



Fuel Bank Inc.
11190 Bent Pine Drive
Fort Myers
FL 33913
www.fuelbank.com
Tel: (239) 561-2001

November 15, 2012

Ms. Sauntia S. Warfield
Assistant Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, 20581

Dear Ms. Warfield

Re: Comment Letter
17 CFR Parts 3, 32 and 33 (Commodity Options)
RIN No. 3038-AD62

We are in complete support of the requests made in the Comment Letter dated October 30, 2012 from Mr. Pete Nessler, Executive VP, Commodities, FCStone INTL, Inc.

Fuelbank Inc. is a Florida 'S' Corporation that helps small businesses understand how to obtain fuel price protection and how it works. Our target market is 22 million* U.S. small businesses with less than 100 employees which are a key source of new job creation. Most of those operate company vehicles and buy their fuel over-the-road with a fleet/credit card. They are not big enough to justify private fuel tank facilities. Exposure to constant fuel price volatility is a major concern for them and is often a cause of business failure, particularly if they have no ability to include a fuel surcharge in the price for their goods and services.

www.fuelbank.com was launched in 2010. The purpose of the B2B web site is to inform and educate. We have earned an A+ accreditation from the Better Business Bureau for excellence in our endeavors. (FuelBank Inc. ID #: 90051495, BBB Florida)

We aim to make it easy to understand how a call option (fuel price cap) can help to control a fuel expense budget as small as 100 gallons per month. Users can customize a price protection plan by plugging in their monthly fuel consumption and the period of price protection (typically 6 or 12 months). Requests for a quote are passed on to FCStone INTL to handle and to execute a trade. Our contract with FC Stone INTL is exclusive.

In January 2012, we had the opportunity to demonstrate our website to:-

Ms. Elizabeth L. Ritter
Chief of Staff/Senior Legal Counsel
Office of Commissioner Chilton
Commodity Futures Trading Commission

We received encouraging feedback from her, with some positive comments about the usefulness of our website as a teaching aid.

We understand that CFTC regulations may soon exclude small business from buying a financially settled OTC Call Option unless they have a \$1m net worth (if hedging) or 10m in total assets otherwise. Almost all small businesses with less than 100 employees do not meet these eligibility criteria. Such a regulation would therefore put us out of business overnight and would exclude our 22 million target market from being able to obtain reasonable fuel price protection.

We are solely involved in financially settled OTC call options. The fuel price cap that small businesses buy is not speculative. It is regarded by them as essential insurance against rising fuel prices that adversely impact their expense on over-the-road physical fuel purchases. The premium for the OTC Call Option is paid to FCStone INTL and the payment is cleared in advance. Customers receive a monthly payout from FCStone INTL only if fuel prices rise above their contracted strike price. We are not involved in futures or swaps where there would be a potential margin call. Our experience has been that small businesses value the financially settled Call Option as a really helpful risk management tool to control the annual fuel expense budget. It offers them cost certainty and peace of mind. We have experienced absolutely no history of abuse.

We would therefore respectfully urge the Commission to reconsider the scope of the Trade Option exemption, and permit the execution of financially settled OTC Call Options where the offeree is a commercial and is entering the option solely in order to hedge or mitigate a commercial risk, and where the offeree is not subject to the ECP requirement to have \$1m net worth and \$10m in total assets.

Kind Regards,



Rod Senior
CEO, Fuelbank Inc.

* Source: U.S. Dept. of Commerce, Census Bureau: www.sba.gov