From: Nick Pandiscio <npandiscio@hotmail.com>
Sent: Monday, February 8, 2010 3:15 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I am writing to oppose the proposed 10:1 leverage limit on retail foreign exchange trading. Although this may seem like it would protect the small investor, in reality it limits our options by requiring a larger account deposit.

Traders protect their equity in leveraged accounts through reasonable position sizing. For example, if I wanted to risk no more than $100 per trade I could do so by trading either a $10,000 position size with a 1% stop loss or a $100,000 position size with a 0.1% stop loss depending on my time frame and market volatility. I manage risk by managing the trade.

Under your proposed requirements, I would need to have $10,000 deposited in my forex account to trade a $100,000 lot size (instead of the $1,000 I must have deposited now.) This hurts me because it does not allow me to diversify risk as well among multiple asset classes (right now I could have that extra $9,000 available to trade in equities or futures, which allows me to diversify among non-correlated asset classes.)

I urge you to reconsider this decision. It would hurt small traders like me, while giving large hedge funds and investment banks a bigger advantage in the market.

Thanks,
~Nick Pandiscio