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COMMENT

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C.F.T.C.

Ms. Jean Webb  
Secretary to the Commission  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW.  
Washington, DC 20581

Dear Ms. Webb:

Prudential Securities Incorporated ("Prudential Securities") welcomes the opportunity to comment on the Commission's proposed amendments to Commission Rule 1.35(a-1)(5), 68 *Fed.Reg.* 12319 (March 14, 2003), which, *inter alia*, modify the terms and conditions under which eligible account managers may allocate – by the end of the trading day – the futures and options on futures contracts executed in one or more bunched orders entered on behalf of multiple clients.

On April 18, 2003 the Futures Industry Association ("FIA") submitted to the Commission a comment letter supporting the proposed amendments. Prudential Securities, a registered FCM and a member of the FIA, concurs with the FIA's comments and supports the Commission's promulgation of the proposed amendments.

Prudential Securities believes that the proposed amendments effectively modify the existing rule such that they reduce the burdensome and, in some cases, inequitable requirements associated with the current regulatory scheme, that have proved unnecessarily cumbersome to futures industry participants. At the same time, the proposed amendments maintain the procedural safeguards necessary to ensure continued and appropriate protection to futures industry customers and participants.

Moreover, the proposed amendments clarify the relative responsibilities and obligations of futures industry participants with respect to fair treatment and handling of client accounts. In particular, by deleting the account certification requirement of Rule 1.35(a-1)(5)(iv), the proposed amendments confirm that the responsibility for ensuring that trade allocations are fair and equitable rests with the client's account manager and not with the clearing FCM. In the absence of any indicia of unusual account activity, an FCM would not have the ability to assess whether an account manager is treating his or her clients fairly.

Based on the foregoing, Prudential Securities recommends that the Commission adopt the amendments as proposed.

Respectfully,



Donald R. Levine