

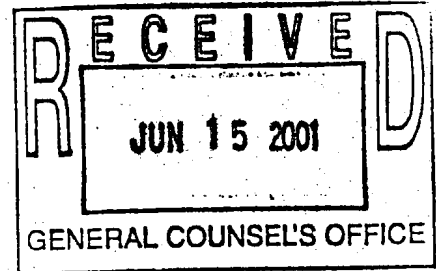
NIBA

THE NATIONAL INTRODUCING BROKERS ASSOCIATION
55 WEST MONROE, SUITE 3330, CHICAGO, IL 60603
PHONE 312•977•0598 FAX 312•977•0733

File No. SR-NFA-2001-01

Exhibit 1

Tuesday, June 12, 2001



Kathryn Page Camp, Associate General Counsel
National Futures Association
200 West Madison Street, Ste. 1600
Chicago, IL 60606-3447

RE: Comments on Bylaw Changes referred in your fax of June 5, 2001

Dear Ms. Camp:

Thank you for the opportunity to comment on the Bylaw Changes proposed by the National Futures Association and referred to in your fax of June 5, 2001.

Rather than comment at this time specifically on all the particular portions of the changes/additions as they appear in the draft your office forwarded, the National Introducing Brokers Association (NIBA) wishes to state:

- The changes/additions are well thought-out by the agency, and indicate the NFA has spent a great deal of time on these issues.
- In general, the changes/additions appear reasonable, but only time will tell how difficult they will be to implement and enforce.

The NIBA wishes to ask with regard to specific sections:

1. Rule 2-29(j)(10): Does this section mean the salesperson or firm must disclose any recommendation made within the last year with reference to the underlying security upon which the futures contract is based?
2. Rule 2-29(j)(13i): Does this exemption exist because NASDR members must file promotional material with that agency?
3. Rule 2-30(b): Does the NFA contemplate the securities futures disclosure statement to be a separate writing apart from other disclosures the salesperson is required to deliver?
4. Rule 2-30(j)(4) and (5): Is this meant to be the "know your customer" part of the rule and if so, how will it be enforced?

5. Rule 2-37(d)(5): Does this provision apply to business affiliates "linked" to web sites, and how will it be enforced.
6. Rule 2-37(f): Does this apply even if the Member has no customer complaints to report within the quarter?
7. The Interpretive Notices all appear to contain guidelines which are reasonable. With regard to the discussing Rule 2-9: Special Supervisory Requirements for Security Futures Products, para. entitled "Meetings with Associated Persons": Do you anticipate that the NIBA's annual meeting or an individual FCM's annual meeting will satisfy this guideline?

National Introducing Brokers Association wishes to emphasize the following with regard to these changes and the counterparts being considered at the NASDR:

The sales force presenting the new products governed by these bylaw changes wants to be fully compliant. In order to offer the opportunity these new products present and adequately disclose their attendant risks, the regulations must be clear, and they must be evenly enforced as to all the salespersons offering the product. The rules should also be reasonable as to costs of implementation. The NFA has made a very good beginning with this draft set of proposals -- *it would be most useful if the agency and our industry were consulted by the NASDR regarding their draft proposals before they are approved.*

Thank you for requesting our comments on these very important changes/additions to the NFA's Bylaws before they become permanent. Please contact me at the above address or by e-mail at melinda@futuresrep.com to discuss these issues further.

Sincerely,

The National Introducing Brokers Association
By Its Board of Directors