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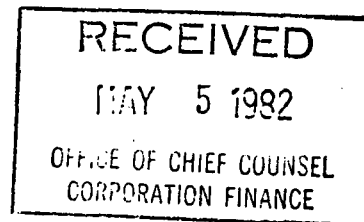
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May 4, 1982

JOHN J. GAINES III
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Peter J. Romeo, Esq.
Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
500 North Capitol Street, N.W.
Washington, D.C. 20549



Re: Refco Capital Corporation - Issuance of
Promissory Notes under Section 3(a) (3) of
the Securities Act of 1933

Dear Mr. Romeo:

On behalf of Refco Capital Corporation (the "Company"), and in furtherance of our conversation of April 26, 1982, we submit for your consideration the following views concerning the availability of the exemption from registration provided by Section 3(a) (3) of the Securities Act of 1933, as amended (the "Act"), for the proposed issuance by the Company of its commercial paper (the "Notes"). This statement should be read in conjunction with our previous letters of December 17, 1981 and March 26, 1982 submitted on behalf of the Company.

You stated that the availability of the Section 3(a) (3) exemption from registration might depend on whether an issuer is currently subject to the registration and periodic reporting requirements of Sections 12 and 13, respectively, of the Securities Exchange Act of 1934 (the "Exchange Act"). Apparently, this stems from the staff's concern that investors have available current public information about the commercial paper issuers. In our view, this concern is unwarranted in light of the legislative and judicial history of Section 3(a) (3) of the Act and the manner in which the Company intends to offer and sell the Notes.

We have examined the legislative history of Section 3(a) (3) of the Act, applicable judicial precedents and pertinent releases issued by the Securities and Exchange Commission ("SEC"). On the basis of our review, we have concluded that compliance with the registration and periodic reporting requirements of the Exchange Act is not a prerequisite to the availability of the Section 3(a) (3)

May 4, 1982

exemption from registration under the Act. Our conclusion is based, in part, on the fact that Section 3(a)(3) is not available for the issuance of commercial paper to the general public.

"It is not intended under the bill to require the registration of short-term commercial paper which, as is the usual practice, is made to mature in a few months and ordinarily is not advertised for sale to the general public (S.Rep. No. 47 on S.875, 73rd Cong., 1st Sess. (1933), p.p. 3-4)."

See, Securities Act Release No. 33-4412, September 20, 1961.

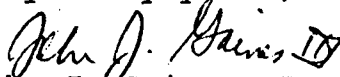
In our view, then, it would be anomalous to require the dissemination of financial and other information to the general public as a condition to an exemption from registration the availability of which depends on the non-public nature of the offering.

The commercial paper exemption has been compared to the private offering exemption under Section 4(2) of the Act. See, Lowenstein, The Commercial Paper Market and the Federal Securities Law, 2 Corp. L. Rev. (1981). As you know, one of the fundamental requirements for a valid private offering of securities is that all offerees must have access to current information concerning the issuer. See, SEC v. Ralston Purina Co., 346 U.S. 119, 73 S. Ct. 981, 97 L. Ed. 1494 (1953); Doran v. Petroleum Management Corp., 545 F.2d 983 (5th CCA 1977). In this regard, the Company has agreed to provide current information to each offeree about the business and operating results of the Company. Your attention is directed to our letter to you of March 26, 1982, which discusses the manner of the proposed offering, the relative sophistication of the offerees, and the type of financial information to be provided to each offeree.

There are several other important reasons why the Company's offering should be exempted from registration without filing periodic reports under the Exchange Act. First, the offering will not be made to the general public and there will be no advertising or extraordinary solicitation efforts. Accordingly, there will be a limited number of prospective purchasers for the Company's Notes. In our view, because of the limited number of potential purchasers and the nature of the offering, the potential benefits to be gained from registration and reporting under the Exchange Act would be minimal. Finally, public disclosure by the Company over a period of time would greatly jeopardize its competitive position in the industry.

On the basis of the foregoing considerations, it is our view that the Company may issue its Notes under the exemption from registration provided by Section 3(a)(3) of the Act without becoming subject to the registration and periodic reporting requirements of the Exchange Act.

Very truly yours,


John J. Gaines III

JJG/dhl