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COMMENT

November 12, 2008

To Whom It May Concern:

As the financial world has changed greatly over the past few years, an overhaul of the block-trading guidelines is long overdue. The single biggest problem with the current guidance is its reliance on trade size as opposed to order size in determining appropriate block-trading minimums.

If a single large order hits the open outcry ring, it will get split up amongst many market participants. By looking at the trade sizes, the fact that the overall order was easily absorbed by the pit is not taken into account. Consider the following example: A 1000 contract order trades in the pit with 10 traders doing 50 lots apiece, 3 traders doing 100 lots apiece, and 1 trader doing 200 lots. Under the current guidelines, the exchange would see 14 different trades, look at the top 5 or 10 percent of these trades and conclude that 200 lots is the appropriate (top 5 or 10 percent) minimum size for a block-trade. This approach misses the point. The 1000 lot order was easily handled by the pit as a whole. Making the minimum block-trade size 200 lots is therefore much too low and only serves to encourage non-competitive trading. In looking for a guide in determining minimum block-trade sizes, the CFTC's guidance should mandate that an exchange look at order sizes (rather than trade sizes) and take the top 5 or 10 percent of these. All that current guidelines serve to accomplish is to allow for the proliferation of non-competitive trading.

Thank you for your time and consideration.

Sincerely,

Christopher Lando