



April 24, 2012

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

Re: Regulation 4.5 Harmonization and "Family Offices"

Dear Mr. Stawick:

We represent a number of clients that manage single family offices in Texas. This letter is in response to the Commodity Futures Trading Commission (the "CFTC" or "Commission") request for comment on its proposed harmonization provisions. We understand that the Commission is considering adopting a family office exemption similar to the exemption adopted by the Securities and Exchange Commission (the "SEC") under Section 409 of the Dodd-Frank Act. We respectfully request that the CFTC adopt an exclusion for single family offices from the definition of "commodity pool," thereby excluding managers of single family offices from the registration requirements under the Commodity Exchange Act (the "CEA") as Commodity Pool Operators ("CPO") and Commodity Trading Advisers ("CTA"). Adopting such an exclusion would harmonize CFTC regulations with SEC Rule 202(A)(11)(G)-1(d)(4) (the "Family Office Rule"), which excludes single family offices from the definition of "investment adviser" under the Investment Advisers Act of 1940 (the "Advisers Act").

Congress recognized when it passed the Dodd-Frank Act that the Advisers Act was not designed to regulate family offices and directed the SEC to adopt rules consistent with its previous no-action letters, while recognizing the range of organizational, management and employment structures employed by family offices. In adopting its Family Office Rule, the SEC also recognized that families managing their own wealth do not need the protections of the Advisers Act because disputes among family members can be resolved within the family unit and that the costs of regulating family offices would outweigh any benefit.

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Like the Advisers Act, the CEA is not designed to regulate family offices managing their own wealth. The legislative history of the CEA indicates that CPO and CTA registration requirements were intended to protect potential customers or investors from unscrupulous practices. The clients of a single family office do not need these protections because family offices do not solicit customers or investors from outside the family unit. The staff of the Commission has recognized this fact in its history of interpretive letters.

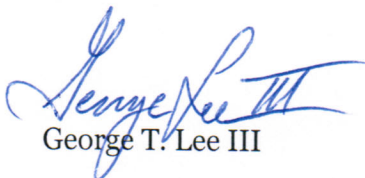
We recognize that family offices can apply to the staff of the Commission for interpretive relief and that the Commission allows family offices to rely on the relief granted to other family offices in previously issued interpretive letters. Based on our experience in working with more than a dozen family offices, however, it is clear that the structure of each family office is unique and it would be difficult to fit any of our clients within the facts of any single interpretive letter. Furthermore, the cost of requesting an interpretive letter would be prohibitive for many of our clients. Therefore we believe that it is necessary for the Commission to adopt an exception to CPO and CTA registration that is broad enough to accommodate the wide variety of structures employed by, and clientele served by, single family offices.

We believe that the definitions of "family office" and "family client" adopted by the SEC in its Family Office Rules work well for most single family offices and represent a thoughtful compromise reached through the SEC comment process. We urge the Commission to adopt these definitions and to exclude family offices from the definition of commodity "pool" in Rule 4.10(d)(1).

We believe that exempting single family offices from the burdens of CPO and CTA registration will appropriately harmonize the treatment of single family offices across the federal financial market regulatory schemes. It will also relieve single family offices of the cost and invasion of privacy that registration necessarily involves. Finally, we support the analysis and conclusions of other commentators on this topic, including, without limitation, the letter to David Stawick, Secretary, CFTC, dated April 13, 2012, from Mark D. Young, Skadden, Arps, Slate, Meagher & Flom LLP.

We appreciate the opportunity to comment on this proposal and look forward to working with the Commission throughout the rulemaking process. Please do not hesitate to call me at 214-377-4852 if you have any questions.

Sincerely,



George T. Lee III