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DFC. OF THE SECRETARIAT

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.M.
Washington, D.C. 20581

COMMENT

RE: Proposed Amendment to Rule 1.17 – 17 Fed. Reg. 57451
(September 29, 2006)

Dear Ms. Donovan:

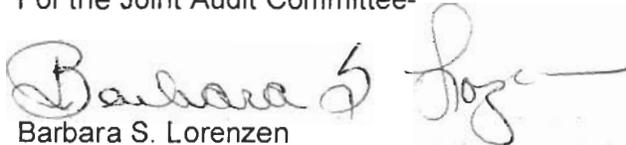
The Joint Audit Committee ("JAC"), comprised of representatives of U.S. commodity futures and options exchanges and the National Futures Association, welcomes this opportunity to comment on the Commission's proposal placing limitations on withdrawals of equity capital. The Commission is proposing that "...by written order, [the Commission may] temporarily prohibit a futures commission merchant ("FCM") from carrying out equity withdrawal transactions that would reduce excess adjusted net capital by 30 percent or more". 17 Fed. Reg. at 57451.

The necessity of the proposed amendments to CFTC Regulation 1.17 became apparent during the decline of Refco, LLC's ("Refco") holding company. The JAC agrees that the Commission should have the ability to limit withdrawal of equity capital to provide further protection to customers by ensuring adequate liquid assets. In the event a corporate conglomerate that includes an FCM entity is distressed, the JAC recognizes the benefits to the industry and FCM community of maintaining capital in the FCM.

The JAC notes the Commission's proposal incorporates many aspects of the Securities and Exchange Commission's existing regulations. Harmonization of these regulations will provide regulatory consistency and ease for FCM Broker Dealers during stressful times.

The JAC appreciates the opportunity to comment on this proposal. If you have any questions or comments, please contact Barbara Lorenzen at (312) 435-3683.

For the Joint Audit Committee-



Barbara S. Lorenzen
Joint Audit Committee Chair Person