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COMMENT

April 25, 2003

Jean W. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Proposed Rules for CPO and CTA Registration and Other Regulatory Relief

Dear Ms. Webb:

John W. Henry & Company, Inc. (JWH) welcomes the opportunity to comment on the Commission's extensive proposals to modify Commission rules regarding exemption from registration for commodity pool operators (CPOs) and commodity trading advisors (CTAs), facilitation of communications with current and prospective clients, and coordination of Commission rules with those of other regulators, as published in the Federal Register on March 17, 2003 (68 F.R. 12,622). JWH has been registered as a commodity trading advisor since 1982. JWH currently manages approximately $1.6 billion in client assets, and is one of the largest commodity trading advisors. JWH therefore has a vital interest in the subject of the proposed rules.

JWH supports the adoption of the rule proposals as published. The proposals reflect the consideration by the Commission and its staff of numerous issues and problems that have arisen under current rules as the result of changing business practices and market developments, and their assessment of several proposals by the industry and the National Futures Association to address many of them. JWH believes that the adoption of the proposals will facilitate the development of speculative vehicles for trading in commodity interests markets. As a registered CTA, JWH's business would not be directly affected by adoption of most of the proposals; accordingly, this letter will only address those proposed rules that bear directly on JWH's business and the business of its affiliated CPO.

Of the proposals, the most important for JWH is the amendment of rules 4.21 and 4.31 to permit the delivery of marketing material to prospective clients or pool participants prior to delivery of mandated disclosure documents. Adoption of this proposal would remove a serious impediment to the marketing and sale of regulated managed futures products. Prospective investors would still receive the same disclosure materials under the proposal as are currently required to be delivered; only the timing of delivery would be altered. Instead of requiring delivery of a disclosure document as the first step in client solicitation, regardless of whether the CTA or CPO has been able to determine whether the prospective client is seriously interested in the product or not, these proposals would allow a CTA or CPO to deliver marketing materials as the initial step in solicitation. The requirement that any marketing materials be consistent with, or amended by, the disclosure document will prevent the use of misleading or bait and switch marketing approaches. At the same time, CTAs and CPOs will be spared the expense of distributing disclosure documents to investors who are not seriously interested in the proposed investment.

Sincerely yours,

/s/ David M. Kozak
Senior Vice President and General Counsel