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April 28, 2003

COMMENT

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RECORDS SECTION

Ms. Jean Webb  
Secretary to the Commission  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Dear Ms. Webb:

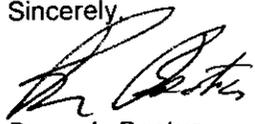
Carr Futures Inc. ("Carr") appreciates the opportunity to comment on the Commission's proposed amendments to Commission Rule 1.35(a-1)(5), 68 Fed. Reg. 12319 issued on March 14, 2003.

As a registered futures commission merchant ("FCM") and a clearing member of most of the major international exchanges and clearing houses, Carr believes that the Proposal, as presented, represents a positive revision of the existing rule while still maintaining all necessary customer protections.

Carr strongly supports the views expressed in the FIA's April 18<sup>th</sup> comment letter to the CFTC. However, we would like to specifically comment on one particular section of the Proposal that applies directly to FCMs. Under the current rule, an account manager must provide each FCM that clears any portion of a bunched order with a written certification that the account manager "is aware of, and will remain in compliance with, the requirements" of the rule.

Carr and other FCMs have long felt that this certification requirement confused the division of responsibilities between the account manager and the FCM regarding the rule. While FCMs do have an obligation to monitor their clients' account for any unusual activity, the required certification has been viewed to imply that FCMs have a responsibility to assure an account manager's complete compliance with the rule, even for areas not within the responsibility of an FCM, such as assuring the that account manager's allocations are fair and equitable and that the account manager is fulfilling its fiduciary obligation to treat its clients fairly.

Based on the aforementioned, Carr respectfully urges the Commission to adopt the Proposal as presented.

Sincerely,  


Bruce A. Beatus  
Senior Vice President & General Counsel  
Carr Futures Inc.



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