



Farm Credit of East Central Oklahoma

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May 16, 2014

Mr. Barry F. Mardock
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Mardock:

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic which should be carefully considered. The FCA's proposed rule, however, does far more harm than good and should be substantially revised.

As a director of Farm Credit Services of East Central Oklahoma (ECOK), I find that the pre-transaction disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate and completely unrealistic. The proposed rule ignores my association's cooperative structure and the way I do business in my own farming and ranching operation. I routinely have business transactions with a wide variety of individuals, some of whom might be ECOK's customers. For the most part, I don't know whether someone I'm doing business with is a ECOK customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at ECOK do not have any role in approving loans or the terms of loans.

Requiring me to disclose in advance any transaction with a customer, even when I know I am doing business with a customer, is not realistic. The number of transactions I have in the normal course of my business means that both ECOK and I would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association.

Some specific examples of people I do business with that could be ECOK customers are 1) the insurance agency where I purchase insurance for my home, vehicles, livestock and buildings, 2) the auction where I purchase and sell cattle, 3) the mechanic who repairs my vehicles, 4) the electric coop where I purchase electricity, 5) the equipment dealership where I purchase tractors, equipment and supplies, 6) the pharmaceutical representative who sells me veterinary supplies and the list goes on. Seeking approval for these routine transactions would be very time consuming, cumbersome and would seem to have no impact on any conflict of interest.

I urge the FCA to revise the proposed rule substantially prior to issuing a final rule. I would also like to offer my support for the comments submitted by the other directors of ECOK, CoBank and the Farm Credit Council. Thank you for your consideration.

Sincerely,

Dan Childs

Director, Farm Credit Services of East Central Oklahoma