



GRAIN TRADING RULES

MERCHANTS EXCHANGE
OF
PORTLAND, OREGON



**200 S.W. Market Street,
Suite #190
Portland, Oregon 97201**

Telephone: (503) 228-4361

Fax: (503) 295-3660

**Email: pmetradingrules@pdxmex.com
info@pdxmex.com**

RULE 1 GENERAL

Section 1. The Portland Merchants Exchange Rules as hereby presented provide rules for any cash grain trades as may mutually be agreed upon. Unless otherwise agreed upon, all transactions will be subject to the trade rules of the National Grain and Feed Association (NGFA)** as amended and which rules are adopted as part of the trading rules of the Portland Merchants Exchange, with the following exceptions noted from the National rules:

- a) Grain Trade Rules:
 - Delete the following:
 - Rule 17 (see PME Rule 4)
 - Rule 26 (see PME Rule 2, Section 7)
 - Rule 23 & 30 part (F) (see PME Rule 2, Section 4)
 - Rule 13 (see PME Rule 2, Section 6)
 - Rule 12 (see PME Rule 2, Section 6)
 - Rule 30 part (H)
 - Rule 15 (see PME Rule 6)
 - Rule 11 (see PME Rule 6)
 - Rule 22 (see PME Rule 5, Section 1)
 - Rule 21 part (A) (see PME Rule 5, Section 2)
 - Rule 30 part (O) (see PME Rule 2, Section 8)
 - Rule 29
- b) Barge Trade Rules:
 - Delete entire section.
- c) Feed Trade Rules:
 - Delete entire section.
- d) Arbitration Rules:
 - Delete entire section.

RULE 2 DELIVERIES

Section 1. All applications on contract and settlements on track deliveries shall be on the same basis of grain weight after dockage is deducted. Unless otherwise specified, destination official weights and Class A grades will govern for Portland Grain Exchange trades. Other weights and grades are defined in NGFA Rules 14 and 10 respectively.

Section 2. Seller's liability for freight on shipments on delivered North Coast, or delivered CRD, contracts shall be on the basis of published North Coast Export Tariff Rates. The Seller shall be obligated to published North Coast Export Tariff Rates and to deliver to export locations: Portland, Vancouver, and any other intermediate locations which carry the same rates from point of origin. The Buyer of single cars, barges, and/or trains, whichever applicable, may order grain

shipped to any other destination, but the Seller's maximum freight liability will be the published North Coast Export Tariff Rates and any rates in excess will be for the account of the Buyer.

Section 3. When cars are applying on contract for delivery at designated terminals, or subject to official outturn weights and official grades, cars are diverted at Buyer's option to a point where official weights and grades cannot be obtained, settlement shall be made by the Buyer on the basis of railroad weights, if available, otherwise shipper's affidavit weights and grades to govern.

Section 4. Overfill and Underfill Grain on Bushel Contracts:

(a) Mean Quality: On bushel contracts written "about" bushels, the bushel reference whether preceded by the word "about" or not shall become the mean quantity for purposes of establishing tolerances.

(b) Truck: Any overfill on truck grain shall be priced by the Buyer at the current afternoon market price at the close of the day that the truck grain is unloaded.

(c) Rail/Barge: In the absence of a clearly stipulated applicable tolerance in the confirmation of the quantity traded, it shall be understood that any underfill or overfill on rail/barge grain shall be settled at the market value at the close of the first business day following the date of the load or unload, whichever weight is applicable, of the last car in fulfillment of the contract.

(1) Market Value: In the case of rail/barge overfills and underfills, "market value" shall mean the basis at the close of the first business day following date of the load or unload, whichever weight is applicable, and the flat price shall be established at the time the overfill or underfill becomes known by both parties to the contract. Overfills and underfills shall be settled on a basis over or under the futures month currently used for the majority of cash trades. To convert the basis the day after the last load or unload to a basis relative to the futures month currently used for the majority of cash trades, the futures spread of the day after last load or unload shall be used. In the case of flat price contracts, overfills and underfills shall be settled on a market value flat price used for the majority of cash trades established on the day after unload.

(2) Tolerance for Rail/Barge Shipments: On bushel contracts it shall be understood that a tolerance of two (2) percent or 1,000 bushels, whichever is less, shall apply at contract price. A total tolerance of five (5) percent more or less than the mean quantity up to a maximum of 15,000 bushels shall be permissible in the fulfillment of the contract, but if the total tolerance is in excess of two (2) percent more or less than the mean quantity, the full tolerance shall be settled at the market value as described herein. When bushel contracts are written for more than one multi-car

shipment, each multi-car shipment must be within two (2) percent or 1,000 bushels, whichever is less, of a quantity established by dividing the total bushels by the number of shipments. The overflow or underfill on each multi-car shipment shall be settled if over the tolerance.

Section 5. Any carload or other shipping unit of grain which, because of its condition, is in violation of the provisions of the Federal Food, Drug and Cosmetic Act, and/or states' acts, will not be considered as applicable on the contract, except at Buyer's option.

Section 6. Quality and Protein Outside Contract Terms: It shall be the duty of receivers, track Buyers and distributors of grain on regular market terms, to exercise due diligence in seeing that cars are promptly inspected on arrival. On any cars which are rejected for failure to grade according to the contract terms, notify the Seller of such failure to grade either by telephone or wire, not later than twelve o'clock noon of the next business day after the date of official inspection, reporting the grade of grain, their rejection or acceptance with discount, whereupon it shall be the duty of the seller receiving such notice to agree upon the discount with the Buyer, or to wire or telephone disposition at once.

Receivers who unload cars outside of contract specs are obligated to accept these cars against contract at reasonable market discounts at time of unload. If string trades are involved and other contracting parties are outside contract grade or protein terms, discount should be assessed on the basis of reasonable market discounts.

If the receivers reject cars, which grade outside of contract terms, replacement must be shipped within the life of the contract. If the shipment time has expired the Seller is in default and subject to NGFA Rule 28.

Section 7. If delivery on a contract, or part thereof is prevented or delayed by riots, strikes, lockouts, or embargoes of all deliverable North Coast Export Elevators, Seller shall be entitled, at the termination of the cause or causes of prevention and/or delay, or at the resumption of work after the termination of such causes, whichever occurs later, to as many days to deliver as there were days remaining in the contract delivery period at the commencement of such cause or causes. While a Buyer may not refuse delivery on a regular Coast Contract because of individual elevator embargoes, this rule should not impede normal negotiations to alleviate and minimize the problems and expense of an embargo.

Section 8. Unit Trains: For the purpose of these rules, a unit train is two (2) or more cars for movement as a unit under one Bill of Lading.

Section 9. Definition of B.U.S. Terms:
B.U.S. Terms to be Barges-Units-Single Hoppers with:
(a) B.U.S. Coast - As per Rule 2, Section 2
(b) B.U.S. C.R.D. - As per Rule 2, Section 2

RULE 3 FREIGHT, SWITCHING & INSPECTION

Section 1. Any changes in freight rates and charges to contract basis point of delivery shall be for the account of the Seller.

Section 2. The costs of the final official grade, protein and weight to be borne by shipper.

Section 3. On grain bought under these rules in the North Coast Export Rate, any destination switching charges not absorbed by the line haul carriers shall be for the account of the Buyer.

Section 4. Grade/Protein Re-inspection and/or Appeal:

- (a) It is the responsibility of both parties to agree to a policy of advised grade protection. A party shall have the right to call for a grade/protein re-inspection and/or appeal. Unload grades/proteins must be presented to the Seller via facsimile, mail or through the exchange service within the time frame necessary to request a re-check. Only official inspections are acceptable on contracts unless otherwise agreed.
- (b) Any party calling for re-inspection and/or appeal inspections must supply written notice of intent to do so. The cost of the re-inspection and/or appeal shall be borne by the party making the call.

**RULE 4
FREE TIME**

Section 1. Cars/Trains must be tendered on track at loading points:

- (a) Cars/Trains must be tendered by the Seller by 11:00 a.m. (Pacific Time). It will be the obligation of the Buyer to give the Seller billing instructions on such cars/trains by 2:00 p.m. the same day. Otherwise, demurrage will be for the account of the Buyer until the Seller exercises his options under Section b.
- (b) If the Buyer refuses to give billing as required in section 1a, the Seller may, after having given the Buyer 24 hours notice, excluding Saturdays, Sundays and legal holidays, by telephone (confirmed in writing), to elect either to (1) agree with the Buyer on an extension of billing instructions; (2) sell the affected portion of the contract for the account of the Buyer; or (3) cancel the affected portion of the contract at a fair market value. Billing instructions furnished by the Buyer before the expiration of the said 24 hours, excluding Saturdays, Sundays, and legal holidays, must be accepted by the Seller.
- (c) Once a car/train or barge is tendered it cannot be withdrawn by either party without consent from the other, except as noted in Section 1b.
- (d) Any penalty to the Buyer occasioned by the Seller ordering cars/trains to Buyer's destinations without proper notification shall be for the account of the Seller.

RULE 5
PRESENTATION OF DOCUMENTS FOR ADVANCES

Section 1. It shall be the duty of the Seller to mail or present to the Buyer, or other such consignee as may have been previously designated by the Buyer, an invoice, giving the initial and number of the car, kind and grade of grain, actual or estimated weight, price, contract on which shipment is to apply, and amount of invoice. Unless otherwise agreed when a contract is made, it shall be understood that sight drafts or invoices are subject to payment on presentation to the Buyer or his designated agent, when properly documented and substantiated by Bill of Lading, and if applicable, weight and inspection certificate.

Section 2. On presentation of railroad and/or barge Bills of Lading and proper documentation as described in Section 1, as a delivery on existing contracts, the Buyer shall pay to the Seller an advance of 90% of the net value of up to the mean quantity of the grain covered thereby. For advance purposes only net value shall be defined as contract prices less tariff freight, unless barge or railroad bill of lading shows that freight will be paid by the shipper.

Section 3. When delivery of documents is made on contract, documents must be presented by 11:30 a.m. (Pacific Time) Monday through Friday. Payment is to be made by 3:00 p.m. the same day on a bank that will make funds good no later than the next consecutive business day.

Section 4. Any penalty to Buyer occasioned by Seller not presenting Bills of Lading prior to arrival of car shall be for the account of the Seller.

Section 5. If payment is not received as stipulated in Section 3, the individual to whom the payment is due shall notify the Executive Director of the Merchants Exchange who will notify the party concerned that payment is due at the Merchants Exchange before 4:00 p.m. of that day. If payment is not presented, the member shall be temporarily suspended and asked to appear before the Grain Committee to explain his situation. At that time, the Committee shall take proper action.

RULE 6
ACCOUNT OF PURCHASE AND SALE

Section 1. On grain sold official destination weights and/or grades, it shall be the duty of the receiver of the grain to mail the original certificates to the original shipper or his designated agent no later than five business days from the date of unload, unless rechecks or re-inspections have been requested. Weighing and inspection charges will accompany the original certificates.

Section 2. The original shipper or his designated agent is then to invoice his Buyer and/or contracting party for balance due giving the initial and number of the car, kind of grain, price, contract number and original certificates or duplicate copies, if agreeable. All firms in subsequent position will invoice in the same manner.

Section 3. All invoices presented by 3:00 p.m. (Pacific Time) must be paid no later than 3:00 p.m. the **second consecutive business day**. Payment to be made by the same method as presented; i.e., mail to mail, document clearing to document clearing, hand deliver to hand deliver.

RULE 7
BARGE TRADING

Section 1. The word “barge” shall mean a covered barge commonly used and mechanically workable for carrying bulk grain. Any exceptions to equipment used must be clarified by contract conditions. The term “barge” without any reference shall have no bushel or quantitative meaning insofar as these rules apply.

Section 2. The final official unloading weights and grades of any barge must be advised to the Seller by telephone, fax or email, within two (2) business days from date of unload.

Section 3. The date of the Bill of Lading shall be the determining date for establishing time of shipment on contract. Notice of tender by the Seller must be made by the Seller to the Buyer forty-eight (48) hours prior to the original Bill of Lading date unless otherwise agreed. Notice to be given Monday through Friday, Chicago Board of Trade holidays excepted, between hours of 8:00 a.m. and 3:00 p.m. (Pacific Time).

Section 4. On barges applied under these rules, any dispatch or demurrage at destination will be for the account of the unloading elevator unless otherwise agreed.

RULE 8 RIGHT OF APPEAL

Section 1. Any firm trading under these rules shall have the right of appeal to the Grain Committee that rules herein stated have not been complied with. The Grain Committee shall directly act upon such appeal in any and all of its detail with any penalties so subscribed, including, but not limited to, probation or suspension of membership in the Merchants Exchange of Portland Grain Committee—and/or payment of interest at 2.5 percent over prime. (as published by The Wall Street Journal) on late advances and settlements. Any decision of the Grain Committee shall be final unless referred to arbitration (under Rule 9) by one of the parties within ten (10) days.

RULE 9 ARBITRATION

[Note: active members of Merchants Exchange by becoming such and remaining such agree to arbitrate under this Rule 9 any dispute with another active member of Merchants Exchange falling within the jurisdiction of the PME.]

Section 1. The Arbitration System Description and Purpose:

(a) The purpose of arbitration is to reduce and resolve conflict among members of the Merchants Exchange of Portland (“**PME**”), avoid litigation, prevent misunderstandings and adjust unsatisfactory conditions which occur through trades made under the **PME** Trading Rules.

(b) The **PME** arbitration system shall comprise as many Arbitration Panels and Appeals Committees as may be required by the nature and variety of disputes arising among the members. An Arbitration Panel and an Arbitration Appeals Committee should each consist of three members. All administrative work in connection with the arbitration system shall be performed by the Executive Director (“**Director**”).

(c) Within 30 days following the end of the preceding fiscal year, the Chairman of the Grain Committee (“**Chairman**”) shall select a qualified pool of members from which the Arbitration Panels and the Arbitration Appeals Committees shall be appointed.

Section 2. Matters to be Arbitrated: The matters to be arbitrated shall include all controversies, disagreements or disputes arising out of transactions or trades made under the **PME** Trading Rules between **PME** members, or by consent between a **PME** member and a non-member, or by court order; and shall be deemed to cover the original demand for arbitration as filed by the Complainant, as well as any cross Complaint, counterclaim, or offset as filed by the Respondent. In no case shall the matters submitted by the Respondent be any other than those directly related to the transaction or trade from which the demand for arbitration by the Complainant originates.

Section 3. Jurisdiction:

a) An Arbitration Panel may properly consider a case involving a dispute between or among any of the following:

- 1)** active members of the **PME**;
- 2)** active members of the **PME** and non-members by consent of both parties, or, by court order.

(b) In the absence of a court order, a case between a **PME** member and a non-member may not be properly considered by an Arbitration Panel without the consent of both parties. If the contract in dispute between a **PME** member and a non-member provides for arbitration by the **PME** or under **PME** Arbitration Rules, the parties to the contract shall be deemed to have consented to arbitration under these Arbitration Rules.

Section 4. Procedure for Instituting Cases:

a) The original demand for arbitration with respect to any disputed matter in the form of a complaint (the “Complaint”) must be filed with the Director within six (6) months after the expiration date for performance of the contract or transaction involved. The complaint shall state specifically the nature of the dispute, giving full and complete particulars, as well as the award or relief or declaration of rights sought against the other party or parties (the “Respondent”).

b) Within two (2) days of receipt of the complaint, the Director will prepare and submit to the Complainant and the Respondent a contract arbitration, to be signed by the responsible officer of each firm which is party to the dispute. This contract shall provide that the disputants agree (1) to abide by the award of the Arbitration Panel or of the Arbitration Appeals Committee, if the original award is appealed by one or more of them; and, (2) to release the **PME**, its Board of Directors, the Panel and the Appeals Committee members from any liability for any damages or losses whatsoever for any errors in judgment which may result or occur in any respect whatsoever in connection with the arbitration proceeding.

c) It shall be the duty of the Complainant and the Respondent to deliver to the Director, within a seven (7) day period from the date each receives notification from the Director, a signed contract for arbitration and a \$300.00 non-refundable service fee payable to the **PME**.

d) If an active member Respondent who is complained against or is subject to a court order, fails to sign the arbitration agreement and/or submit the required fee within seven (7) days from the time he receives notification of the complaint or court order, his name shall be sent, by the Director, to the Grain Committee, with a concise statement of the factual circumstances, to the end that expulsion proceedings may be started; provided that the Chairman may for justified cause, extend this limit for a period not to exceed fifteen (15) days.

e) In the event the Respondent desires to file a cross-complaint, counterclaim, or offset, arising out of the same transaction upon which the complaint is based, he shall be permitted to do so, and same shall be ruled upon by the Panel, all with the same force and effect as though the cross-complaint shall be filed at the same time the Respondent files its answer to the complaint. The complaint and the cross-complaint shall be heard as one case.

f) In the event one party, after an arbitration contract has been signed, neglects or fails to follow through the arbitration system herein provided, the Panel may nonetheless proceed to decide the matter, render its award and publish it, despite the absence of the defaulting party.

Section 5. Procedure for Preparing a Case:

a) In preparing either side of a case for arbitration, a party will be expected to furnish:

- 1)** A concise and clear statement of all that is claimed;
- 2)** The contract or contracts, if any, including all written evidence, letters, and documents, tending to establish the terms and conditions (or photocopy or verified copies thereof);
[NOTE: The contract is the basis of most of the cases in dispute between grain and feed firms. Special care should be exercised to establish the terms and conditions of it in the preparation of a case for arbitration. An offer by one party to buy or sell, and the acceptance of the offer by the other party, may constitute the contract. The confirmation of the contract may be essential in determining what the agreement was and should always be included. It is all-important that the contract, when there is one, should be clearly and definitely established.]
- 3)** Shipping directions, if any;
- 4)** Bills of lading, if any;
- 5)** Inspection certificates from point of shipment, if any;
- 6)** Inspection certificates from point of destination, if any;
- 7)** Freight expense bills, if there is any dispute regarding freight paid;
- 8)** Confirmation of freight rates, when that question enters into the case;

- 9) Authority for freight rate, when difference of rate is involved;
- 10) Proof of market difference when there is any probability of the market difference affecting the rights of the parties to the case, either because of discounts for grade, delay in shipment, or non-fulfillment of contract. The proof of market difference might be the price bulletin of the market to which the grain in question was shipped, or intended to be shipped, of those dates on which the price is to be established; but in case it is necessary to establish such difference in a market where no price bulletin is regularly issued, affidavits by disinterested persons should be furnished.

- b) All written documentary evidence should be arranged to the extent possible in chronological order to present a clear history of the case.
- c) When the original papers concerning the case cannot be supplied and copies are substituted, a statement should be made under oath that the original papers have been lost or are beyond the control; of the party offering copies as evidence and that the copies, so offered, are true copies.
- d) All papers should be fastened together securely to avoid loss.
- e) Samples should not be submitted in evidence as the Panel will not act as inspectors or compare samples. If the grade or quality of commodities is in dispute, inspection certificates or other documentary evidence must be submitted.
- f) Besides documentary evidence, parties may submit affidavits from persons with knowledge of the facts.

Section 6. Procedure For Handling a Case Prior To Arbitration Panel:

- a) Each case shall be filed in writing with the Director, and shall include all of the papers described above in Section 5.
- b) The Complainant shall have fifteen (15) days from the date he receives notification from the Director to prepare and file his first written argument or brief in support of his position.
- c) Upon receipt of the first papers from the Complainant, the Director shall within two (2) days thereafter forward to the Respondent a duplicate copy of all papers filed by the Complainant.
- d) The Respondent shall have fifteen (15) days to forward his answer or response from the date he receives the Complainant's papers from the Director and to submit a cross bill or counter-claim.
- e) Within two (2) days of receipt of the Respondent's answer and counter claim(s), if any, the Director shall forward a copy of same to the Complainant.
- f) The Complainant shall have five (5) days from receipt of Respondent's answer and counterclaim(s), if any, in which to file a rebuttal along with supporting paperwork.
- g) Within two (2) days of receipt of the rebuttal, the Director shall forward a copy of same to the Respondent.

- h)** The Respondent shall have five (5) days from receipt of said rebuttal in which to file a surrebuttal along with supporting paperwork.
- i)** Within two (2) days of receipt of the surrebuttal, the Director shall forward a copy of same to the Complainant.
- j)** Where a party fails to file arbitration papers in accordance with the time limits specified in this Section, the delinquent party shall be deemed to be in default, except that the Chairman may for good cause shown extend the time limits specified herein for a period no longer than five (5) days from the end of the specific time period. Any extension so granted must be in writing, and a copy thereof sent to both parties.

Section 7. Formation of the Panels / Committees:

- a)** Within two (2) days of receipt of the Respondent's reply, the Arbitration Panel of three members, and the Chair of the Arbitration Panel, shall be selected by the Director from the pool appointed by the Chairman under Section 1. Each Panel so selected must be approved by the Chairman with respect to each case to be referred to said Panel.
- b)** The Panel arbitrators shall be selected from the appointed membership pool with a view to constituting each Panel with respective individuals experienced in the types of trade involved in the case to be brought before it. To qualify as an arbitrator, a member must be personally and commercially disinterested with respect to the particular dispute to be arbitrated for judgment.
- c)** A member of the Panel shall disclose to the Director any circumstances likely to affect his impartiality, including any bias or any financial or personal interest in the result of the arbitration. Upon receipt of any such information from a panel member the Director shall transmit such information to both parties and replace said member if either party requests such action within two (2) days from receipt of such information or after the voluntary withdrawal of such Panel member.
- d)** When a case is fully prepared and ready to be assigned for hearing, it shall be assigned to the Panel selected and appointed under this Section 7. The Director shall notify each party of the names and addresses of the members of the Panel and its chairperson.

e) Either party may challenge the appointment of a member of the Panel for prejudicial or other causes within five (5) days of receipt of this notice. Each party shall be entitled to one challenge without any cause to a member of the Panel; otherwise a challenge may only be made for cause with specificity as to the reasons the challenged Panel member may not be qualified to serve as an impartial arbitrator. The Chairman shall forthwith rule on any challenge for cause. In the event a Panel member is released without cause or for cause, the Director shall appoint a replacement from the arbitration pool within two (2) days.

f) In the event of the absence, resignation, refusal to act or disqualification of an appointed member of a Panel, the Director shall fill the vacancy with any eligible member from the pool who will consent to serve. The acts of a Panel so formed shall be of the same effect as the acts of the original appointed Panel.

Section 8. Panel Procedures:

a) The chairperson of a Panel may determine for the Panel its methods of resolving the dispute by one or more of the following methods:

- 1) By passing papers from one to another by mail or email;
- 2) By calling a meeting of the members of a panel;
- 3) By calling a meeting of members of the panel to conduct a hearing;
- 4) By such other means as the chairperson may deem necessary.

b) A decision of the members of a Panel shall be by majority vote.

c) A Panel cannot be called together more than once each calendar month, except by the consent of each member of a Panel.

d) If the Panel must use outside services in order to determine the amount of the award, services shall be divided by both the Complainant and Respondent. However, the responsibility of rendering a decision remains with the Panel, and no outside services may be used in the process of deciding a case.

e) A Panel cannot act as a meeting thereof, unless all members are present.

Section 9. Oral Hearing Procedures:

a) A party requesting an oral hearing must pay whatever amounts, in addition to the fee provided in Section 4 (c) as shall be necessary to cover the additional expenses of the Panel for the hearing. The amount of such additional expenses shall be determined and fixed by the Panel. In the event the party requesting an oral hearing is a non-member, said party shall advance the amount determined necessary to cover approximately the additional hearing expenses, including a stenographic record as set forth in subsection (b). The Director shall notify the requesting non-member, within three (3) days after receipt of an oral hearing request, of the approximate amount of the hearing expenses. If both parties request an oral hearing the amount to be paid by each in advance shall not exceed one-half of the estimated amount. The amount specified by the Director shall be paid to the Director no later than fifteen (15) days before the date set for the hearing. Failure to advance expenses may be grounds for denying a request for an oral hearing or rendering the non-complying party in default. After the Panel determines and fixes the actual amount of additional expenses incurred, the non-member shall be refunded or billed by the Director for the difference between the amount advanced and actual costs.

b) In the event of an oral hearing, the Director shall make the necessary arrangements for the taking of an official stenographic record of the hearing. The party or parties requesting the oral hearing shall pay the costs of such record directly to the Director in accordance with the normal procedure for paying the hearing costs. The Director shall pay the reporting agency in accordance with their agreement. The stenographic record shall be made a part of the official transcript of the case.

c) When a case is to be considered as in (a) above, the chairperson of the Panel shall fix a time and a place for the hearing, and shall give the Director ten (10) days notice of the date and place so fixed, so as to enable the Director to give the parties to the arbitration five (5) days' notification of the date and the place of the hearing. In the event of a non-member request for oral hearing, the date so fixed shall be no sooner than fifteen (15) days from the date the amount advanced for approximate expenses is received by the Director. Neither party shall seek to postpone the hearing of a case longer than ten (10) days after such date has been set, unless good cause, satisfactory to the Panel, can be shown therefor. Request for postponement must be received by the chairperson of the Panel at least five (5) days prior to the date set for hearing.

d) The members of the Panel, the Director, and PME's legal counsel shall receive the amount of their actual traveling and hotel expenses, if any, when attending meetings to consider a case or to hear oral testimony.

Section 10. Procedure in Announcing Awards:

a) The Panel shall act promptly on all cases submitted, and shall render their decision within fifteen (15) days after receipt of final papers from the Director or conclusion of the oral hearing, whichever is later. The award of the Panel shall be dated on the day it is received at the office of the Director. Copies of the award shall be mailed by the Director to the Parties to the arbitration within two (2) days after receipt thereof. Each award shall contain a concise statement of the pertinent facts and conclusions of the Panel and the reasons thereof.

b) The award and decision of the Panel shall be final and, unless appealed under Section 11, shall constitute a final determination of the dispute. The parties to the arbitration shall comply with the terms of the award of the Panel within fifteen (15) days from the receipt of said award.

c) All money received by the Director for the arbitration shall be placed in general funds of the PME and the expenses of said arbitration shall be paid out of said general fund; but a separate account of such arbitration receipts and expenditures shall be kept.

d) A bulletin shall be published as frequently as is necessary to give the details, as set forth below, of all cases submitted for arbitration, awards made, and any other information relative to the subject of arbitration which may be deemed of interest to PME members affiliated with the Grain Industry. Copies of the bulletin shall be mailed to all active PME members and shall include the following information:

- 1)** the names of the Complainant and the Respondent, and the nature and the amount involved in each case submitted;
- 2)** the award of the Panel and such other information as may be of interest to the members;
- 3)** notice of settlements, giving a record of each case;
- 4)** notice of failure to comply with the terms of awards, giving a record of each case;
- 5)** notice of refusals to arbitrate, giving a record of each case, and any reasons offered for said refusals;
- 6)** notice of failures to answer the correspondence of the Director relative to arbitration.

“**e)** The award of a single Arbitrator or of the Arbitration Panel shall be final and binding on the parties, and judgment on the award may be entered in any court of competent jurisdiction after any appeal as provided in Section 11 has been completed, or if the time for appeal has expired.”

Section 11. Appeal Procedure:

a) Either party or both may appeal the award and decision of the Panel. If appealed, the case shall reviewed by an Arbitration Appeals

Committee appointed by the Chairman under Section 1. The Appeals Committee may affirm, modify, reverse or remand for reconsideration the award and decision of the Panel. There shall be no further appeal under these PME rules from the decision of an Appeals Committee which shall constitute a final binding determination of the dispute. The party or parties to the appeal shall comply with the terms of the Appeal Committee award within fifteen (15) days from the receipt of said award.

b) Any decision of the Appeals Committee must be signed by a majority of the members thereof.

c) The non-refundable appeal fee shall be \$300.00 and shall be deposited with the Director by the appellant at the time notice of appeal is filed and before the case will be considered. If not so deposited, the award of the Arbitration Panel shall be considered to be affirmed and the appeal dismissed.

d) Notice of appeal from an award of a Panel, accompanied by a statement in duplicate of the reasons thereof shall be filed with the Director, within fifteen (15) days from the date of receipt of the said award. The notice of appeal shall be accompanied with the appellant's non-refundable fee of \$300.00 and his certified check for the amount of the Panel's award in dollars and cents, if any, payable to the adverse party, to be held in escrow by the Director pending the decision of the Appeals Committee.

e) Within three (3) days from the receipt of a notice of appeal, the Director shall forward to the appellee, by registered or certified mail, a copy of the appellant's statement of reasons. The appellee shall have fifteen (15) days from the date of receipt of the said statement of reasons in which to file his answer. Upon receipt of the appellee's answer, the Director shall assemble a transcript, indexed and with pages numbered consecutively, including the aforementioned statements of appeal and answer and any other papers he deems pertinent to the case. Immediately upon the completion of the numbered transcript the Director shall submit the complete file of papers to the Appeals Committee. He shall also give notice that a challenge for cause may be made against any member or members of the Appeals Committee within five (5) days of receipt of such notice. The Chairman shall forthwith rule upon any such challenge for cause. Upon a valid challenge being made, the Chairman shall immediately name a replacement or replacements to the Appeals Committee and the Director shall so advise the parties. Any replacement members appointed to the Appeals Committee will be subject to the same challenge for cause procedure.

f) Within ten (10) days of receipt of the transcript, the appellant shall file ten (10) copies of a brief of his case with the Director, each argument keyed to facts contained in the transcript. Appellee shall file his brief, in the same form and number as appellant's brief within seven (7) days after date of receipt of appellant's brief from the Director. Upon receipt of the

Appellee's brief, the Director shall send a copy to the appellant and copies of both briefs to the Appeals Committee.

g) The Appeals Committee shall meet at the call of, and at a place designated by its chairperson, at which meeting the Committee shall consider and decide the case properly pending it; provided, however, that the chairperson may submit any such case to members of the Appeals Committee by mail for their decision by mail. On request of either disputant, the Appeals Committee shall hear oral argument, but no new evidence shall be heard in the appeal of any case.

h) Request for oral argument may be made at any time from the filing of the notice of appeal until appellee files his answer. Except when a non-member has requested an oral hearing, the chairperson of the Appeals Committee shall set the date for oral argument no earlier than five (5) days or not later than twenty (20) days following the filing of appellee's brief. In the event of a non-member request for oral argument, the time limits in the preceding sentence shall not commence until after the requesting party has advanced the approximate expenses of the meeting as provided for in this section. In an oral argument appellant shall have not more than one hour for opening statement; the appellee shall have not more than one hour and fifteen minutes for his argument; and the appellant shall have not more than fifteen minutes confined to rebuttal argument.

i) The expenses incurred incident to any meeting of the Appeals Committee shall be borne by PME, unless the Committee meeting is held pursuant to a request for oral argument. All expenses incident to a Committee meeting held to hear oral argument shall be paid by the party or parties requesting oral argument. A non-member party requesting oral argument shall be required to advance the amount necessary to cover the approximate expenses of the meeting, including a stenographic record and travel expenses. Within ten (10) days of the receipt of a non-member's request for oral argument the Director shall notify said non-member of the approximate expenses thereof. The amount specified shall be advanced by the requesting non-member no later than ten (10) days after notification from the Director. If both parties request oral argument the amount paid in advance by one party shall not exceed one-half of the estimated amount. Failure to advance approximate expenses required hereunder may be grounds for dismissal or affirmance of the appeal. After the Appeals Committee determines and fixes the actual amount of additional expenses incurred, the non-member advancing expenses hereunder shall be given a refund or [be] billed by the Director for the difference between the approximate amount advanced and actual costs.

j) In the event of oral argument the Director shall make the necessary arrangements for the taking of an official stenographic record of the appeal arguments. The party or parties requesting the oral argument shall pay the cost of such record directly to the Director in accordance with the normal procedure for paying the hearing costs. The Director shall pay the reporting agency in accordance with their agreement. The stenographic record shall be made a part of the official transcript of the case.

(k) Where a party has failed to file appeal papers in accordance with the time limits specified in this section that party shall be deemed in default, except that the Director may for good cause shown extend the time limits specified herein for a period no longer than twenty (20) days from the end of the specified time period. Any extension so granted must be in writing, and a copy thereof sent to both parties.

Section 12. Miscellaneous:

a) When any papers or documents are required to be filed, ten (10) copies shall be filed with the Director to be distributed as follows: the original shall be retained by the Director; one copy shall be mailed to each of the members of the Arbitration Panel; one copy shall be mailed to the adverse party; five copies shall be retained by the director; and if an appeal be taken from the award of the Panel, said five copies shall be mailed to the members of the Appeals Committee. This rule shall apply with equal force and effect to the demand for arbitration, complaint, exhibits, answers and cross complaints, and any and all other papers that either party desires to or may be required to file.

b) Calendar days will be used in computing time. The first day shall be excluded and the last day included. If, however, the last day falls on a Saturday, Sunday or a National or State legal holiday, then the following business day shall be considered the last day. The final date for filing required documents or papers in any proceedings under these rules shall be midnight of the stated final day.

c) Registered, certified or express mail receipts shall be used to determine the timeliness of any filing in accordance with the several periods of time specified in these Arbitration Rules. Facsimile transmission verification may also be used to determine the timeliness of any filing. As used throughout these Rules, the term "filing" shall mean the time at which the document is mailed, first class mail, postage repaid, or transmitted via facsimile machine. All time limits placed on the Director shall begin on the date the Director receives the document or request which triggers his obligation.

**RULE 10
CHANGES IN RULES**

Section 1. These PME Grain Trading Rules may be amended at any meeting of the Grain Committee of the Merchants Exchange, provided, that it shall require the affirmative vote of two-thirds (2/3) of the members of the Grain Committee to adopt any such amendment.

RULE 11

All Grain Trading Rules previously adopted, conflicting with these rules, are hereby repealed.