

ADM INVESTOR SERVICES INC.

WHEREAS:

(A) On August 7, 2012, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("NOH") giving notice of its intention to hold a hearing ("Proceedings") to consider whether it was in the public interest to grant an order under *The Commodity Futures Act* ("Act") with respect to ADM Investor Services Inc. ("ADMIS");

(B) Staff of the Commission and the respondent entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated July 13, 2012 ("Settlement Agreement"), which proposed settlement of the Proceedings, subject to the approval of the Commission;

(C) The respondent has consented to the issuance of this Order and has waived his rights to a full hearing;

(D) On August 15, 2012, the Commission held a hearing ("Settlement Hearing") to consider whether or not to approve the Settlement Agreement;

(E) The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED:

1. **THAT** the Settlement Agreement, Schedule "A", be and the same is hereby approved.
2. **THAT** ADMIS will make a voluntary payment of \$20,000 to the Treasurer of The Province of Manitoba.
3. **THAT** ADMIS will be granted an exemption until April 15, 2013 from the registration requirements under the Act, in respect of its existing clients only, to permit it to become registered as required under the Act.

BY ORDER OF THE COMMISSION



Deputy Director

Schedule "A"

Ex No.: 20
Ex. of: ADM INVESTORS
Date: 15 Aug 12

IN THE MATTER OF: THE COMMODITY FUTURES ACT, C.C.S.M. c. C152

-and-

IN THE MATTER OF: ADM INVESTOR SERVICES INC.

SETTLEMENT AGREEMENT

INTRODUCTION

1. In this Settlement Agreement ("Settlement Agreement"), staff of The Manitoba Securities Commission ("Staff") and ADM Investor Services Inc. ("ADMIS") wish to settle certain issues arising under The Commodity Futures Act ("the Act").
2. Discussions have been held between Staff and ADMIS in an effort to settle matters arising out of ADMIS trading in commodity futures contracts under the Act. A settlement has been reached on the terms set forth in this Settlement Agreement.
3. Staff agrees to recommend the terms set out in this Settlement Agreement for approval by The Manitoba Securities Commission ("Commission")

AGREED STATEMENT OF FACTS

4. ADMIS acknowledges the following facts as correct:
 - a) ADMIS is registered with the U.S. Commodity Futures Trading Commission and is a member of the National Futures Association as a futures commission merchant. ADMIS is also a clearing member on several United States futures exchanges, as well as a registered futures commission merchant participant of ICE Futures Canada.
 - b) ADMIS's head office is located in Chicago, Illinois and all of ADMIS's principal operations, employees, contractors, activities, books and records are located in the United States. ADMIS conducts business with corporate, commercial and non-commercial hedgers, institutions, producers, funds and

individual retail clients as well as providing futures, clearing and execution services to introducing brokers, broker-dealers and other future commission merchants.

c) As of the date hereof, ADMIS does not advertise to or solicit residents of the Province of Manitoba.

d) ADMIS is not registered in any capacity under the Act.

e) As a result of inquiries made by Staff, ADMIS advises that in June, 2010 it had 84 open accounts with Manitoba residents. As of May, 2012, ADMIS represents it has active open accounts with 18 residents of Manitoba. (All accounts opened with residents of Manitoba collectively described in this agreement as the "Manitoba accounts")

h) All Trades in the Manitoba accounts involved Futures contracts and options on regulated exchanges.

i) ADMIS acknowledges it did not file Form 18s for trades as required by section 34(a) of the Act and MSC Rule 2000-11 and engaged in unregistered trading through the opening and operation of exchange trade futures accounts with residents of Manitoba.

j) ADMIS represents it was relying on the exemption in s. 34(a) of the Act for trading contracts in certain of the Manitoba accounts without knowledge of the requirement to file Form 18 under the Act and MSC Rule 2000-11. Further, ADMIS incorrectly believed that the dealer registration requirements in the Act only applied to firms actively soliciting Manitoba residents.

MITIGATING FACTORS

5. ADMIS represents there have not been any complaints made by ADMIS customers resident in Manitoba concerning their accounts or trading in their accounts.
6. ADMIS represents it has stopped opening accounts in Manitoba as a result of regulatory inquiries and will continue to preclude the opening of accounts with residents of Manitoba unless ADMIS becomes registered under the Act.
7. ADMIS has cooperated fully with Staff's investigation of the matters referred to herein including responding to information requests by Staff.
8. As of the date hereof, ADMIS has no offices or employees in Manitoba, and does not advertise or otherwise directly solicit customers in Manitoba.

UNDERTAKING

9. ADMIS undertakes and agrees as follows:
 - a) ADMIS undertakes forthwith to seek registration under the Act to trade in contracts as defined under the Act.
 - b) ADMIS agrees to make a voluntary payment to the Province of Manitoba in the sum of \$20,000 upon approval of this Settlement Agreement.
 - c) ADMIS will comply with the requirements under the Act after it is registered and will comply before it is registered with its gatekeeper and know your client obligations.
 - d) ADMIS will use its best efforts to continue to seek registration under the Act. Provided ADMIS has used best efforts to seek registration under the Act then Staff will consider favourably a request from ADMIS to extend the exemption referred in this Settlement Agreement until the registration process is complete.
 - e) During the term of the registration exemption, ADMIS will provide information and will cooperate fully with Staff in a manner equivalent to that required of a registrant under the Act.
 - f) ADMIS agrees not to open any new accounts with Manitoba residents unless it becomes registered under the Act.

TERMS OF SETTLEMENT

10. Staff seeks a consent order from the Commission consistent with the terms set out in paragraph 9 of the Settlement Agreement.
11. The consent order sought by staff is as follows:
 - a) That the Settlement Agreement be approved and upon approval of this settlement ADMIS will make a voluntary payment of \$20,000 to the Treasurer of the Province of Manitoba.
 - b) ADMIS will be granted an exemption until April 15, 2013, from the registration requirements under the Act, in respect of its existing clients only, to permit it to become registered as required under the Act.

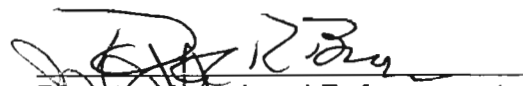
PROCEDURE

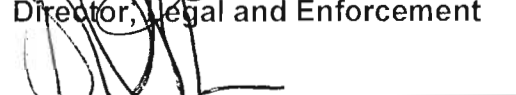
12. The approval of this Settlement Agreement shall be sought at a public hearing.
13. If this Settlement Agreement is approved by the Commission, and if a Consent Order issues in accordance with this Settlement Agreement, this Settlement

Agreement will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings and, upon the making of the order contemplated by this Settlement Agreement, ADMIS waives its right to a full hearing and appeal of this matter.

14. Notwithstanding any other provision of this Settlement Agreement, if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in paragraph 11 above is not made by the Commission, Staff will be entitled to proceed with whatever steps it is entitled by law to take unaffected by this Settlement Agreement or the settlement discussions. In the event that such steps are taken, ADMIS shall have all of the usual rights of a person subject to such proceedings.
15. If the Settlement Agreement is not approved or the Consent Order set out in paragraph 11 above is not made by the Commission, the terms of this Settlement Agreement shall remain confidential and shall not be raised in this or any other proceeding, and any admissions contained in this Settlement Agreement shall be considered as without prejudice communications and furtherance of settlement discussions which will not be binding upon the parties and which will be inadmissible in any proceeding whatsoever.
16. If this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document.
17. ADMIS agrees that, if this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, ADMIS will not raise as a basis for attack on the Order this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement, alleged bias, alleged unfairness, or any such other challenges to the validity of the Consent Order.
18. ADMIS further agrees, that if this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, it will not make any statements inconsistent with the terms of this Agreement.

DATED at Winnipeg, Manitoba this 13th day of July, 2012.


 Director, Legal and Enforcement


 ADM Investor Services Inc.
 EDWARD DOWNEMAN
 SENIOR VICE PRESIDENT