



Fallon-Houle, Nancy

From: NFA Notification <NFAN@NFA.Futures.Org>
Sent: Wednesday, November 17, 2010 9:49 AM
To: Fallon-Houle, Nancy
Subject: Notice to Members I-10-26-Revised



Notice to Members I-10-26 - Revised November 17, 2010

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On November 16, 2010, NFA issued Notice I-10-26 entitled "Effective Date of Changes to NFA's Enhanced Supervisory Requirements" which listed portions of the "Principal exemption" section incorrectly. The corrected section is noted below with the corrections in [brackets].

Principal exemption

Under the current Notice, when a firm becomes subject to the Requirements, any principals of that firm will also cause any other firms at which they are or become principals, to be subject to the Requirements. Because this provision in the Notice sometimes captures principals that do not pose concerns regarding their ability to effectively supervise their firms, NFA has modified the Notice to exempt firms that employ a principal who meets the following criteria:

- the principal has not been personally subject to a disciplinary action by NFA or the CFTC;
- the principal has been a principal of only one firm that has qualified for the Requirements;
- the principal has never been a principal or an AP of a current Disciplined Firm;
- [the one firm in the principal's history that qualified for the enhanced supervisory requirements either received a full waiver from abiding by those requirements or abided by those requirements for at least two years and is no longer subject to the enhanced supervisory requirements; and]
- [the one firm in the principal's history that qualified for the enhanced supervisory requirements has not become subject to a sales practice or promotional material based disciplinary action by NFA or the CFTC since qualifying for the enhanced supervisory requirements.]

We apologize for any inconvenience. You may view the full text of the revised Notice on NFA's website (<http://www.nfa.futures.org/news/newsNotice.asp?ArticleID=3685>).

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