

Donovan, Eileen A.RECEIVED
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From: Gizzarelli, Jason
Sent: Monday, May 07, 2007 2:54 PM
To: Donovan, Eileen A.

COMMENT

2007 MAY -7 PM 3:08

Subject: FW: A note from Dennis Gartman; Outside Director of the Kansas City Board of Trade

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 05/09/07

From: Dennis Gartman [mailto:dennis@thegartmanletter.com]
Sent: Friday, May 04, 2007 8:29 AM
To: Dunn, Michael
Subject: A note from Dennis Gartman; Outside Director of the Kansas City Board of Trade

Dear Mr. Dunn,

We met several weeks ago in San Francisco when I spoke to the National Grain Council meeting there, which you attended. I came up between meetings and introduced myself to you, taking that opportunity to explain why I thought the recent decision on public outside directors of the various exchanges was ill-advised. I am taking that opportunity again this morning in this e-mail to do the same.

I serve on the KC Board of Trades' Board of Directors, for which I am paid \$500/month, plus my traveling expenses to and from Kansas City. I have been involved in the markets since 1974 when I began my career as the economist of Cotton, Inc., studying the cotton futures markets and hedging operations by the nation's mills, farmers, cotton gins, merchants etc. From there, I went to what was then NCNB (now the Bank of America) to trade foreign exchange and financial instrument futures. I left NCNB in 1979 to become the Financial Futures analyst for AG Becker in Chicago, and was an independent member of the CBOT until 1984, when I moved to Virginia, and guided the Virginia National Bank through the process of becoming the first bank in the nation to have an internal futures commission merchant operation. In 1986 I began writing The Gartman Letter and have been doing that ever since... along with teaching derivatives classes for the Federal Reserve Bank's School of Bank Examiners, speaking around the world to governments and central banks on the processes involved with futures and derivatives, and trading on a daily basis for my own account. I believe I have some modest level of expertise gained over these many years that serves the Kansas City Board of Trade well.

The problem is that my clients for The Gartman Letter include a large majority of the top 100 banks around the world, most of the top 100 hedge funds, many of the top 10 energy trading firms, several of the largest grain traders, mortgage bankers, etc. I clearly earn more than \$100,000/year from businesses directly related to the futures industry, and it is because of that relationship that your new rules will preclude me from remaining as a Director of the KC Board of Trade. This, I think, is a travesty, for my knowledge of the industry serves the Board and the public well. Living in Virginia, I commute to and from Kansas City once a month, remaining at a distance from the membership and thus serving as a perfect "outside director....." one with knowledge of the industry, but without the close proximity to the trading

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floor that might colour my perspective on member floor problems, public vs. floor complaints, et al.

I consider it an honour and a privilege to be on the Board of Directors of the KC Board of Trade, and rest very much assured I lose money each time I travel to and from Kansas City. I am clearly not in this business of being on the Board for the remuneration; I do it because I am honoured to serve the futures industry.

Your recent decision to preclude me, and others in my position, from serving as an outside Director will serve the public ill, and I very respectfully ask that the Commission reconsider its decision in this matter.

Warm regards,

*Dennis Gartman, Editor/Publisher
The Gartman Letter*

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