From: Steve Hickel <smhickel@gmail.com>
Sent: Wednesday, April 27, 2011 10:46 PM
To: AG-COD <AG-COD@michigan.gov>; antitrust.complaints@usdoj.gov; Sommers, Jill <JSommers@CFTC.gov>; PosLimits <PosLimits@CFTC.gov>; O'Malia, Scott <SO'Malia@CFTC.gov>; Chilton, Bart <BChilton@CFTC.gov>; Dunn, Michael <MDunn@CFTC.gov>; Gensler, Gary <GGensler@CFTC.gov>
Subject: JP Morgan and Comex Default

Dear Chairman Gensler and Commissioners:

GGensler@cftc.gov Chairman MDunn@cftc.gov Commissioner BChilton@cftc.gov Commissioner JSommers@cftc.gov Commissioner Somalia@cftc.gov Commissioner PosLimits@cftc.gov

Time and time again we see massive volumes at the comex especially around the time we have options expiry on

the precious metals, namely silver and gold. On days surrounding this event, the bankers seem to short gold and

silver mining shares. Usually this is the signal that an attack is forthcoming.

For the past two days we have seen massive comex volume in the precious metals, especially silver, as the banks have supplied non backed comex paper with the intent to let the price of the underlying metal fall so as options will not be exercised. The raiding of gold and silver occur every month when the expiry of the option is upon us. This manipulative action on the part of the bankers seems to have your blessing. We have waited for two months as you have assembled data from the public whereupon 99% of those who wrote in, were in favour of position limits and the removal of phony exemptions. Even Senator Levin weighed in and voiced his concerns that position limits were a must and that these limits will play a major part in extolling integrity to the futures market.

In your March 30 2011 meeting, all we heard was that you voted on your budget and then adjourned the meeting without discussing this important matter.

It is now close to 2 years and 8 months that the enforcement arm of the CFTC commenced an investigation into the behaviour of the banks with respect to silver manipulation. Bart Chilton has unilaterally gone on record claiming he thought that the actions of J.P.Morgan and their banking allies were manipulative. Mr Chilton's unilateral action has caused many class action lawsuits to be filed against the captain of the banks J.P.Morgan. And yet we hear nothing from the enforcement arm as to their findings. I called the enforcement arm to tell them how difficult it is for silver funds to acquire metal. There seems to be no action initiated on this front.

Yesterday, Apmex, a very large bullion dealer stated that they were out of stock in silver and they have offered a premium of $3.00 per oz on any 1 ounce of silver eagles. This announcement came on the eve

of silver being whacked by the bankers.I guess your motto that the CFTC is a discovery mechanism for spot prices is out the window.

In the hearings last March 2010, Commissioner O'Malia asked me if I thought that the Comex might default. I responded by telling him that I envisioned countries like China, Russia and South Korea would load the boat with silver and gold and bring these precious metals to their shores. As more and more metal leaves our shores, the comex becomes more vulnerable to default especially when the world is shunning the USA dollar.

I wrote to all the commissioners stating that if they did nothing, the market itself will correct these shortcomings. It seems that is what is happening now. The demand for silver and gold is immense draining all metals from physical loci around the world. This is why we see such huge volume on comex gold and silver. I feel that there is great danger of a default at the comex and I am afraid of what that event will bring onto the global stage.

I urge you to ask the banks to stop this blatant manipulation and I hope this will bring sanity back to the futures market.

Sincerely

Steve Hickel