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CFTC

July 10, 1998

## COMMENT

Brooksley Born  
C.F.T.C.  
Three Lafayette Centre  
1155 21<sup>st</sup> St., NW  
Washington, D.C. 20581

Dear Ms. Born;

It has come to our attention that the C.F.T.C. is considering whether to lift the ban on block trades of commodity contracts on futures exchanges. As you review this issue we would like to offer our perspectives on the subject.

First Quadrant is a recognized leader and proponent of derivatives based asset management. From our inception in 1987, First Quadrant has grown to over \$25 billion in assets under management. Our clientele includes some of the largest and most recognized institutions, pension funds and endowment funds in the U.S. and beyond.

With this in mind, we have a definite opinion and bias as to your consideration on this matter. We would favor the lifting of the ban on block trades of futures contracts.

Our opinion is based on the belief that such a lifting of the ban would help increase the liquidity of large transactions by institutions such as ourselves and thereby reduce the effective transaction costs of the trade. Although this type of trade is infrequent in our day to day operation, it would however aide greatly if this type of transaction were available as we consider the most effective and efficient manner to execute trades on behalf of our clients interests.

I would appreciate being kept informed of the developments of this issue as you weigh the industry's response. Please feel free to contact me if you should require additional information, insight or opinion on this matter.

Sincerely,

Todd Miller  
Associate Director  
626-795-8220



TODD MILLER  
Associate Director  
Global Derivatives Trader

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