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January 24, 1983

Ms. Jane K. Stuckey
Office of the Secretariat
Commodity Futures Trading Commission
2033 K Street, N.W.
Washington, D.C. 20581

Re: National Futures Association Proposed
Amendments to Articles of Incorporation

Dear Ms. Stuckey:

Pursuant to Section 17(j) of the Commodity Exchange Act ("Act"), as amended, National Futures Association ("NFA") hereby submits to the Commodity Futures Trading Commission ("Commission") and requests review and approval of, the following amendments to its Articles of Incorporation. These amendments were adopted by the NFA Incorporators and the Provisional Board of Directors on January 11, 1983 and November 18, 1982. Additions are underscored and deletions are bracketed.

Proposed Article Changes

ARTICLE VI: MEMBERS

Section 1: Membership Eligibility.

* * *

Section 2: Membership Category.

Each Member which qualifies for membership status in one or more [than one] of the following categories --

- (a) FCMS;
- (b) commercial firms;
- (c) CPOs;
- (d) CTAs;
- (e) commercial banks



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-- shall be deemed to be a Member for the purposes of Article VII, VIII, and X only in that single category to which its business activities primarily relate. Each Member shall have one vote on all matters on which the Member's category is entitled to vote, except that a CPO or CTA Member shall not be entitled to vote in such category if:

- (a) it is an employee of an FCM Member;
- (b) an FCM Member or employee thereof holds a majority equity interest in the Member; or
- (c) the Member is otherwise directly or indirectly controlled by an FCM Member;

Provided, however, that such CPO or CTA Member shall be entitled to vote in any one of such other categories (e.g., FCM) in which it qualifies for membership status.

ARTICLE VII: BOARD OF DIRECTORS

* * *

Section 3: Nominations; Election.

The elected Directors shall be chosen as follows:

- (a) Nominating Committee

The Nominating Committee (see Article X) shall nominate one candidate for each elected Director position to be filled[.], at least one of which shall be a representative of an FCM which is not a member of any contract market. These nominations shall be made in accordance with the eligibility requirements contained in this Article.

Explanation of Amendments

Article VI

NFA was recently apprised by a number of CTA members of potential difficulties which might arise due to changes in industry structure in conjunction with the voting rights currently set forth in Article VI. Specifically, large FCMS have recently begun in significant number to employ, own as subsidiaries or otherwise control registered CTAs or CPOs. Such FCMS in the future might be in a position to exercise a disproportionate amount of voting power in both the CPO and CTA membership categories due to the present voting structure.



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Eliminating the vote of FCM controlled CTAs or CPOs would not affect the enterprise interests of FCMs which already are afforded a vote in the FCM category. Many CTA, CPO and FCM members of NFA have supported this change designed to keep NFA rules current with structural changes in the industry. Amendments to Article VI help assure that voting in the Membership categories of CPOs or CTAs will continue to appropriately reflect the concerns of these membership classifications by precluding a potential dilution of their representation through CPOs or CTAs who are employed, owned or controlled by an FCM.

Article VII

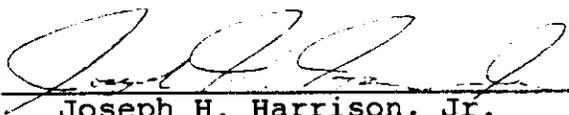
An important function of NFA is its regulation of FCMs who are not members of any contract market and are subject only to the jurisdiction of NFA. In consequence of this function and after careful review based on NFA's experience, NFA believes that express provision should be included in the Articles to further assure representation of this category of Membership. The Commission should be aware, however, that a representative of a non-exchange member FCM is serving on NFA's Transitional Board of Directors and has been elected to the permanent Board.

Conclusion

NFA respectfully requests that the foregoing amendments to NFA's Articles of Incorporation be declared effective upon approval by the Commission.

Very truly yours,

NATIONAL FUTURES ASSOCIATION

By 
Joseph H. Harrison, Jr.
General Counsel and Secretary

JHH:cv

cc: Chairman Philip McBride Johnson
Commissioner Kalo A. Hineman
Commissioner Susan M. Phillips
Commissioner Fowler C. West
Commissioner James M. Stone
Theodore W. Urban
Andrea M. Corcoran

UNITED STATES OF AMERICA
COMMODITY FUTURES TRADING COMMISSION

2033 K Street, N.W.
Washington, D.C. 20581



February 15, 1983

Mr. Joseph H. Harrison, Jr.
General Counsel and Secretary
National Futures Association
200 West Madison Street
Chicago, Illinois 60606

Re: Proposed Amendments to NFA Articles VI and VII

Dear Mr. Harrison:

By letter dated January 24, 1983 NFA requested Commission review and approval of proposed amendments to its Articles VI and VII. The amendments will prohibit CTA and CPO members which are controlled by FCM members from voting as CPO and CTA members, and will require that at least one nominee to the Board of Directors be a non-exchange member FCM. The Commission approved the proposed amendments on February 10, 1983. The Commission understands that these amendments will be effective immediately.

Very truly yours,

A handwritten signature in cursive script that reads "Jane K. Stuckey".

Jane K. Stuckey
Secretary of the Commission