margin from its FCM clearing members that are acting on behalf of Nodal customers, in amounts equal to LCH’s margin requirements with respect to the existing customer positions in Nodal Products.
- B. As soon as technologically practicable on September 30, 2013, the existing customer positions in Nodal Products will be closed-out and re-booked in futures customer accounts that are held by the FCM clearing members and are subject to Section 4d of the Act and Commission regulations thereunder.
- C. Prior to the completion of the closing-out and re-booking of the existing customer positions in Nodal Products, (i) the existing customer positions and related customer property will continue to be held in accounts that are not subject to Section 4d of the Act and Commission regulations thereunder, and (ii) such existing customer positions and related customer property will continue not to be subject to, and therefore will continue not

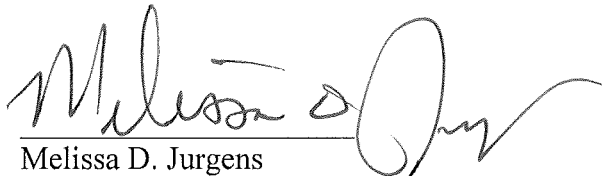
to receive the protections of, Subchapter IV of Chapter 7 of the U.S. Bankruptcy Code and Part 190 of the Commission's regulations.

IT IS FINALLY ORDERED that as the Commission promulgates new regulations to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act, Nodal shall demonstrate compliance and continued compliance with applicable regulations in the time period specified therein. Such regulations include, but are not limited to:

- A. All final Commission Regulations arising out of the Governance Requirements for Derivatives Clearing Organizations, Designated Contract Markets, and Swap Execution Facilities; Additional Requirements Regarding the Mitigation of Conflicts of Interest Notice of Proposed Rulemaking, 76 Fed. Reg. 722 (Jan. 6, 2011);
- B. All final Commission Regulations related to Core Principle 9, Section 5(d)(9) of the Act.

Issued in Washington, D.C. this 27th day of September, 2013.

By the Commission


Melissa D. Jurgens
Secretary