



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
Facsimile: (202) 418-5547
aradhakrishnan@cftc.gov
gbarnett@cftc.gov

Division of Clearing and
Risk
Division of Swap Dealer
and Intermediary
Oversight

Ananda Radhakrishnan
Director, DCR
Gary Barnett
Director, DSIO

November 7, 2011

Mark G. Bagan, President and CEO
Minneapolis Grain Exchange
111 Grain Exchange Building
400 South 4th Street
Minneapolis, Minnesota 55415

Re: Notification of Post-Relief Transfer Pursuant to Commission Regulations 190.02(a)(2) and 190.06(g)(2)(i)

Dear Mr. Bagan:

This letter is in response to your letter, written on behalf of the Minneapolis Grain Exchange (MGEX), dated November 4, 2011 (the MGEX Letter), notifying the Commission of MGEX's transfer of certain customer positions as a result of the insolvency proceedings of MF Global, Inc. (MF Global), one of its clearing members. The MGEX Letter is pursuant to Commission Regulation 190.02(a)(2), which requires a clearing house, prior to transferring customer positions under Section 764(b) of the Bankruptcy Code, to notify the Commission of its intent. If the Commission is so notified and does not disapprove pursuant to Commission Regulation 190.06(g)(2)(i)(B), such transfer may not be avoided by the bankruptcy trustee.

In order to minimize disruption to the markets and to protect the integrity of the marketplace and market participants, MGEX proposed transferring certain MF Global customer segregated account positions. The transferees will be one or more eligible clearing members of MGEX identified in the MGEX Letter and willing to accept such positions. Specifically, MGEX requests to transfer positions to one or more of the following eligible clearing members: [], [], [], [], [] and other transferees that are eligible clearing members of MGEX. MGEX expects that a significant portion of the margin would be transferred to [], an FCM omnibus account at [].

The Division of Clearing and Risk (DCR) and the Division of Swap Dealer and Intermediary Oversight (together with DCR, the Divisions) have reviewed the MGEX Letter. Under Commission Regulation 190.06(g)(2)(i)(B), if the Commission does not disapprove the transfer, such transfer may not be avoided by the bankruptcy trustee. Acting pursuant to the authority delegated to it by Commission Regulation 190.10(d), the Divisions hereby notify you that the Commission does not disapprove the transfer of the positions set forth in the MGEX Letter in the manner described therein. In addition, in the event that one or more of the transfers are not permissible under Commission Regulation 190.06(g)(2)(i)(B) on the grounds that they are deficit accounts, the Commission authorizes such transfers under Commission Regulation 190.06(h)(2).

The Commission reiterates that customer segregation is the foundation of customer protection in the commodity futures and swaps markets. Segregation must be maintained at all times, pursuant to Section 4d of the Commodity Exchange Act (the Act) and Commission Regulation 1.20. As mentioned above, MF Global does not have sufficient funds in segregation to meet Commission requirements. The Commission intends to take any and all action afforded to it, within the purview of the Bankruptcy Code and the Act, to ensure that customers maximize their recovery of funds and to discover the reason for the shortfall in segregation.

This letter is based upon the representations of MGEX and applicable laws and regulations in their current form. If you have any questions concerning this correspondence, please contact Jon DeBord, Special Counsel, DCR, at 202-418-5478 or jdebord@cftc.gov.

Sincerely,



Gary Barnett
Director, DSIO



Ananda Radhakrishnan
Director, DCR