



U.S. COMMODITY FUTURES TRADING COMMISSION

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**Division of
Market Oversight**

September 19, 2013

Leonard T. Nuara
President & COO
TeraExchange
25 DeForest Avenue, Suite 203
Summit, NJ 07901

Re: Notice of Grant of Temporary Registration of TeraExchange, LLC as a Swap Execution Facility Pursuant to Part 37 of the Commission's Regulations

Dear Mr. Nuara:

By submissions dated July 26, 2013 through September 17, 2013 ("SEF Application"), TeraExchange, LLC ("TeraExchange") applied to the Commodity Futures Trading Commission ("Commission"), pursuant to part 37 of the Commission's regulations, 17 C.F.R. Part 37, for temporary registration as a swap execution facility ("SEF"). The Division of Market Oversight ("Division") has reviewed the SEF Application for completeness only and based upon this limited review has determined to issue, under the authority delegated by section 37.3(h), this notice granting temporary registration as a SEF to TeraExchange, pursuant to section 37.3(c) of the Commission's regulations.

The Division notes that this grant of temporary registration is subject to TeraExchange's compliance with all applicable provisions of the Commodity Exchange Act ("CEA") and Commission regulations, including part 37 and any future regulations, amendments, guidance, and interpretations issued by the Commission. Further, this grant of temporary registration does not reflect any substantive review of TeraExchange's application and therefore does not mean that the Commission, or any of its staff, has determined that TeraExchange is fully compliant with the CEA and Commission regulations. This grant of temporary registration does not affect the right of the Commission to grant or deny full registration as provided under section 37.3(b) of the Commission's regulations. The Division also emphasizes that this grant of temporary registration does not provide TeraExchange with approval to list any product for trading. Prior to listing a product for trading, TeraExchange must comply with the submission requirements for certification under section 40.2 or seek approval under section 40.3 of the Commission's regulations.

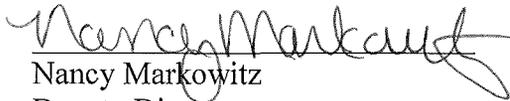
In granting temporary registration as a SEF to TeraExchange, the Division is not endorsing or otherwise approving any agreements enacted for services between TeraExchange and any third party service provider. TeraExchange remains directly responsible for ensuring the performance of its regulatory duties and obligations as a SEF under the CEA and the Commission's regulations. The Division notes that by e-mail dated September 5, 2013, TeraExchange acknowledged and confirmed that it would not begin operating as a SEF until it has an executed clearing agreement with a Commission-registered derivatives clearing organization.

To the extent that there are any changes to information provided in its SEF Application, TeraExchange must promptly file an amendment to its SEF Application with the Commission. In addition, to the extent that TeraExchange seeks to implement a new rule, TeraExchange should comply with the submission requirements for certification under section 40.6 or seek approval under 40.5 of the Commission's regulations. The Division notes that "rule" is defined in section 40.1(i) of the Commission's regulations.

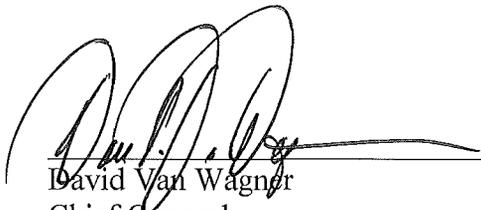
As a next step, the Commission will review TeraExchange's SEF Application to assess whether it is fully compliant with the requirements of the CEA and the Commission's regulations applicable to SEFs. During such assessment, the Commission may request from TeraExchange additional information in order to make a determination whether to issue a final order of registration.

If you have any questions regarding the content of this notice, please contact Mark Schlegel, Special Counsel, Division of Market Oversight, at 202-418-5055 or mschlegel@cftc.gov, or Jasmine Lee, Attorney-Advisor, at 202-418-5226 or jlee@cftc.gov.

Sincerely,



Nancy Markowitz
Deputy Director
Division of Market Oversight



David Van Wagner
Chief Counsel
Division of Market Oversight