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December 3, 2010

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

Re: 17 CFR Parts 1 and 30 Investment of Customer Funds and funds Held in an Account for Foreign Futures and Foreign Options Transactions 75 Fed Reg. 67642 (November 3, 2010), RIN 3038-AC15

Dear Mr. Stawick:

International Assets Holding Corporation ("INTL"), and FCStone Group, Inc., ("Group") 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 November 3, 2010 ("the Release"), proposed rulemaking and request for comment on the amendments to CFTC Rule 1.25 regarding allowable investments of customer segregated funds and customer secured funds held in accounts subject to Regulation 30.7 as well as funds separated in accordance with Part 5 of the CFTC Rules and Regulations by futures commission merchants.

INTL is a for-profit corporation organized under the laws of the State of Delaware. One of INTL's chief operating subsidiaries is FCStone, LLC ("FCStone"), 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. FCStone assists commercial clients in developing and implementing hedging strategies for their cash market activities. 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 Group strongly support the Commission's oversight of the commodity futures industry especially during the continued global economic turmoil. We commend the Commission's continued strength of leadership in its endeavors to implement the Dodd-Frank Act as passed into legislation in July 2010. It is a commendable achievement that not one dollar of customer segregated funds has been lost; thereby leading one to conclude the concept of segregated funds is successful in the Commission's endeavors to protect the commodity customer. We support the Commission's goal to provide rules and regulations on the best investment practices of customer funds to ensure the funds are properly protected. We consider it an honor to comment on rules and regulations at this historic time in the Commission's

history. Nonetheless, INTL and FCStone believe the Release, as written, relative to the investment in money market mutual funds (“ MMMF”) and the proposed asset based concentration limit of ten percent along with the counter-party concentration limit of five percent for reverse repurchase agreements places an undue burden on FCM’s in the form of increased costs and operational inefficiencies. These changes will significantly limit an FCM’s ability to effectively manage their liquidity with regards to clearing margin deposits and variation margin requirements with the various Designated Clearing Organizations (“DCO”).

FCStone’s current investment policy, relative to customer funds, is to utilize US Treasuries, DCO money market mutual funds programs, and reverse repurchase agreements. The CFTC requests comment related to changes to MMMFs as permitted investments as well as implementing a concentration limit of five percent for every counter party to a reverse repurchase transaction.

FCStone utilizes the DCO money market mutual funds programs routinely at CME Group and its subsidiaries and ICE Futures U.S. In our opinion, these programs managed by the DCOs allow segregated funds to be deposited into highly liquid and readily marketable securities. These money market mutual funds must comply with the Securities and Exchange Commission (“SEC”) Rule 2a-7 recently modified to enhance safety and transparency by requiring money market mutual funds to: 1) set liquidity provisions, 2) perform monthly stress testing, 3) place restrictions on investments in second-tier securities, and 4) place new requirements regarding the quality of collateral and the credit-worthiness of repurchase counterparties. As the SEC has made changes to rules governing money market mutual funds which decrease the risks MMMFs are exposed to, it is our belief all SEC Rule 2a-7 compliant MMMFs present a prudent short term investment choice that is safe, secure, readily marketable and highly liquid. As such we believe while some asset based concentration limit such as 50 percent is appropriate, ten percent is not an acceptable limit.

The CFTC has also recommended a concentration limit of five percent for every counter-party to a reverse repurchase agreement. Currently we have one counter-party and based on this proposed rule we would potentially need to open twenty reverse repurchase accounts. This appears to be a cumbersome and overly burdensome expense from both an operational perspective as well as an accounting perspective, particularly in light of the fact that the collateral involved in these reverse repurchase transactions are all allowable investments of customer segregated funds per CFTC Regulation 1.25 and are securitized by the U.S. Treasury collateral. While we believe a concentration limit such as 25 percent is warranted, in our opinion five percent is not an acceptable limit.

It would appear the investment policy relative to segregated, secured funds held in accounts subject to Regulation 30.7 and separated funds would limit us to some percentage in MMMFs at the DCO, investments in U.S. Treasuries and a large increase in the number of counter-parties we utilize for reverse repurchase agreements. In light of the proposed regulations and the guidelines set for the release of collateral at the various DCO’s, it would then appear we would be required to hold a large amount of funds in cash and this cash would be held in banking accounts subject to the current \$250,000 Federal Deposit Insurance Corporation limit. If we had large amounts of U.S. Treasury Bills segregated and then had a need for cash to meet variation margin, we would need to liquidate these to meet variation margin



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requirements and thereby sell them in the secondary market for a potential loss. In effect, this situation results in the same risks which the proposed regulations are attempting to mitigate.

We believe the Release as afforded will significantly impose a regulatory burden affecting our ability to effectively provide commodity risk management services to our customers.

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

Yours Sincerely,

A handwritten signature in black ink, appearing to read "William Dunaway", with a long, sweeping flourish extending to the right.

William Dunaway
Chief Financial Officer

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