



CIS INVESTMENTS, INC.

Via Electronic Mail: PUBCOM@NASD.COM

March 12, 2004

Ms. Barbara Z. Sweeney
NASD
Office of the Corporate Secretary
1735 K Street, NW
Washington, DC 20006-1500

Re: NASD Notice to Members 04-07: Policy on Trail Commissions in Publicly
Offered Commodity Pools

Dear Ms. Sweeney:

As a commodity pool operator, CIS Investments, Inc. (CISI) welcomes the opportunity to comment upon the NASD's proposal to rescind its long-standing policy with respect to compensation paid to CFTC-regulated brokers. We are a subsidiary of Cargill Investor Services, Inc. a CFTC regulated futures commission merchant, and wholly owned subsidiary of Cargill, Inc. As an active member of the Managed Funds Association (MFA), we fully support the comments that the MFA has submitted to the NASD. We would like to provide the NASD additional comments regarding the proposed rescinding of the current policy.

CISI has been a NFA registered commodity pool operator since 1985. We are currently general partner, or co-general partner for three publicly offered commodity pools. Our first public commodity pool was organized in 1987. Our first two pools are closed to new investors, however our third pool, the JWH Global Trust, is currently being distributed through a network of selling agents utilizing our NASD regulated broker-dealer, CIS Securities, Inc. Collectively, our three pools have assets under management in excess of \$300 million.

In the United States, there are only 55 publicly offered commodity pools available to the investing public. The cost of organizing and offering a publicly offered commodity pool has increased dramatically as a result of increased regulatory complexity with the SEC, NASD, CFTC, NFA, and each of the states in which the commodity pool is being offered. We fear that rescinding the existing policy will reduce the number of publicly offered commodity pools currently in existence, and restrict new commodity pools from being organized in the future, which would not benefit the public investor.



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In each of our publicly offered commodity pools, we have fully disclosed the fee structures to the investors. For the JWH Global Trust, we remunerate the registered representative from our brokerage commissions. Because of the effort required by the registered representative to perform the due diligence on each of the available investment alternatives and advising the end investor as to which investment is best suited for their portfolio, we advance the initial selling commission from our company's capital and will then pay to the registered representative an ongoing trailing commission. Our commodity pools do not pay the initial commission or the trailing commission from the investor's subscription amount as suggested in the Notice to Members. We believe the registered representative provides a valuable service to the end investor by continually servicing the existing investment, investigating other alternative investment opportunities and staying abreast of the investor's changing portfolio make-up. The trailing commission compensates the registered representative for this continuous effort.

In our nineteen-year history as a commodity pool operator, we have encountered no customer complaints with regards to trailing commissions. We can attest that the industry and the broker-dealers we distribute our funds through, are looking to develop and distribute future commodity pools and funds that have lower fee structures or provide reduced fees depending on the size of the investment. We do not believe our industry needs this change in policy or additional regulation with regards to selling fees and/or trailing commissions.

Finally, we are concerned that rescinding the current policy may result in registered representatives switching assets between commodity pools in order to capture additional fees whereby there may be little or no difference to the end investor. Since the investor does not pay directly the selling or trailing commission, there would be little to no resistance for the investor to switch investments.

We believe the NASD does not need to rescind its long-standing policy excluding trail commissions from the limitations in Rule 2810, and the policy should be codified rather than rescinded.

Sincerely,

A handwritten signature in dark ink, appearing to read "Chris Malo", is written over a large, loopy flourish.

Christopher Malo
Vice President