



U.S. COMMODITY FUTURES TRADING COMMISSION

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COMMENT

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DIVISION OF
TRADING & MARKETS

May 26, 1998

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Michael R. Koblenz, Esq.
Mound, Cotton & Wollan
One Battery Park Plaza
New York, New York 10004-1486

Re: Application of Cantor Financial Futures Exchange for
Designation as a Contract Market in US Treasury Bond,
Ten-Year Note, Five-Year Note and Two-Year Note
Futures Contracts

Dear Mr. Koblenz:

By letter dated May 6, 1998, the Division of Trading and Markets ("Division") stayed the one-year review period, under Section 6 of the Commodity Exchange Act ("Act"), with respect to the application of the Cantor Financial Futures Exchange ("CFFE" or "Exchange") for designation as a contract market, pursuant to delegated authority under Commission Regulation 140.77.

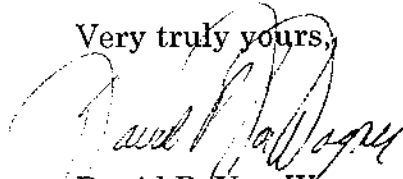
In its May 6, 1998, letter, Division staff posed 112 questions to CFFE regarding issues and concerns raised by its proposal. By letter dated May 21, 1998, the CFFE submitted materials that addressed each of those questions. Division staff has conducted a preliminary review of CFFE's responses and it has determined that they are sufficient to support a lifting of the stay previously imposed. Accordingly, Division staff has determined as of this date to lift its stay of the one-year review period, under Section 6 of the Act, with respect to CFFE's designation application.

Please note that the lifting of the stay does not indicate a determination on the substantive merits of the proposal under the Act and the Commission's regulations, but rather that CFFE has submitted to date materials addressing all relevant areas. Commission staff will continue to review CFFE's proposal and it may present the Exchange with further requests for information as issues arise.

Michael R. Koblenz, Esq.
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As of this date, the Commission has approximately eight months of the statutory review period remaining. Please call me if you have any questions about the lifting of the stay, the remaining review period, or the Commission's review of CFFE's proposal.

Very truly yours,



David P. Van Wagner
Special Counsel