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August 1, 2008

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 2nd Street, N.W.
Washington, D.C. 20581

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549

Re: Request for a Joint CFTC and SEC Rulemaking to Amend CFTC Rule 41.45(b) and SEC Rule 403(b) Relating to Customer Margin Levels for Security Futures Products

Dear Mr. Stawick and Ms. Morris:

On behalf of OneChicago, LLC, ("OCX") we hereby petition both the Commodity Futures Trading Commission (the "CFTC") and the Securities and Exchange Commission (the "SEC") (together the "Commissions") for a joint rulemaking amending the minimum 20% customer margin level established in CFTC Rule 41.45(b) and SEC Rule 403(b) to 15%. OCX believes 15% customer margin is consistent with Section 7(c)(2) of the Securities Exchange Act of 1934 ("Exchange Act") in that this margin is consistent with margin on comparable option contracts traded on options exchanges.¹ Accordingly, it is appropriate for the CFTC and SEC to jointly enter into rulemaking to amend CFTC Rule 41.45(b)(1) and SEC Rule 403(b)(1) by reducing the minimum margin levels for security futures positions to 15%. A copy of rule change proposed by OCX to CFTC Rule 41.45(b)(1) and SEC Rule 403(b)(1) are Attachments A and B respectively.

¹ 15 USC 78g(c)(2).

On August 14, 2002, the Commissions jointly adopted margin rules for security futures.² Both CFTC Rule 41.45(b)(1) and SEC Rule 403(b)(1) state that:

*General rule. The required margin for each long or short position in a security future shall be twenty (20) percent of the current value of each security future.*³

The Commissions determined that this minimum margin level of 20% satisfied the comparability standard of section 7(c)(2) of the Exchange Act,⁴ which requires that the customer margin for security futures be consistent with customer margin on comparable exchange-traded options contracts.⁵

On December 12, 2006, the SEC approved a proposed rule change to the margin rules of the Chicago Board Options Exchange Incorporated (“CBOE”) permitting, among other things, “...a broker-dealer to calculate customer margin requirement by grouping all products in an account that are based on the same index or issuer into a single portfolio.”⁶ This amendment, in effect, reduced the margin on listed options products from 20% to 15% if the positions are carried in a securities account or sub-account. However, because of operational issues at the securities firms, almost all security futures positions are carried in a futures account regulated by the CFTC and not in a securities account. Therefore, margin relief comparable to that for listed options is de-facto unavailable for most security futures customers. The proposed joint rulemaking would permit customers carrying security futures in futures accounts to receive margin treatment consistent with that permitted under the margining provisions of CBOE.

The present margin differential essentially eliminates competition between financial products and thus unnecessarily restricts the diversity of products and hedging tools available to the public. It is in the public interest and consistent with the protection of customers/investors to provide competitive financial products and risk management instruments to customers/investors.

² 67 FR 53146 (August 14, 2002).

³ 17 CFR 41.45(b)(1) and 17 CFR 242.403(b)(1).

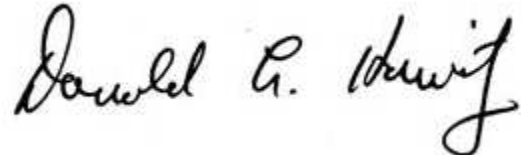
⁴ 15 USC 78g(c)(2).

⁵ Id. at 53157.

⁶ Securities Exchange Act of 1934 Release No. 54919 (December 12, 2006) (SR-CBOE-2006-14), 71 FR 75781, 75782 (December 18, 2006).

Therefore, OCX hereby requests a joint rulemaking by the CFTC and SEC amending the present margin rules, CFTC Rule 41.45(b) and SEC Rule 403(b). If you have any questions, please contact the undersigned at 312-424-8519 or dhorwitz@onechicago.com.

Sincerely,

A handwritten signature in black ink, reading "Daniel A. Horwitz". The signature is written in a cursive style with a large, looped initial 'D'.

Managing Director and General Counsel

Attachment A

CFTC Regulation § 41.45 Required margin.

(a) **No Change** .

(b) *Required margin* —(1) *General rule*. The required margin for each long or short position in a security future shall be fifteen (15) ~~twenty (20)~~ percent of the current market value of such security future.

(2) **No Change**.

(c) **No Change**.

Attachment B

SEC Rule 403 Required margin.

(a) **No Change.**

(b) *Required margin.*—(1) *General rule.*

The required margin for each long or short position in a security future shall be fifteen ~~(15)~~ [twenty (20)] percent of the current market value of such security future.

(2) **No Change.**

(c) **No Change.**