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secretary

From: David Darcy [daviddarcy@rocketmail.com]
Sent: Friday, November 07, 2008 11:02 PM
To: secretary
Subject: "Proposed Rules for Trading off the Centralized Market"

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COMMENT

To Whom It May Concern:

I have been a cocoa options market maker for 7 years. I am an options permit holder and only two years ago it was my largest non cash asset. I consider my trading career a small business.

In the past two years there have been many changes to my business. The most detrimental of which has been the introduction of block trading. While I am sure the introduction block trading had an intended purpose. No matter what the purpose was, the cost to the entire market has been too high.

In an illiquid market, every trade that enters the market provides an opportunity for magnified market depth. This is in essence a snowball effect. If I am able to buy an option in one month, I am much more likely to sell an option in another month. It is evident that block trading has a negative multiplier effect on the cocoa options market. This year, the volume of my trades alone, from July 1st through the end of October decreased to 40% of last years volume from same period. This demonstrates on the ultimate micro scale that a centralized marketplace is essential to the future of cocoa options.

Block trading has its place, just not in our markets. Open outcry markets have lost their place in many trading environments, but we must see to it that the "open" aspect of the markets remains. This is vital to fairness to all parties involved.

David R. Darcy

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