



ADM Investor Services, Inc.  
1600A Board of Trade Building  
141 W. Jackson Boulevard  
Chicago, Illinois 60604  
t (312) 242.7000 | f (312) 242.7045  
WWW.ADMIS.COM

### **Public Statement Regarding the Treatment of Customer Funds at ADM Investor Services, Inc.**

ADMIS is a Futures Commission Merchant (“FCM”). An FCM is a company which solicits or accepts orders to buy or sell futures contracts or commodity options and accepts money or other assets from customers in connection with such orders. An FCM must be registered with the CFTC.

FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

- Customer Segregated Accounts for customers that trade futures and options on futures listed on US futures exchanges;
- 30.7 Accounts for customers that trade futures and options on futures listed on foreign boards of trade; and
- Cleared Swaps Customer Accounts for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral required to be held in one type of account, e.g., the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, e.g., the 30.7 Account, except as the Commission may permit by order.

#### *Customer Segregated Account.*

Funds that Segregated Customers deposit with an FCM to margin futures and options on futures contracts traded on futures exchanges located in the US are held in a Customer Segregated Account. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single omnibus Customer Account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM’s Segregated

Customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country; or (iii) in the country of origin of the currency.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

### *30.7 Account.*

Funds that 30.7 Customers deposit with an FCM to margin futures and options on futures contracts traded on foreign boards of trade are held in a 30.7 Account in accordance with CFTC Rule 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus 30.7 Account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of \$1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers.

### *Cleared Swaps Customer Account.*

Funds deposited with an FCM to margin swaps cleared through a registered DCO are held in a Cleared Swaps Customer Account. Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

An FCM also deposits a portion of its own funds in Customer Segregated, 30.7 and Cleared Swaps Customer Accounts as a buffer to assure that the FCM is always in compliance with the relevant provisions of the Act and CFTC rules governing the segregation of Customer Funds. Such excess funds represent the FCM's Residual Interest in those accounts. All FCM excess funds are held for the exclusive benefit of the FCM's customers while held in a Customer Segregated, 30.7 and Cleared Swaps Customer Accounts. An FCM is required to have written

policies and procedures regarding the establishment and maintenance of the FCM's Targeted Residual Interest in each type of Customer Account.

FCMs may invest Customer Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. CFTC rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.