

COMMODITY FUTURES
TRADING COMMISSION
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MAY 13 1 11 PM '98

COMMENT

COMMODITY FUTURES
TRADING COMMISSION
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OFFICE OF THE
SECRETARIAL

MAY 11 2 18 AM '98

OFFICE

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(27)

Dear Sir or Madam,

I am writing your office to comment on the Cantor-FITZGERALD bid to trade T-Bond Futures off-floor.

I am a former member of all three Chicago Commodity exchanges, and I currently trade T-Bond futures through FIRST OPTIONS of Chicago.

I hope that the stall tactics being employed by the C.B.O.T. do NOT hold up the move to off floor trading.

Aside from the cost benefit and increased competition issues, the opportunity for broker and trader abuse and fraud will diminish.

T-Bond brokers routinely give up the edge to their friends and relatives; shutting out all other participants. Milling to make legitimate markets.

An example, on Friday May 8

1998 a broker named [redacted] (last name not known - story was told to me by [redacted] -) tapped his buddy on the shoulder and said, "I'll sell you 100 at 11923. The market at that time was 11925^{BID} for several thousand contracts. - T-Bono JUNE

The local trader foolishly tried to sell at a higher price than 11925, the bid. The market suddenly dropped and he sold at 11923. He, nevertheless was handed \$6000 by the broker, to the detriment of the customer.

[redacted] then told me that this local had the nerve to ask the broker to change the price to 11922 so that he could make a profit! [redacted] refused.

These honor stories are routinely conveyed to me in the traders lounges and restaurants ~~at~~ ^{near} the CBOI.

I believe that screen trading will end these abuses once and

for all.

It is my opinion that the trading abuses that the CFTC claimed they had stopped, are, in reality, more rampant than ever.

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