AgPreference

3120 N. Main, P.O. Box 8090
Altus, OK 73522-8090
T: (580) 482-3030 • (800) 727-3276
F: (580) 477-4010
www.agpreference.com

June 6, 2014

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

RE: Proposed Rule on Standards of Conduct

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.

While I have numerous concerns about the proposed rule, this letter will focus on the Conflicts of Interest section. I would like to offer my support and concurrence for the comments submitted by CoBank and the Farm Credit Council – these comments provide a more comprehensive discussion on the overall problems with the proposed rule.

As an appointed director of AgPreference, ACA, I find that the disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate, overreaching, unworkable and completely unrealistic. The proposed rule ignores my association's cooperative structure and the way I do business in my own financial advisor profession. I routinely have business transactions with a wide variety of individuals, some of whom might be AgPreference's customers. For the most part, I don't know whether someone I'm doing business with is an AgPreference customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at AgPreference do not approve loans or have anything to do with the conditions or pricing on individual loans other than overall policy statements. None of these transactions pose a conflict of interest to my role as an AgPreference director and as a result, none need be disclosed.

Requiring me to disclose any transaction with a customer of AgPreference, even when I know I am doing business with a customer, is not realistic and would violate the confidentiality rules of the company where I am employed. Even if I could disclose, the number and size of transactions I have in the normal course of my business means that both the association and I

would waste a lot of time and resources 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 Farm Credit association and could cause a number of appointed directors, as well as directors elected by the shareholders, to resign since they could not adhere to the reporting requirements.

I urge the FCA to substantially revise and re-propose the rule for public comment. Thank you for your consideration.

Sincerely,

Lonnie Olson
Appointed Director
AgPreference, ACA