



April 11, 2011

Mr. David A. Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: Orderly Liquidation Termination Provisions in Swap Trading Relationship
Documentation for Swap Dealers and Major Swap Participants
(CFTC RIN 3038-AC96)

Dear Mr. Stawick:

Better Markets, Inc.¹ appreciates the opportunity to comment on the above-captioned proposed rules (the “Proposed Rules”) of the Commodity Futures Trading Commission (“Commission” or “CFTC”), the purpose of which are to set forth parameters for the inclusion of an orderly liquidation termination provision in the swap trading relationship documentation for swap dealers (“SDs”) and major swap participants (“MSPs”) pursuant to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

The general premise underlying swap transactions is that the exemption from the automatic stay provisions of the bankruptcy code and other provisions allow for the immediate termination and application of collateral by either counterparty.

The Proposed Rules provide clear documentation of an important exception to that premise in circumstances in which one counterparty is a “covered financial party,” as defined in Section 201(a)(8) of the Dodd-Frank Act, or an insured depository institution, as defined in 12 U.S.C. 1813, for which the Federal Depository Insurance Corporation has been appointed an receiver.

Clarity in swap trading relationships, both at the inception of the swap and if a default occurs, is at the foundation of the Dodd-Frank Act. Lack of clarity is a characteristic


¹ Better Markets, Inc. is a nonprofit organization that promotes the public interest in the capital and commodity markets, including in particular the rulemaking process associated with the Dodd-Frank Act.

of the “shadow markets” which contributed heavily to the financial crisis which caused so much harm. The Proposed Rules represent clarification of a fundamental feature of swaps transactions: the consequences of a default by an SD or MSP.

We commend the CFTC in promulgation of the Proposed Rules and fully support a decision to make the Proposed Rules final.

Sincerely,


Dennis M. Kelleher *Ry WCT*
President & CEO


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