



WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM

WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM

06-07
③

November 28, 2006

Received CFTC
Records Section
11/29/2006

Ms. Eileen Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

COMMENT

OFFICE OF THE SECRETARIAT

2006 NOV 29 AM 10:45

RECEIVED
C.F.T.C.

VIA ELECTRONIC MAIL

SUBJECT: Limitations on Withdrawals of Equity Capital Proposed Rule Amendments

Dear Ms. Donovan:

The Minneapolis Grain Exchange ("MGEX" or "Exchange") would like to take this opportunity to respond to the Commodity Futures Trading Commission's ("Commission") request for comment regarding the above referenced matter, published in the September 29, 2006 Federal Register, Vol. 71, No. 189.

The release establishes the framework in which, upon the sole determination of the Commission, the Commission may, by order, temporarily prohibit a futures commission merchant ("FCM") from carrying out equity withdrawal transactions that would reduce excess adjusted net capital by 30 percent or more, among other amendments.

The Exchange strongly supports the Commission's direction of the proposed amendments to allow the Commission to take action to temporary place limitations on equity capital withdrawals if in its determination would be detrimental to a FCM's financial integrity or could adversely affect their ability to meet customer obligations. The proposed proactive and balanced approach would coincide well with the Commission's evolving mission and responsibilities to protect customers and market participants while allowing for an FCM to petition to rescind the order. Specifically, the proposed rule amendments provide further protection while not being overly or unnecessarily restrictive toward a FCM.

Page 2

The Exchange thanks the Commission for the opportunity to provide comments regarding the proposed rule amendments. If there are any questions regarding these comments, please contact me at (612) 321-7190.

Sincerely,

A handwritten signature in black ink, appearing to read "S Sullivan".

Sandra S. Sullivan
Director, Market Regulation