

James H. Lindau  
President &  
Chief Executive Officer

**MGE** RECEIVED  
MINNEAPOLIS GRAIN EXCHANGE  
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January 26, 2000

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**COMMENT**

Ms. Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, D.C. 20581

RE: Proposed Rulemaking Concerning Amendments to Insider Trading Regulation

Dear Ms. Webb:

The Minneapolis Grain Exchange ("MGE" or "Exchange") would like to take this opportunity to respond to the Commodity Futures Trading Commission's ("CFTC" or "Commission") proposed rulemaking on the above referenced matter published in the December 28, 1999 Federal Register.

In general, the proposed amendments to Regulation 1.59 appear to be beneficial. The MGE supports alleviating potential confusion caused by multiple interpretations of a rule.

The MGE agrees the Regulation 1.59(a) definition of "employee" should be expanded to exclude salaried governing board members. Likewise, compensated *ex officio* or *emeritus* members should not be considered employees of an exchange. Further, the MGE supports the proposal to define "governing board member." The proposed rule changes should remove a potentially significant disincentive to those who may wish to serve on a governing board.

The MGE also believes clarification of the meaning of Regulation 1.59(b)(1)(i) regarding the scope of the employee trading prohibition is necessary. While the MGE recognized the wording of the current regulation was confusing, the MGE was able to interpret and enforce the intent of the rule. Therefore, even though the Commission stated in the Federal Register that the proposed changes will have little or no affect upon current obligations and prohibitions, the MGE will plan to resubmit its current rules to comply with the final rulemaking.

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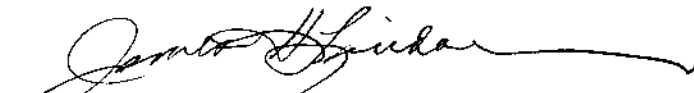
Ms. Jean A. Webb

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The Exchange would like to express its comment that "consultants" should not be considered "employees" under the proposed definition of Regulation 1.59(a)(2). Currently, employees are held to a standard that might prove to be a significant disincentive for hiring a knowledgeable industry insider on even a temporary or infrequent basis. However, consultants should not benefit from material, non-public information either. Therefore, the appropriate standard should be the standard that members of the governing board must adhere to. Likewise, non-paid advisors of governing boards and committees need not be a problem, whether or not they are solicited for their opinions or are involved in matters addressed by a governing board or committee, if they are also held to the same standard as governing board members. In order to maintain public confidence of the futures industry, the MGE believes any individual who has access to material, non-public information should be prohibited from using or disclosing that information.

If there are any questions regarding these comments, please contact Mark G. Bagan, Vice President, Market Regulation, at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,



James H. Lindau