10-005
COMMENT
CL-00508

From: klominac@rochester.rr.com

Sent: Saturday, April 17, 2010 2:22 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: Proposed Federal Speculative Position

Dear Members of the Commodity Futures Trading Commission,

First, let me share my genuine thanks and gratitude for your recently held hearings on gold and silver trading. I have written the Commission in the past requesting such hearings and was pleased with your call for a meeting, with those you invited to testify, and with your questions.

Yesterday's sharp sell-off in spot silver--.70, or 3.8%, in New York Spot Silver--reminded me that I need to follow-up during the comment period to again urge you to impose postion limits in COMEX silver.

There is no reason why silver should have sold off on the Goldman news at a 2X rate of the fall in the stock markets. Increased regulatory enforcement of the laws, such as SEC action against Goldman, makes it more likely the CFTC will act to impose position limits. So why didn't the price of silver increase or at least fall at a rate less than that of the stock markets? I can only conclude that the price action was manipulative. I am sure that the next Commitment of Traders report will show a sharp decrease in short interest among the commercial traders who used their concentrated positions to drop the price with the SEC news as cover for their actions.

I am a small investor. I own silver stocks and physical silver for my retirement. In a free market, capital would be flowing to silver miners in anticipation of a shortage. Instead, I have watched my share price drop through smaller profits or shares dilute as silver mines globally struggle to remain capitalized.

I believe position limits will avert a physical silver shortage. Please impose speculative position limits of 1500 contracts and restrict hedging exemptions to producers and consumers of silver. I do not object if the limits are phased in over time, say, no more than a year.

Many Thanks,

David Lominac