

**From:** mars373 <mars373@yahoo.com>  
**Sent:** Tuesday, January 19, 2010 1:57 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** 'Regulation of Retail Forex'

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**re: RIN 3038-AC61**

Dear Secretary,

In my opinion, as a Forex trader the 10:1 limitation in leverage would have several negative effects to the trader and to the US Forex trading industry, and I believe it would leave the ordinary investor less protected. Kindly read my arguments below and consider them while deliberating this regulation. I believe that the unintended consequences of this detail of the regulation would undermine its broader purpose.

I also believe that reducing the leverage this far is inappropriate to Forex trading which deals in miniscule fractions of a currency's value that fluctuate in well understood limits. Reducing leverage is no substitute for proper money management by the trader.

It would drive individual traders to move their accounts outside of the US.

It might drive brokerage houses to leave the US as well.

It would, in practice, limit Forex trading to the wealthiest corporate investors.

It would force investors to maintain 10 times as much money in unprotected Forex accounts than is currently required to conduct the same activity. This added money would be at greater risk if the investing firm went under.

This would likely remove vast capital from banks, undermining the stimulus to the economy.

Furthermore the traders money would likely receive no interest parked in a brokerage.

Maintaining vast reserves to trade on 10:1 leverage would put more of the traders capital at greater risk so it does not protect the retail trader. Rather, it will destroy his livelihood by reducing his trading capital and deny him the right to exercise his own judgement in managing his capital.

There exist many advisories on the risks of trading, and many free educational opportunities for the trader to learn the proper techniques of money management. These are available as free tools to the trader. I think it wiser to concentrate government efforts on limiting fraudulent practices and improving reserve requirements of the brokerage firms, than to close down the small traders.

Sincerely,

Mark Drucker