

May 7, 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: Futures Commission Merchant
Representation on NFA's Board of Directors and NFA Executive
Committee Quorum Requirements - Proposed Amendments to NFA's
Articles of Incorporation*

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") proposed amendments to NFA's Articles of Incorporation ("Articles") regarding futures commission merchant ("FCM") representation on NFA's Board of Directors and NFA's Executive Committee's quorum requirements. The amendments were unanimously ratified by NFA's Board of Directors ("Board") on February 19, 2009, and have since been adopted by a majority of those Members actually voting in each of the Contract Market; FCM, LTM, and IB; and CPO and CTA categories.

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

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

ARTICLES OF INCORPORATION

* * *

ARTICLE VII: BOARD OF DIRECTORS

Mr. David A. Stawick

May 7, 2009

* * *

Section 2: Composition of Board

* * *

(b) Futures Commission Merchant, Leverage Transaction Merchant and Introducing Broker Representatives.

(i) Ten (10) elected representatives of registered Futures Commission Merchant (hereinafter "FCM") Members, registered Leverage Transaction Merchant (hereinafter "LTM") Members, and registered Introducing Broker (hereinafter "IB") Members, divided as follows:

(A) ~~Four (4)~~ Eight (8) representatives of FCMs, including at least two (2) representatives of FCMs ranked in the top ten FCMs and at least two (2) representatives of FCMs and LTMs not ranked in the top ten FCMs based on the total of segregated funds and secured amounts, as those terms are defined in the applicable Commission regulations, held as of June 30 of the prior calendar year.

~~(B) Four (4) representatives of FCMs and LTMs not ranked in the top ten FCMs based on the total of segregated funds and secured amounts, as those terms are defined in the applicable Commission regulations, held as of June 30 of the prior calendar year.~~

~~(C)~~ (B) One representative of IBs required to maintain minimum adjusted net capital.

~~(D)~~ (C) One representative of IBs not required to maintain minimum adjusted net capital.

(ii) No FCM, LTM or IB shall have more than one representative on the Board at any one time. For purposes of this limitation, a person shall be deemed a representative of an FCM, LTM or IB Member if the person is an officer, director, partner, employee or beneficial owner of more than 10 percent of the equity stock of the FCM, LTM or IB, and the person is not a contract market representative.

* * *

ARTICLE VIII: EXECUTIVE COMMITTEE

* * *

Section 5: Voting; Quorum. Each member of the Executive Committee shall have one vote on Executive Committee matters. ~~A quorum of the Committee shall consist of one contract market Member of the Committee, one FCM, LTM or IB member of the Committee, and any three other Committee members.~~ A majority of the Executive Committee members shall constitute a quorum.

* * *

EXPLANATION OF PROPOSED AMENDMENTS

Article VII, Section 2 of NFA's Articles of Incorporation establishes the composition of NFA's Board. Currently, the Board must be composed, in part, of eight FCM representatives. Four of these eight representatives are drawn from FCMs ranked in the top ten FCMs based on the total amount of segregated funds and secured amounts, and four representatives are drawn from non-top ten FCMs.

Although the Board's structure regarding FCM representation has worked well during the past several years, the rapidly changing business environment suggests that the current structure may be too rigid and additional flexibility is warranted with regard to FCM seats. In particular, due to industry consolidation and the recent financial crises, FCM rankings have not remained static from year to year, and if the recent past is any portent, change will continue among this group.

The amendment provides a more flexible approach to FCM representation. While the Board will continue to have eight FCM seats, several seats will be "at large" rather than four each being allocated to top ten and non-top ten FCMs. In particular, the new Board structure would require two top ten FCM seats, two non-top ten FCM seats and four at-large seats.

Under the current Articles, NFA's Executive Committee has a category-based quorum rule. In particular, Article VIII, Section 5 provides that a quorum of the Executive Committee consists of one contract market Committee member; one FCM, LTM or IB Committee member; and any three other Committee members. Yet the

Mr. David A. Stawick

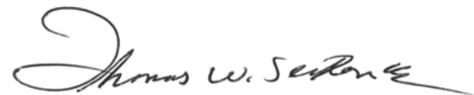
May 7, 2009

quorum requirements for the Board, except for emergency meetings, and the Appeals, Membership and Business Conduct Committees are strictly numerical, i.e., one-half of the Directors for the Board and a majority of members for the Committees.

The principles of good governance support replacing the Executive Committee's category-based quorum requirement with a simple majority of Executive Committee Members. This change will ensure that the Executive Committee's quorum rules are identical to the quorum rules for NFA's Membership, Appeals, and Business Conduct Committees.

As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the proposed amendments to NFA's Articles of Incorporation effective ten days after receipt of this submission by the Commission, unless the Commission notifies NFA that the Commission has determined to review the proposal for approval.

Respectfully submitted,



Thomas W. Sexton
Senior Vice President and
General Counsel

* The proposed amendments to NFA's Articles of Incorporation became effective May 18, 2009.