From: Judy Langeslay <missioncreek1@embarqmail.com>
Sent: Wednesday, October 6, 2010 1:04 PM
To: Gensler, Gary <GGensler@CFTC.gov>; Dunn, Michael <MDunn@CFTC.gov>; Chilton, Bart <BChilton@CFTC.gov>; Sommers, Jill <JSommers@CFTC.gov>; O'Malia, Scott <SO'Malia@CFTC.gov>; PosLimits <PosLimits@CFTC.gov>
Subject: Fw:
Attach: doc018358.pdf

----- Original Message -----
From: <hertogs2@embarqmail.com>
To: <missioncreek1@embarqmail.com>
Sent: 10/06/2010 11:18 AM

> Sent from Kyocera Scanner
>

Samuel H. Hertogs
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October 4, 2010

US Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St., NW
Washington, DC 20581

Dear Chairman Gensler and Fellow Commissioners:

We are writing you relative to the financial regulatory reform statute that we understand provides that your commission undertake hard limiting positions in the derivative trading of all commodity wherein there is a limited supply such as energy industry, the metals market and agricultural products.

It is our understanding that you have sought input to help you in determining the proper limits of speculative positions.

It is our view that the formula's for determining such levels be federally by the participants in these respective markets.

These same principals also ought to be applied to the grabbing of exemptions and setting outer limits for any bona fide hedging purposes.

We would respectfully request that your commission adopt definite position limit in the contract equivalent amount of no more than approximately 1% of the world's annual production of any commodity that is in limited supply. We suggest that this speculative position limit would apply to all derivatives on an aggregate across the market situation and all of such limitations be on an all-months-combined basis.

Thus, no single speculative trading entity could control on a net basis, whether it be a long or short position a total derivatives position greater than about 1% of the annual world production of any such commodity. Such a limit would be large enough to accommodate all but a handful of such traders in every market. Most importantly, such level evenly enforced would make concentration and manipulation of the market virtually impossible.

We respectfully represent to you that as a matter of bona fide hedging exemptions to legitimate position limits the granting of such exemptions should be as fair and consistent as the setting of the amount of such limits.

It is our feeling that any legitimate producer or consumer of any of these commodities should be able to hedge its risk up to an amount of its own annual production or consumption.

Thus, if a minor produces more than 1% of world production, that entity can hedge up to the actual annual amount produced.

If such entity owns the physical commodity and is at price risk with that holding, that entity should be allowed to hedge that actual inventory even if it is more than 1% of world annual production.

However, we do feel that close attention must be paid by regulators to ensure that any such entity is not "gaming" the market. Thus, any thought that financial middle men, such as large banks should be included in the legitimate producer or consumer category must be resisted.

It is our thought that futures markets were not created so that the large financial institutions could manipulate them for their own purposes.

Based on what information we have, we think that the whole thrust of the Dodd-Frank financial reform law was to get the large banking institutions to stop interfering in our markets.

Thanking you in advance for your consideration, we remain,

Yours very truly

Sam Hertogs on behalf of himself + others like minded.

In the interests of expediency we are sending this document to you by e-mail.