

MEMORANDUM

To: John Kemp

From: Bob Martin, President, Empire Programs Inc.

Date: January 25, 2011

Thank you for your January 24, 2011 story on position limits. I have some comments for you that may prove useful.

1. It is all about fee income.

CME and Index Funds are only interested in fees and bonuses.

One should remember that commodities are not an asset class similar to stock investing.

2. Index Funds have caused non convergence in wheat futures. First in Chicago, now in Kansas City.

In addition, the basis for corn and soy beans is heading in the same direction.

The CME and CFTC have been negligent in not bringing about convergence. With wheat futures sometimes as much as 200 over cash ...it is truly a joke...you may as well trade green cheese on the moon.

Who is hurt? Farmers, consumers, investing public and government insurance on inflated futures.

It is going on for more than six years. It was caused by Index Funds gaining exemptions to exceed position limits and squeezing the market.

No one stops it because the fees are too lucrative.

The bank lobby is too corrupt and powerful.

Chairman Gensler tries...but they are too powerful.

Page Two – Memo to John Kemp 1/25/11

The solution is simple:

1. Adherence to position limits by numerical numbers and common control.
2. Cash Settlement.

If you want an editorial or more information, call me.

Bob Martin, 201-934-6511
rmat@optonline.net