

From: Sandy McCarthy <Sandy.McCarthy@fcstone.com>
Sent: Thursday, October 7, 2010 5:35 PM
To: secretary <secretary@CFTC.gov>
Subject: Comment on Fed Reg. 41775
Attach: DOC.PDF

Please see the attached comment on Fed. Reg. 41775.

Thanks

Sandy McCarthy
FCStone LLC
816-410-7157

This data and these comments are provided for information purposes only and are not intended to be used for specific trading strategies. Commodity trading is risky and FCStone Group, Inc., International Assets Holding Corporation, and their affiliates assume no liability for the use of any information contained herein. Although all information is believed to be reliable, we cannot guarantee its accuracy and completeness. Past financial results are not necessarily indicative of future performance. Any examples given are strictly hypothetical and no representation is being made that any person will or is likely to achieve profits or losses similar to those examples. References to and discussions of exchange traded products are made solely on behalf of FCStone, LLC. References to and discussions of OTC products are made solely on behalf of FCStone Trading, LLC, and OTC products are only available to eligible counterparties.



FCStone, LLC

1251 NW Briarcliff Parkway
Suite 800
Kansas City, Missouri 64116
816-410-7120 Office
800-255-6381 Toll Free

www.intlassets.com | www.fcstone.com

October 7, 2010

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

Re: Account Ownership and Control Report 75 Fed Reg. 41775 (July 19, 2010)

Dear Mr. Stawick:

International Assets Holding Corporation ("INTL"), and FCStone, LLC, ("FCStone") a wholly owned subsidiary of INTL appreciate the opportunity to provide comment on the Commodity Futures Trading Commission's ("CFTC or Commission") Federal Register Release dated July 19, 2010 ("the Release") notice of proposed rulemaking to collect certain ownership, control, and related information for all trading accounts active on U.S. futures exchanges and other reporting entities.

INTL is a for-profit corporation organized under the laws of the State of Delaware. One of INTL's chief operating subsidiaries is FCStone. FCStone is a registered Futures Commission Merchant ("FCM") offering clearing and execution facilities at CME Group Inc. and its subsidiaries, Kansas City Board of Trade, ICE Futures U.S., and Minneapolis Grain Exchange. INTL and its subsidiaries provide commodity risk management consulting and transaction execution services to commercial commodity intermediaries, end-users and producers, and assist primarily middle-market customers in optimizing their profit margins and mitigating exposure to commodity price risk.

INTL and FCStone strongly support the Commission's oversight of the commodity futures industry especially during the continued global economic turmoil. We commend the Commission's interest in enhancing market transparency, leveraging the Commission's existing surveillance systems and fostering synergies between its market surveillance, trade practice, enforcement and economic needs. Nonetheless, INTL and FCStone do not believe the Release, as written, affords FCStone the proper opportunity to comply with the requested information. In fact, it is our belief the Release will significantly impose a regulatory burden on our ability to effectively provide commodity risk management services to our customers.

As noted by several FCMs in comments to the Advanced Notice of Proposed Rulemaking, 74 Fed. Reg. 31642 (July 2, 2009), the Designated Clearing Organizations ("DCO") and the Designated Contract Markets ("DCM") do not maintain the ownership and control information so proposed for collection in the Release. The clearing member FCM maintains the relationship with the customer and would therefore be required to gather the Ownership and Control Report Data Points¹ and submit to a

¹ Refer to Comment CL0004 as published by the CFTC.



FCStone, LLC

DCO or a DCM or directly to the CFTC. We have approximately 12,500 active accounts and we have no central electronic repository maintaining all of these data points for every active customer. Some of these data points are maintained in hard copy such as birth date, middle name of the account owner, NFA ID number, account controllers and their information. In fact, our equity system, where customer information is maintained, does not allow for several of these data points to be deposited and as such would need to be programmed to allow for collection of these data points. Due to these factors, it is very difficult for us to estimate the costs we will incur until further details are forthcoming regarding an industry standard for the proposed data points. However, we believe we will incur significant storage, programming costs, and recovery costs to institute these changes in addition to the data we currently capture into our equity system.

It was noted in our review of the Public Roundtable Transcript held on September 16, 2010, a CFTC official, Ms. Rachel Berdansky, indicated this process should not fall on the DCO or the DCM. In fact, she indicated the CFTC will look to the FCMs to provide the additional information. It appears the Release as currently afforded directly involves the DCOs and/or DCMs as the mechanism to deliver these data points to the CFTC and, as such, if final rules are promulgated that directly change the operational capacity developed in the current Release, we respectfully request the Commission not issue final rules that impose such a severe regulatory burden directly onto FCMs without comment as it appears representation from the FCM community from an operational and implementation standpoint on the Public Roundtable was minimal.

For reasons stated above, INTL and FCStone believe the Commission should re-consider its proposed rule changes to the account ownership and control report.

Please contact the undersigned at 816-410-7120 if you have any questions.

Yours Sincerely,

A handwritten signature in cursive script, appearing to read "Paul G. Anderson".

Paul G. Anderson
President

cc. Chairman Gary Gensler
Commissioner Michael Dunn
Commissioner Jill Sommers
Commissioner Bart Chilton
Commissioner Scott O'Malia