

From: Robert F. Loftus
Proposal: 1479 (RIN 7100-AE10) Regulation: Physical Commodities-FHCs (ANPR)
Subject: Physical Commodities-FHCs

Comments:

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Proposal: Regulation: Complementary Activities, Merchant Banking Activities, and Other Activities of Financial Holding Companies related to Physical Commodities [R-1479]

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Your comment: Given the special nature of industrial metals and energy commodities, it is clearly within the interest of the Federal Government to prevent the creation of commodities bubbles, that may occur as a result of entities that purchase and warehouse materials for the express purpose of making those materials unavailable to industries or consumers. Therefore, any entity that takes physical delivery of industrial metals or energy commodities must demonstrate an intent to sell those commodities to industrial users or end consumers. "Intent to sell" may be demonstrated by the ownership or servicing of retail outlets, publication of vendor's catalogs, employment of sales personnel, or the maintenance of a website capable of e-commerce activities. Any entity that takes physical delivery of industrial metals or energy commodities that does not demonstrate "Intent to sell" within 30 days of physical delivery of commodity items may be found guilty of securities fraud.