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Sent: Friday, May 7, 2010 6:33 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: Illegal Market Manipulation

Dear Commissioners

The information below came from a Treasury Department report.

This is a crime in progress.

But the real shocker is in silver. The precious metals (silver) derivatives of all maturities increased by a mind-boggling 37 percent, from \$9.29 billion to \$12.8 billion. This came principally from increases in the less-than-one-year maturities where the JPM holdings increased 34 percent to \$6.76 billion and HSBC holdings increased 58 percent to \$4.7 billion. (Despite the radically different percentage increases, interestingly the increases at JPM and HSBC were identical in dollar amounts at \$1.7 billion.)

This increase in notional value of silver derivatives represents approximately 220 million ounces, which is 125 percent of the global production of silver during the quarter – and that is only the increase. The entire notional value represents 106 percent of annual global production.

What possible legitimate purpose could such a monstrous derivative position be serving with a maturity of less than one year?

The only purpose I can think of is for manipulation of the silver market. I am not a regulator but I can't think of any "mitigating factors" for that.

Just as the SEC had enough information to convict Bernie Madoff and instead sat on it, thus damaging their reputation, you too are subjecting yourselves to the same kind of ridicule by not acting on information supplied to you by not only third parties, but the Treasury Department itself.

When will you release information concerning your progress in addressing these problems?

Thank you

Charlie Sitzes

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