

From: Jon Nimitz <jnimitz@azbizbank.com>
Sent: Monday, April 12, 2010 2:08 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: My brief comments on the hearing

Dear Sir;

I watched the entire CFTC hearing on the metals with great interest and developed even more cause for concern than I already had on this topic, which was already quite substantial. I wish to thank you for providing the investing public with the chance to watch the hearings, and to make their comment on the issue of position limits for precious metals.

It certainly appears there are many legitimate areas for concern and additional aggressive oversight and enforcement action by the CFTC, and I found the testimony regarding a whistleblower in the silver market to be stunning in the level of detail and honesty about what JP Morgan Chase is doing to the investing public, and how they are fleecing the public for millions of dollars. I have wondered why it took this long for someone in the business to come forward and testify to something that my circle of dozens of investing friends has seen occurring for years. This potential fraud is on a scale so massive, it dwarfs the Bernie Madoff Ponzi Scheme, and the CFTC needs to vigorously address these concentration and manipulation issues before a failure to deliver sets off a massive worldwide eruption in the price of precious metals that appear to be manipulated in every sense of the word.

The price of precious metals should be allowed to be freely discovered in the open market by thousands of buyers and sellers, not 1-2 concentrated short sellers, who are allegedly hedging their shorts with paper longs in another market, that testimony by Mr. Christian and Mr. Douglas made quite clear is a paper Ponzi Scheme trading paper metal at 100 times the underlying physical metal being held. This is a recipe for disaster on the COMEX.

I would like to see two things done. Please establish a speculative position limit in COMEX silver of no more than 1500 contracts. Please restrict any hedging exemptions from those limits to legitimate hedgers. Please stop the levels of concentration in COMEX silver futures that have been experienced over the past few years on the short side of the market.

Secondly, any short seller of precious metals should be required to put up large, verified physical deposits of the precious metal to assure they can deliver. Cash settlement is not a legitimate way to close out a contract in a physical delivery market. I would suggest 50% of a short position would be an appropriate level.

Thank you so very much for your openness and willingness to provide free trading markets and eliminate concentration and manipulation.

Sincerely,

Jon Nimitz

7468 E. Raintree Ct.

Scottsdale, AZ, 85258

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