

From: Phil Stanwood <rivertrader@eplank.net>
Sent: Wednesday, January 20, 2010 10:58 PM
To: secretary <secretary@CFTC.gov>
Subject: 'Regulation of Retail Forex'

I am writing in direct opposition to the proposed regulation (RIN 3038-AC61) to reduce the leverage of forex trades from 100:1 to 10:1.

As an individual retail forex trader, I need to have flexibility in my trading formats and money management. This is the only way I can compete in the market, especially against larger firms, organizations and companies. You have already severely restricted my trading by imposing the non-hedging rule and FIFO rule and now reducing my money management flexibility with proposed lower leverage limits.

Your stated goal is to help protect the forex traders, but in fact you are ex-facto giving significant advantages to the large trading groups and increasing the risk to individual traders. The reality is that you are protecting traders like me by driving us out of the forex market. So, my only conclusion is that you are using this "protection" propaganda to cover what is really happening. What I cannot figure out is if it is a calculated strategy on your part or just plain ignorance or denial of the effects these rules have on retail forex trading.

I would like to reiterate that I am vehemently opposed to the proposed ruling on leverage and the imposed rules of FIFO and hedging. I believe that your assessment of the effect of these rules is severely flawed and lack real-time, on the ground currency trading experience and reality. All of these rules significantly increase the risk of trading to the individual trader and restricts the forex markets to large firms. This does not seem to me to be the American way.

Regards,

Phillip C. Stanwood, PhD.