

From: Rolan Ruoss <rolan@acsalaska.net>
Sent: Sunday, October 24, 2010 2:44 AM
To: PosLimits <PosLimits@CFTC.gov>
Subject: Position Limits for Comex Silver

October 4, 2010

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

Dear Chairman Gensler and Fellow Commissioners,

COMEX silver position limits clearly need to be reset lower by the Commission. The Financial Regulatory Reform law mandates that the Commission institute hard position limits in the derivatives trading of all commodities of finite supply, and Comex silver is the commodity most in need of change.

As an individual investor in mining shares and silver bullion and coin, under the prevailing regulatory regime my personal investment performance has been, and still is, at the mercy of the very few large entities who have been allowed to manipulate silver price on the COMEX. The manipulation is not a matter of theory, and is not unknown to the Commission. For years Mr. Ted Butler has publicized evidence of manipulation and requested that the Commission act to resolve the problem.

In November 2009 Andrew Maguire, a metals trader in London, contacted the CFTC enforcement division to report how there are routine market manipulations at the time of option expiry, non-farm payroll data releases, and COMEX contract rollover, as well as ad-hoc events. He described in detail the way JPMorgan Chase signals to the market its intention to take down the precious metals. Maguire explained that traders recognize these signals and make money shorting the metals alongside JPM.

On February 3 Maguire gave two days' warning by e-mail to Eliud Ramirez, a senior investigator for the CFTC's Enforcement Division, that the precious metals would be attacked upon the release of the non-farm payroll data on February 5. On February 5, as market events played out exactly as predicted, further e-mails were sent to Ramirez while the manipulation was in progress. It would not be possible to predict such a market move unless the market was manipulated.

It appears that the excessive position limits and lax enforcement by the CFTC have allowed this manipulation to continue for years.

Please enact the necessary measures to remedy this situation.

Sincerely,
Rolan Ruoss