From: DRG <nyrdarren@aol.com>
Sent: Thursday, January 14, 2010 11:45 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Regarding proposed rule change of leverage reduction of FX from 100-1 to 10-1.

I vehemently oppose any change in reduction of leverage in retail FX. I have been trading futures and equities for years and just recently, about 2 years ago, made the foray into retail FX trading. That is all I do. For one the ability of the leverage in FX has given me the chance to learn this product. I was able to open an account with minimal risk capital until I was able to understand it better and trade it within the proper risk guidelines. I feel traders should be able to make the choice for themselves what to do and how to trade with their own money. I know there is risk involved but as when the NFA/CFTC lowered the margin down to 100-1 in November of 2009, I read the letter to Mr. Stanwick. It explained that many brokerages agreed that 100-1 was a good compromise with all the exemptions and now increased net capital that will protect me as a customer and trader. I am not a big trader by any means, but I am more then satisfied and feel safe with the broker I am with because of these rules that were passed in November of 2009. I also thought some of the margins like 400-1 and 700-1 were outrageous as well. I think 100-1 is the perfect combination with the net capital requirements as well.

We are now pretty much inline with all the imm currency futures margin. Also even if the alignment between retail FX and IMM Currency futures is not perfectly aligned, the advantage in IMM is that there are day trading margins available at almost all brokerages and that margin is generally 500 USD. So even though stated margin in IMM CURRENCY FUTURES for example the Euro or symbol 6E might be 4,000 usd , traders can trade that for 500 dollars, So that is a big discrepancy. That's one advantage that retail FX doesn't not have, we have low margins but not day trade margins like in the futures. So even with 100-1 leverage as we have now we are actually still at a disadvantage to the futures. This reduction in margin down to 10-1 would only exacerbate the disadvantage. This would drive business offshore and and give Europe and especially the UK a greater advantage. The US business for trading FX would pretty much be left to the big institutions and the retail business would flee overseas where it is more friendly and still regulated in the UK. I do not want to see the the US become competitively disadvantaged in Currency trading where London already has a big share of the market. Not to mention lots of job losses for all these US retail firms whom would lose business and be forced to lay people off. As well as support staff and support business. Please leave the margin of 100-1 , where it is currently with no reduction. We as customers fee well protected with the rules already in place at NFA/CFTC regulated firms.

Darren Goodman