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James A. Walsh
Co-Chair

Gregory P. Peterson
Commissioner

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Douglas A. Kellner
Co-Chair

Evelyn J. Aquila
Commissioner

Robert A. Brehm
Co-Executive Director

December 21, 2011

Hon. Gary Gensler
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

NADEX Political Events Contracts

Dear Chairman Gensler:

Press reports indicate that North American Derivatives Exchange (NADEX) is requesting to start trading in contracts for the outcome of the 2012 presidential race and the majority parties in the House and Senate. These "political events contracts" are transparent wagers on the outcome of elections which are prohibited by New York law and by the laws of many other states.

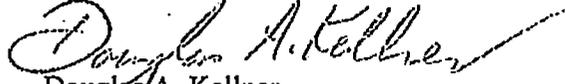
The New York State Constitution specifically provides that "no person who shall make or become directly or indirectly interested in any bet or wager depending upon the result of any election, shall vote at such election." (Article II § 3) New York statutes also make such conduct a criminal offense.

The Commodity Futures Trading Commission should reject any application that seeks to legitimize wagering on the outcome of elections. At the very least, if CFTC were to authorize such contracts, then it should require full disclosure of state laws that provide for forfeiture of the elective franchise by any persons who have a direct or indirect interest in such contracts.

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
120 NASSAU ST., 18TH FL.
NEW YORK, NY 10038

I serve as co-chair and as one of the four commissioners of the New York State Board of Elections. This letter represents my own opinion in view of the short time available and has not yet been presented for approval of all of the commissioners of the New York State Board of Elections.

Very truly yours,

A handwritten signature in cursive script that reads "Douglas A. Kellner". The signature is written in dark ink and is positioned above the printed name.

Douglas A. Kellner
Co-Chair