

Opening Statement of Brian D. Quintenz, Nominee to the Commodity Futures Trading Commission

July 27, 2017

Thank you, Chairman Roberts, Ranking Member Stabenow, and members of the Senate Agriculture Committee. It is an honor to be with you this morning. I would like to thank President Trump for nominating me to serve on this important Commission, and I am very appreciative of the support I received from many different parties during my prior nomination, including from this Committee.

I am deeply grateful for the love and support of my parents, Kenneth and Susan, my brother, Darren, and my two children, Connor and Vivienne.

Mr. Chairman, I am a Midwesterner—a first-generation Ohioan whose mother and father grew up in Wisconsin, which is also the home of my extended family, and I believe firmly in the Midwest values of hard work, honesty, and community.

I come from a family of entrepreneurs and small business owners. My grandfather on my mother's side, after serving in World War II, returned home to northwestern Wisconsin and bought a Ford car dealership. His wife, my maternal grandmother, was raised on a family dairy farm in Chetek, Wisconsin. My paternal grandmother owned and operated a restaurant on the east side of Milwaukee, putting her three sons through college. My father started his own business, my brother started his own business, and I founded my own business, Saeculum Capital Management.

Until the end of last year, Saeculum was an investment firm registered with the CFTC as a Commodity Pool Operator. As the sole proprietor of the firm, it was my responsibility to effectively and meticulously manage risk as well as compliance. I am, therefore, very familiar with the CFTC's investor protection rules, disclosure requirements, and recordkeeping obligations. Additionally, as a prior registered Associated Person of this firm, I still hold a Series 3 National Commodity Futures Exam License, a credential valuable in analyzing and interpreting the impact of regulations on futures markets.

I began my career in finance in 2008, during the financial crisis. Working directly under the CEO at an investment firm focused on the banking sector, I performed detailed valuations on financial institutions of all sizes and complexities. I became an expert at reading banks' balance sheets and income statements, understanding their accounting rules and financial disclosures, and forecasting their capital levels and quarterly earnings.

In this position, I depended on the accuracy and accessibility of publicly available information and became a firm believer in data and transparency. Transparency increases market efficiency and can provide important checks on risky behavior. The Commission's recent focus on and announcements about improving data and transparency are encouraging, and more progress is surely needed. If confirmed, I will draw from professional experience to advance that important work.

However, my professional career did not begin in finance, it began in public policy. After graduating from Duke University with a degree in Public Policy Studies, I joined the Office of Congresswoman Deborah Pryce, who represented Ohio's 15th District, an area that included my hometown of Columbus. Ultimately, I became her senior policy adviser with an issue portfolio that included agriculture.

In meeting agricultural constituents and personally visiting some of the over one thousand family farmers in our Ohio district, I developed a strong appreciation for the work ethic and sophistication of America's farmers and ranchers, as well as for the pressures, costs and risks they face. Should I be confirmed, I pledge to ensure the market concerns of the agricultural sector are recognized and to continue developing a firsthand knowledge of the agricultural community.

The financial crisis scarred every sector of our economy, hurt individuals, families, and communities, and exposed deep flaws in our markets. It deserved a legislative and a regulatory response. As that response is calibrated, regulations meant to address those flaws should not spill over to harm the normal activity of ordinary businesses and end-users. When costs are added without targeting risk, poor outcomes ensue. When standardized rules treat low-risk behavior and high-risk behavior equally, risk is encouraged instead of reduced. I will work to ensure that regulations and their burdens are tied to the risks being mitigated.

I would be honored to bring my public policy background, my expertise in finance, my knowledge of derivatives and their uses, my familiarity with risk management, and my respect for the agricultural community and end-users of these markets to the CFTC. This is a crucial time for our financial markets and for the people that depend on them. It would be a privilege to be of service in safeguarding and improving our country's marketplaces.

I would be pleased to answer your questions.