

OneChicago ✕

141 West Jackson, Suite 2208A
Chicago, Illinois 60604

COMMENT

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January 13, 2003

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Records Section**

1/14/03

Jean A. Webb
Secretary
Commodity Futures Trading Commission
secretary@CFTC.gov

Re: Proposed Amendments to Commission Rule 4.5

Dear Ms. Webb,

OneChicago, LLC ("OneChicago")¹ is pleased to have the opportunity to comment on the release issued by the Commodity Futures Trading Commission ("Commission") proposing to amend Commission Rule 4.5 by adding an alternative "notional test" for those persons that are excluded from the definition of commodity pool operator ("CPO").² OneChicago strongly supports the Commission's proposed amendment to Rule 4.5.

Under the Commission's proposed amendment, an operator of a pool may claim exclusion from the definition of CPO if the qualifying entity represents that the aggregate notional value of its non-hedged commodity interest positions does not exceed the liquidation value of the qualifying entity's portfolio.³ OneChicago believes that the Commission's amendment to Rule 4.5 will provide eligible entities with the flexibility to use risk management strategies that take advantage of new security futures products. If the Commission would like to discuss our comments further, please feel free to call me at (312) 424-8517 or C. Robert Paul, General Counsel, at (312) 424-8515.

Yours truly,
Madge M. Hamilton /s/
Deputy General Counsel

¹ OneChicago is a joint venture among the Chicago Board Options Exchange, Incorporated, ("CBOE") Chicago Mercantile Exchange Inc. ("CME") and the Board of Trade of the City of Chicago, Inc. ("CBOT") that was formed to provide a trading facility for security futures products. This comment letter does not necessarily reflect the views of CBOE, CME or CBOT.

² 67 FR 65743 (October 28, 2002).

³ Currently, Commission Rule 4.5 permits the eligible entity to use commodity futures or commodity options contracts, solely for bona fide hedging purposes and non-hedge positions where the aggregate initial margin and premiums required to establish such positions will not exceed five per cent of the liquidation value of the qualifying entity's portfolio.