



U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Clearing and
Risk
Division of Swap Dealer
and Intermediary
Oversight

Ananda Radhakrishnan
Director, DCR
Gary Barnett
Director, DSIO

November 3, 2011

James R. McDaniel
Sidley Austin LLP on behalf of The Options Clearing Corporation
One South Dearborn Street
Chicago, Illinois 60603

Re: Notification of Post-Relief Transfer Pursuant to Commission Regulations 190.02(a)(2) and 190.06(g)(2)(i)

Dear Mr. McDaniel:

This letter is in response to your letter, written on behalf of your client, the Options Clearing Corporation (OCC), dated November 2, 2011 (the OCC Letter), notifying the Commission of the OCC's transfer of certain customer positions as a result of the insolvency proceedings of MF Global, Inc. (MF Global), one of its clearing members. The OCC Letter is pursuant to Commission Regulation 190.02(a)(2), which requires a clearing house, prior to transferring customer positions under Section 764(b) of the Bankruptcy Code, to notify the Commission of its intent. If the Commission is so notified and does not disapprove pursuant to Commission Regulation 190.06(g)(2)(i)(B), such transfer may not be avoided by the bankruptcy trustee.

In order to minimize disruption to the markets and to protect the integrity of the marketplace and market participants, the OCC intends to transfer certain MF Global customer segregated account positions. The transferees will be one or more eligible clearing members of OCC identified in the OCC Letter and willing to accept such positions.

The Division of Clearing and Risk (DCR) and the Division of Swap Dealer and Intermediary Oversight (together with DCR, the Divisions) have reviewed the OCC Letter. Under Commission Regulation 190.06(g)(2)(i)(B), if the Commission does not disapprove the transfer, such transfer may not be avoided by the bankruptcy trustee. Acting pursuant to the authority delegated to it by Commission Regulation 190.10(d), the Divisions hereby notify you

that the Commission does not disapprove the transfer of the positions set forth in the OCC Letter in the manner described therein. In addition, in the event that one or more of the transfers are not permissible under Commission Regulation 190.06(g)(2)(i)(B) on the grounds that they are deficit accounts, the Commission authorizes such transfers under Commission Regulation 190.06(h)(2).

The Commission reiterates that customer segregation is the foundation of customer protection in the commodity futures and swaps markets. Segregation must be maintained at all times, pursuant to Section 4d of the Commodity Exchange Act (the Act) and Commission Regulation 1.20. As mentioned above, MF Global does not have sufficient funds in segregation to meet Commission requirements. The Commission intends to take any and all action afforded to it, within the purview of the Bankruptcy Code and the Act, to ensure that customers maximize their recovery of funds and to discover the reason for the shortfall in segregation.

This letter is based upon the representations of OCC and applicable laws and regulations in their current form. If you have any questions concerning this correspondence, please contact Jon DeBord, Special Counsel, DCR, at 202-418-5478 or jdebord@cftc.gov.

Sincerely,



Gary Barnett
Director, DSIO



Ananda Radhakrishnan
Director, DCR