

**From:** Charlie Sitzes <c.sitzes@comcast.net>  
**Sent:** Monday, May 10, 2010 5:08 PM  
**To:** Metals Hearing <metalshearing@CFTC.gov>  
**Subject:** Illegal Short Positions

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Dear Commissioners

This e-mail is a partial copy of an e-mail I received from Mr. Theodore Butler today, May 10, 2010.

It is sent so that a clear record can be established that you have the information necessary to end the market manipulation in silver.

***"The investigators don't have to look any further for evidence of an illegal monopoly on the short side of COMEX silver than in two government reports issued Friday. Both the weekly Commitment of Traders Report (COT) and the monthly Bank Participation Report, both as of the close of May 4, indicated a growing and extreme short concentration. The COT Report revealed that the four largest traders on the COMEX held net short 53,453 contracts, or the equivalent of more than 267 million ounces. The eight largest traders held 69,007 contracts net short, or more than 345 million ounces. That's more than 50% of world annual silver production and almost 60% of all the visible silver bullion in the world, as well as over 66% of the true open interest in COMEX silver futures (net of spreads). There is little evidence that legitimate hedging is involved here, either mine or inventory hedging; just suggestions of a massive speculative short bet by banks and other trading entities.***

***The Bank Participation Report indicated that the short position of US banks, thought to be held primarily by JPMorgan, increased by almost 4,000 contracts, for the month, or almost 20 million ounces, to over 170 million ounces. That's 25% of the annual world mine production of silver. This is the largest concentrated short position by either the four and eight largest traders or JPMorgan since January. What the heck is JPMorgan or the other short traders doing, adding to a position of this size? I'll tell you what they are doing – they are manipulating the price of silver. Without these short sales the price would be much higher.***

***And I'll tell you something else as well. JPMorgan and the other large short traders are continuing to manipulate the price of silver. Any prior suggestion by me that JPMorgan was reducing their manipulative short position has changed with the release of the new reports. Any suggestion that JPMorgan had just inherited the big short position from Bear Stearns and was looking to dispose of it in an orderly manner just went out the window. This is now the fourth separate occasion, since the Bear Stearns takeover, that JPMorgan has increased its silver short by 4000 contracts or more. If JPMorgan were looking to get out of its short position, it would just get out; it wouldn't keep increasing it. When are the regulators going to say enough is enough?"***

Thank you for taking the time to read this explosive report.

Charlie Sitzes

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