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Sent: Wednesday, January 20, 2010 2:56 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

My personal belief is that all traders should have the right to choose the amount of leverage that is appropriate for his/her risk appetite, and

that this basic principle of "personal choice" is being threatened by the proposed CFTC regulations.

In addition, these regulations are nothing but a ploy to remove small investors out of the market and return the forex playing field to

the state of where it was in the 1980's. Big banks and big investors were the only ones with access to the forex investment strategy.

If this regulation goes into effect, I will close my US account and open another account in a country where this ridiculous new leverage policy is not practiced.

When I started trading forex around 1999 I could trade with a leverage of 200:1. With a micro account, I could start trading with \$500. With a mini account, I can control a minimum of \$10,000 in currency.

I started trading forex with a mini account that had a balance of \$2000. With 200:1 leverage I could invest 2.5 % of my account balance (\$50) on the EUR/USD currency pair. Then if the EUR/USD increased by 30 pips,

I made \$30 when I close my position. When the leverage rules changed in 2009 from 200:1 to 100:1 maximum, my \$50 investment became a \$100 investment. If I want to obey sound investment rules (one should only risk less than five percent of one's account balance on any one trade). This was still not too bad.

Under the 10:1 rules my \$50 investment is not possible with a \$2000 account balance. The margin requirement for a \$10,000 mini account now becomes a \$1000 instead of \$50 like I had when I started at 200:1.

Given what I have just explained, my prediction is that 10:1 leverage will keep thousands of small investors out of the market. Furthermore it will make small investors open their accounts in foreign countries,

Why? There are foreign countries that still enjoy 200:1 leverage today, but Americans can only do 100:1. If this regulation goes through, foreigners will continue to enjoy 200:1 while Americans will be doing 10:1.

An American will be forced to open a mini account with a \$40,000.00 account balance if he/she wants to obey sound trading practices (the five percent rule). That will make starting out with \$2000 like I did not possible.

This will cause a massive number of broker failures in the spot forex market.

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