The Clifton Group

Investment Management Company

February 1, 2005

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

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Subject: File Number SR-CBOE-2002-03
File Number SR-NYSE-2002-19
Portfolio Margin and Cross-Margin rule proposals of the CBOE and NYSE

Dear Mr. Katz:

I serve as Chief Investment Officer of The Clifton Group a firm that is SEC-regulated and has 115 institutional fund sponsor client relationships.

Our firm is in favor of any steps that can make margins for SEC-regulated index options more rational and fair for customers. It appears that the proposed rules are a good step in the right direction.

We have been disappointed to learn that over the years the margins on certain SEC-regulated index options spread positions have been much higher than the margins on similar futures options positions at CFTC-regulated markets. We are in favor of a level playing field for all U.S.-regulated markets. In regard to the proposed rules, we believe there is no need for a $5 million minimum equity requirement, as the CFTC-regulated futures and futures options have no such requirement.

Thank you for the opportunity to comment.

Sincerely,

Jack L. Hansen, CFA
Chief Investment Officer and Principal

JLH/sl
cc: Matt Moran

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