From: Andy Chrzaszcz <andy9775@gmail.com>
Sent: Monday, January 25, 2010 4:45 AM
To: secretary <secretary@CFTC.gov>
Subject: Forex leverage decrease

To whom it may concern,
I have already sent in an email but I would like to add the following. It seems that the Cftc is trying to reduce the amount that a trader looses in the volatile forex market. I would like to counter with one rational example. There are two traders both with $10,000 accounts trader a is leveraged at 100:1 and trader b is at 200:1. Both traders target 100pips and both limit there risk to 2% total account size. Trader a buys 1 lot with a 20 pip stop loss trader b buys 1 lot with a 10 pip stop loss. The position goes against both and they are stopped out. Trader a at 100:1 with 1 lot lost 20 pips at $10 per pip gives him $200 of his total account. Trader b leveraged at 200:1 with 1 lot lost 10 pips at $20 per pip gives him $200 of his total account. Both traders are thus able to suffer 50 losses prior to there accounts being at 0.

I would greatly appreciate a response from the cftc in letting me know how trader b is at a higher risk the. Trader a. Keeping in mind that many reputable brokers have guaranteed stop losses in place and liquidate positions prior to account going negative. Also keeping in mind that to keep it simple I did not include thr spread as the stop loss can be adjusted to make sure that a set percent of the account is still risked depending on what the spread is at the time.

Thank you,
Andy