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Sent: Monday, September 27, 2010 12:51 PM
To: OCR <OCR@CFTC.gov>
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Subject: OneChicago, LLC Comment Letter
Attach: OCX_OCR Comment letter f.pdf

Please see attached.

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Sent via email to: OCR@cftc.gov

September 27, 2010

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Account Ownership and Control Report (“OCR”)
Notice of Proposed Rulemaking

Dear Mr. Stawick:

OneChicago, LLC (“OneChicago” or “OCX”) submits this letter in response to the Notice of Proposed Rulemaking published in 75 FR 41775 (July 19, 2010) (“NPR”), regarding the Commission’s desire to collect certain information regarding account ownership and control in a report form (“OCR”). The NPR is the Commission’s second stage in a process that began with the Commission’s issuing of an Advanced Notice of Proposed Rulemaking regarding OCR published at 74 FR 31642 (July 2, 2009) (“ANPR”).

OCX is a DCM that provides a marketplace for trading in security futures products, including single stock futures. Presently we are the only DCM offering these financial instruments. We also recognize the value of transparent markets and the need to collect information regarding the identity of account owners and controllers and support the Commission’s efforts in this regard.

We have had the opportunity to review the comment files for both the ANPR and the NPR, including the transcript of and prepared comments for the Public Roundtable Meeting held on September 16, 2010 (the “Roundtable”). Based on our review of these files, our experience as a self-regulatory organization that has its own market surveillance

system, and for the reasons below, OCX supports the suggestion of several commentators that, in lieu of creating a new and largely duplicative OCR, an appropriate initial step would be to automate the data collection process for Form 102. The Form 102 identifies each “special account” that reaches a reportable level in a futures or options contract. After this automation has been completed and the system has gathered enough data points, then both the Commission and the industry can reopen this process to determine what, if any, additional information might be required.

The Form 102 process gathers substantial information about account owners and controllers. Pursuant to CFTC Rule 15.03 the Commission has set the quantities of futures contracts that need to be reported to the CFTC on Form 102. For example, the minimum reporting level for SFP on an individual equity security is 1000 contracts. Nevertheless, OCX (as well as other exchanges) has required a lower reporting level for Exchange purposes. For OCX that level is 200 contracts.

Its interesting to point out that when an FCM has a reportable position at any exchange, including OCX, it files the data on a Form 102 that is sent to both the CFTC and the exchange. As a convention, we understand that the CFTC does nothing with this data until the position reaches the CFTC imposed reportable level stated in Rule 15.03. Accordingly, both the Commission and the Exchange receive important information about account owners and controllers before a large position can be accumulated. Perhaps, the CFTC could incorporate this data into its own database as well at the lower levels.

While the Form 102 data is useful and necessary for an exchange operator and the CFTC, the process for capturing the data is antiquated at best. In an era of high-speed electronic trading and information flows, the Form 102 process, is inefficient. Recently, at the Roundtable, Jim Moran, Director of Regulatory Technology and Strategy at the CME Group, Inc. described the process:

[I]f an account becomes reportable for 102 we send out a request for 102 which basically is a hard copy form. It may come to us via e-mail but usually firms are creating those by having a person actually type or write the information in. And then they e-mail it to us and then we have to have a keypuncher type that into a database. (Roundtable transcript pg115-116)

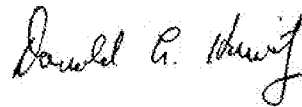
Every time ... a person touches it and has to ... keypunch or whatever, or write out things, you know, there's an additional error point that could be introduced. So by having the [data] come off automatically, you're eliminating those points of mistakes and errors. (Roundtable transcript pg116-117)

We concur with the observation of those commentators that the information requested in the proposed OCR is duplicative of the data in the current Form 102. Rather than creating a new and redundant report, OCX supports the proposal to automate and update the data

collection process for Form 102s as an appropriate meaningful initial step. This approach would modernize the current manual process, enhance the accuracy of the reported data and generate time, resource and cost savings throughout the industry.

If you have any questions please contact me at 312-424-8519 or dhorwitz@onechicago.com.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald L. Horwitz". The signature is written in a cursive style with a large, stylized initial 'D'.

Donald L. Horwitz
Managing Director and General Counsel

Cc: David G. Downey
Sebastian Pujol Schott
Corey J. Alvarez