

February 23, 2009

Via Federal Express

Mr. David A. Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: National Futures Association: Floor Broker and Floor Trader
Disqualification Fee – Proposed Amendments to NFA Registration Rule
504(b)(3)*

Dear Mr. Stawick:

Pursuant to Section 17(j) of the Commodity Exchange Act, as amended, National Futures Association (“NFA”) hereby submits to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the proposed amendments to NFA Registration Rule 504(b)(3). This proposal was approved by NFA’s Board of Directors (“Board”) on February 19, 2009.

NFA is invoking the “ten-day” provision of Section 17(j) of the Commodity Exchange Act (“CEA”) and will make these proposals effective ten days after receipt of this submission by the Commission unless the Commission notifies NFA that the Commission has determined to review the proposals for approval.

PROPOSED AMENDMENTS

(additions are underscored and deletions are ~~stricken through~~)

REGISTRATION RULES

* * *

**RULE 504. PROCEDURES GOVERNING APPLICANTS AND REGISTRANTS
DISQUALIFIED FROM REGISTRATION UNDER SECTION 8a(2), 8a(3) OR
8a(4) OF THE ACT.**

* * *

(b)(3) Time for Filing of Response. A written response to the Notice of Intent must be served upon NFA's Legal Docketing Department within 20 days of the date of the service of the Notice of Intent upon the applicant or registrant. All applicants and registrants, ~~except floor brokers and floor traders~~, must include the disqualification fee required by Rule 203(a)(11) with their response.

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EXPLANATION OF PROPOSED AMENDMENTS

NFA Registration Rule 504(b)(3) requires applicants and respondents to pay a \$1,000 disqualification fee if they opt to have a hearing in a registration case. Floor brokers ("FBs") and floor traders ("FTs") are not required to pay the fee, however.

The disqualification fee serves two purposes. First, the fee partially offsets NFA's costs to provide the hearing. Second, it deters respondents from requesting hearings in frivolous cases.

In the past year, three FB/FT applicants failed to appear at scheduled hearings. Two applicants failed to appear without any notice or explanation, and the Membership Committee hearing panel issued orders denying their registrations after holding hearings at which NFA presented evidence establishing that each applicant was aware of the hearing date. The third applicant notified NFA on the morning of the hearing that he was withdrawing his application, and NFA subsequently withdrew the Notice of Intent. In all three cases, however, NFA incurred significant expenses.

The Board amended Registration Rule 504 to require FB/FT applicants and registrants to pay the same disqualification fee as other applicants and registrants if they want a hearing in an adverse registration action. This will deter these applicants and registrants from requesting hearings if they do not intend to show up. The fee should also help NFA recover some of its costs when it does happen.

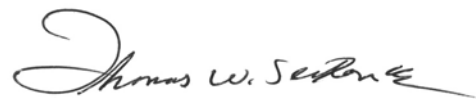
As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the amendments to NFA Registration Rule 504(b)(3) effective ten days after receipt of this submission by the

Mr. David A. Stawick

February 23, 2009

Commission, unless the Commission notifies NFA that the Commission has determined to review the proposal for approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas W. Sexton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Thomas W. Sexton
Vice President and General Counsel

* The proposed amendments to the NFA Registration Rule 504(b)(3) became effective March 6, 2009.