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Chicago, IL 60604

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APR 24 10 51 AM '98  
Gary V. Sagui  
Member, Chicago Board of Trade

Matthew Q. Sagui  
Associate Member, Chicago Board of Trade

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Stephen R. Stewart  
Associate Member, Chicago Board of Trade

April 23, 1998

Brooksley Born, Chairperson  
Commodity Futures Trading Commission  
1155 - 21<sup>st</sup> Street, NW  
Washington, DC 20581

## COMMENT

Dear Chairperson Born:

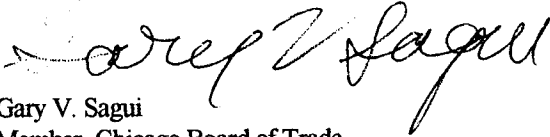
As three members and local traders at the Chicago Board of Trade we would like to express our concern with and opposition to the 'concept release' issued January 26, 1998 regarding off-floor negotiation and execution of futures trades. This 'concept release' attacks the very essence of futures trading in a number of ways.

Most importantly, off-floor trade negotiation and execution robs all customers of the price transparency and customer protections afforded by a centralized market. If the large players move their volume off the floor it will reduce liquidity in the primary market. This will deprive small traders of the benefits of a liquid market to the sole benefit of large institutional traders. It would create a situation where the best executions are available only to major institutions, subverting the very concept of the exchange and open-outcry.

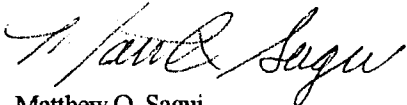
It is understandable that major firms are in favor of this 'concept release.' It gives their traders the opportunity to pick and choose their trades. If a customer enters a desirable trade, the major firm will act as counterparty, while if it is a fair or poor trade it will be sent to the floor. This allows the major firms to circumvent open-outcry and leave only the 'crumbs' for the exchange locals. In this manner major firms would steal and subvert the very contracts that the exchange locals worked to create. In the end it would hurt the major firms also, by driving all the smaller traders from the market. It could possibly spell the end of open-outcry as we know it.

The implementation of this 'concept release' would be terribly detrimental to the market as we know it, especially to the smaller hedgers and locals, the very people the CFTC and exchanges are pledged to protect. Again, we respectfully urge the continued prohibition against off-floor and non-competitive trading of all futures products.

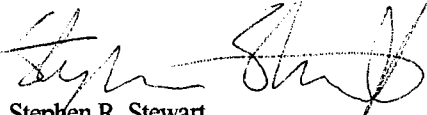
Sincerely,



Gary V. Sagui  
Member, Chicago Board of Trade



Matthew Q. Sagui  
Associate Member, Chicago Board of Trade



Stephen R. Stewart  
Associate Member, Chicago Board of Trade

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