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David Stawick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

RE: Proposed CFTC Regulation 1.71 Conflict of Interest Policies and Procedures by Introducing Brokers

Dear Mr. Stawick,

I am writing this letter on behalf of ADM Investor Services, Inc. ("ADMIS") and the approximately 190 Introducing Brokers with which we have clearing relationships. These Introducing Brokers are engaged in the retail and commercial sectors of the futures and options business. Though we understand the responsibility the CFTC and National Futures Association have to regulate our industry and to protect our markets and the public interests we feel that the proposed Conflicts of Interest Policies and Procedures is a concern and threat to the retail introducing brokerage industry as well as the customers of these brokers who depend on research and information that is applied to their risk management strategies.

Most introducing brokers earn their commission dollars by selling information, advice and market recommendations to their customers. Many of these companies and brokers write daily market commentary that includes opening and closing comments and intraday market comments that inform customers of market activity. This is not detailed research. Other brokers write weekly, monthly, and in some cases, special reports all of which are vetted by our compliance department. You may consider daily reports separately from weekly or monthly reports.

In some instances the introducer broker is a one man shop, other times there may be upwards of 40 employees. They all make their livings by offering advice, research, and order execution services to customers. These customers trade with full-service brokers rather than large electronic discounters because they value this advice and research and thus are willing to pay higher commission rates for it. Research, advice and trading go hand in hand and it would be very difficult to separate the research and advice from the trading. This legislation, as it is currently written, could potentially devalue the introducing broker's services and in some cases may put good, honest and hard-working brokers out of business.

Introducing Brokers who work primarily with agri-business producers and end-users as well as other areas of risk management bring hands on experience and knowledge to their customers in an effort to assist them in managing price volatility as well as production and procurement costs. The services provided are essential to most of their customers. Again this gets done by

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Introducing Brokers working in a “consultative fashion” with producers and end-users of products through the writing of research and the publishing of advice.

Further, we believe that there is no inside information relating to commodities. The markets have grown to such a global scale that no one opinion or research piece would be able to move the market other than perhaps a USDA report or sizeable world event.

We would also argue that there is plenty of code that already protects much of what is intended by the Conflicts of Interest legislation. Rules that prevent placing one’s own trades ahead of customers’ trades, rules of ethics and standards of business practices are in place to protect the public and bring to justice those who abuse the rules and regulations or have a potential conflict of interest.

Unlike the securities industry, we do not have private information in our industry that “insiders” can trade upon such as earning reports. Therefore, we feel that our industry, as it relates to research and advice, needs to be regulated differently.

The proposed legislation of Conflicts of Interest would severely hinder the introducing brokers’ ability to communicate and work effectively with his or her customers. In addition we are writing this letter not only to protect the interests of our Introducing Brokers, but also in the interest of the public who has the right to have access to this market information and research. Without the hard work of their brokers who produce the research and advice, the trading public would be forced to gain access on their own and they would need to compete with those who can afford to employ researchers specifically for their own proprietary benefit.

Our marketplace is extremely efficient and the participants need the research and advice provided by the introducing brokers. The vast majority of the brokers who supply this research are honest, hard- working and ethical. This legislation could hurt these people and those that depend upon them.

ADMIS appreciates the opportunity to contribute to this discussion and would answer any questions the Commission has regarding the Conflicts of Interests Policies.

Sincerely,

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