

Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street NW  
Washington, D.C. 20581

November 17, 2010

Re: RIN 3038-AD01

Chairman Gensler:

Wall Street reform is long overdue. The business community needs your commission to uphold the strength of HR 4173 to ensure a healthy environment for all business to thrive.

It has come to my attention that there have been proposals to weaken this bill, including the rule governing the ownership of clearinghouses in the derivatives market. The original proposal included a 20/40 Rule, limiting maximum ownership share that could be held by any one institution to, at most, 20%. The total shares that are held by banks whose assets exceed \$50 billion may not exceed 40%. This Rule prevents banks from aligning with one another to hold a joint majority interest in the very clearinghouse that is processing their transactions. The balance of ownership ensures that interested parties are not put in charge of their own regulation.

An alternative, 5% Rule, discussed within your Commission, does not limit the maximum share these institutions can own. As a result, banks may work together to hold majority interest in the clearinghouse. This removes the very accountability and transparency this bill intended.

We've seen what happens when banks are trusted to watch themselves. Our companies, our neighbors, and our country are now suffering from that excess. By not limiting the total share these banks can hold, the 5% Rule allows the clearinghouses to be bought out by banks and become extensions of their agendas. This is precisely what the clearinghouse requirement was implemented to avoid.

I ask that you ensure that the strength of HR 4173 is upheld to its fullest and that the 20/40 Rule is included in full. A healthy, transparent, and well-regulated market is good for business and good for the USA.

Sincerely,



Alyson L Abramowitz  
Chair, CA Democratic Party Business & Professional Caucus  
*Democrats Mean Business*  
408-523-1222

cc: California Congressional Delegation