TUITION SIZING: THE DIAL AT ITS FLOOR

Vajgrt Labs - Education - Lesson 66 of 72 - 8 min read - Updated Oct 21, 2026

TL;DR

- Live sizing runs Stage 4's two dials at their most conservative joint setting: maximum loss per trade ? 1% of the CERTIFIED figure - the floor of the 1-3% house band for spreads - one contract, one position at a time. On the example's $25,000, the cap is $250.

- The cap shrinks the menu before any view is consulted: the 773/775 debit vertical ($142 max loss) is the first-ten instrument; the 780/785 ($296) and the 765/760 credit ($396) are not eligible at one contract - they wait for a later phase and a fresh decision, however good the setup looks.

- The block is budgeted like tuition, because it is: on Stage 9's sample expectancy (-0.24R per trade), ten trades at the example structure's R of $142 carry an expected cost of about $341. The pre-committed floor - the loss at which the block stops early - is -3R: -$426. Expect to pay; the floor is the most you will be allowed to.

THE TAKEAWAYS

- The two dials, reprinted because this lesson runs on them (Stage 4, Lesson 2): RISK PER TRADE - what one trade may cost you against plan, the course's 0.5-1% default - and MAXIMUM LOSS AS A SHARE OF THE ACCOUNT, the dial published house rules for defined-risk spreads express as 1-3%. Stage 9's sample ran the second dial at 1.18% (the $296 debit) and 1.58% (the $396 credit) on paper, where learning the dial was free. Live, that dial is pinned to its floor - 1% - and the first dial is honoured by the one-contract, one-position form the block takes. Conflating the dials was a beginner error on paper (Stage 4 said so); with money attached it is an expensive one.

- The division, run in the open (Stage 4's order: budget first, division second, order last). Certified figure $25,000 x 1% = a $250 maximum-loss cap per live trade. The candidates at one contract: the 773/775 debit - max loss $142 = 0.57% of the figure ?; the 780/785 debit - $296 = 1.18% ?; the 765/760 credit - $396 = 1.58% ?. Notice what the division is really saying: at one contract there is no smaller size to retreat to, so size is chosen by STRUCTURE - and two of the course's three structures are simply not first-ten instruments. Stage 7 printed the same wall from the other side: the $396 credit 'first fits at 1% on about a $39,600 account' (396 ÷0.01). The $296 debit first fits at $29,600; the $142 debit at $14,200.

- The zero line, stated plainly: a certified figure under about $14,200 buys zero contracts of even the smallest structure this course teaches, at the live setting. The division's answer is zero, and Stage 4's rule governs - zero is an answer. That learner's Stage 10 outcome (keep building the paper record and the certified figure, and let the stage wait) is a complete, respected result of this stage, not a failed one. What the course will never do is solve the arithmetic by widening risk: no narrower gamble, no undefined-risk substitute, no 'just this once' at 2%.

- Friction joins the sums (Lesson 2's preview, priced): at the published example schedule, one round trip on a two-leg spread carries $2.60 of contract fees - 1.8% of the $142 maximum loss, paid before the market moves - and the toll actually paid against the mid is read off each fill

report and journaled per trade. Across the ten trades of the block, contract fees alone budget to $26.00. Paper's friction was a convention; live friction is a line item, and at this size it is not a small one - which is part of the block's honest price, stated before trade #1 rather than discovered after trade #10.

RULE: One contract, one position, max loss ? 1% of the certified figure - and when the division says zero, zero is the size.

COMMON MISTAKES

- Merging the two dials - Stage 4's warning, now with money on it: quoting the 1-3% house band to justify a trade the 1% live floor already rejected.

- Treating one contract as automatically 'small.' One contract of the $396 credit is 1.58% of the example figure - size lives in the structure's printed maximum, not in the contract count.

- Negotiating the cap for 'the best setup of the month.' The cap is a door written before entry (Stage 8); a cap that bends for quality bends for everything.

- Budgeting the block at its good tail. The expected cost (-$341 on the sample's arithmetic) is the planning number; the floor (-$426) is the limit; the good tail is a hope, and hopes are not budgets.

DO IT - FILL YOUR SIZING CARD

From your own Stage 0 worksheet figure - not the example's - compute: your 1% cap in dollars; each of your PlayBook structures' printed maximum loss as a percentage of your figure; which structures (if any) are eligible at one contract; your R; your block's expected cost, using your own paper expectancy per trade in R if your log supports one - the sample's -0.24R if it doesn't, labelled as borrowed arithmetic; and your -3R floor, in dollars and as a share of your tranche and your figure. Write it all onto Lesson 4's protocol card. If the eligible list is empty, write ZERO IS AN ANSWER across the card, sign it, and file it as this stage completed the honest way. The card is the artefact either way.

Education only - not financial advice, and not tax advice. Stage 10's worked figures are the course's labeled example learner - a $25,000 certified figure from Stage 0, a $5,000 tuition tranche - on Stages 7-9's own structures (the 773/775 and 780/785 call debit verticals; the 765/760 put credit) at their printed fills, marked EXAMPLE on the page and on every graphic; its worked block's expectancy is Stage 9's sample log figure; the contract-fee example is Fidelity's published schedule (checked in Stage 2). Its tax statements are general information summarised from IRS Publication 550, IRS Topic No. 409 and the IRS Instructions for Form 1099-B (irs.gov), checked Oct 15, 2026. Going live is optional by design; nothing here promises or implies profitability. Vajgrt Labs - Education.