

LEHMAN BROTHERS

RONALD H. FILLER
MANAGING DIRECTOR

May 11, 2004

Ms. Jean A. Webb
Secretary to the Commission
Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

Re: The Clearing Corporation's Proposal to Clear
EUREX Transactions (CFTC Release #4922-04)

Dear Ms. Webb:

We appreciate the opportunity provided by the Commodity Futures Trading Commission ("CFTC" or the "Commission") to submit comments regarding the proposal by The Clearing Corporation ("TCC") to clear certain EUREX transactions. Lehman Brothers Inc. ("Lehman") is registered as a Futures Commission Merchant with the CFTC and is a clearing member firm of TCC. Our affiliate, Lehman Brothers International (Europe), is a General Clearing Member of EUREX Clearing AG, the clearing house for EUREX.

Lehman is a strong supporter of this global clearing link proposal for several reasons, and we respectfully request that the Commission adopt the TCC proposal to clear EUREX transactions. First, and most importantly, the proposal gives global clearing member firms a choice as to where to clear their global futures transactions. Such a proposal provides important flexibility regarding the clearing function of futures products. No clearing firm is required to make a change as to where it will clear EUREX transactions, if this proposal is adopted by the CFTC, but each FCM now has a choice to consider. Second, the proposal provides greater collateral management efficiencies. In today's global marketplace, many futures clients prefer to provide one standard form of collateral to meet their global futures margin requirements. When such clients provide forms of collateral that are acceptable at U.S. clearing houses but may not necessarily be acceptable at non-U.S. clearing houses, U.S. FCMs can now, as a result of this new proposal, utilize such collateral in a more efficient and effective manner.

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Comment Letter to CFTC
TCC/EUREX Proposal
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Also, equally as important, assuming the Commission will adopt this proposal as proposed, this global clearing link will result in a greater amount of client assets being placed in a segregated customer bank account. This, we believe, provides greater safeguards to these clients that does not exist under the current model. Again, having such a choice is an important benefit.

While we realize some issues still need to be addressed by TCC and EUREX Clearing AG which relate to the economics of the global clearing link, Lehman respectfully requests the Commission to adopt the proposal as submitted.

We at Lehman also welcome the opportunity to discuss this comment letter and our views and opinions directly with the Commission and its staff.

Very truly yours,

Ronald H. Filler

Cc: Honorable James Newsome
Honorable Walt Lukken
Honorable Sharon Brown-Hruska
James Carley
John Lawton
Alan Sobba

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