



May 17, 2011

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

Via Online Submission

SUBJECT: Antidisruptive Practices Authority, Proposed Interpretive Order

Dear Mr. Secretary:

The Minneapolis Grain Exchange, Inc. ("MGEX" or "Exchange") would like to thank the Commodity Futures Trading Commission ("CFTC" or "Commission") for this opportunity to respond to the Commission's request for comment on the proposed interpretative order regarding antidisruptive trading practices published in the March 18, 2011 Federal Register Vol. 76, No. 53.

Antidisruptive Trade Practices

MGEX appreciates the Commission's efforts to respond to industry comments and concerns raised following the release of the advanced notice of proposed rulemaking regarding antidisruptive practices authority in the Federal Register Vol. 75, No. 211 on November 2, 2010. Specifically, MGEX concurs with the Commission that scienter should be an element of guilt for most trade violations. The Commission has adopted an intent requirement in the proposed interpretative order for the orderly execution of transactions during the closing period and for spoofing. This is consistent with fair trade principles and accepted case law which analyze the specific facts and circumstances.

While the Exchange appreciates the strides the Commission has taken, MGEX believes the strict liability standard for bids and offers presents issues. Self-Regulatory Organizations ("SROs") have a long history of ferreting out impermissible trading activity and enforcing appropriate rules. The CFTC should be wary of creating a situation of uncertainty which might lead to legitimate trading practices being second guessed post-trade. Very few, if any, rules regarding trading practices function well under a strict liability standard. Rather, a rebuttable presumption may be a better standard to judge the violation of bids and offers. A rebuttable presumption standard for violating bids and offers may eliminate legitimate trade activity from getting caught in the fishnet of strict liability. Legitimate trading practices being caught along with purposeful and illegal disruptive behavior can be just as damaging to the marketplace. Therefore, SROs should be granted flexibility when investigating trading activities. Further, providing

SROs flexibility is more in line with the core principle approach compared to creating rigid, prescriptive or strict liability rules. While the CFTC may define what a trading violation is under the Dodd-Frank Act, the Commission should permit the SROs the flexibility to further flesh out their rules within the Dodd-Frank Act framework.

Conclusion

Preventing disruptive activity is important for keeping the markets liquid and efficient. Exchanges currently have rules in place to keep these disruptive forces in check. While the Commission may create rules to assist the exchanges and provide clarity, the rules should allow exchanges latitude to separate legitimate trading activity from disruptive trading practices.

The Exchange thanks the Commission for the opportunity to comment on the proposed interpretive order. If there are any questions regarding these comments, please contact me at (612) 321-7169 or lcarlson@mgex.com. Thank you for your attention to this matter.

Regards,



Layne G. Carlson
Corporate Secretary

cc: Mark G. Bagan, CEO, MGEX
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