From: Samuel <swinv@strengineers.com>
Sent: Thursday, January 21, 2010 1:05 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To whom it may concern:

Regarding "public comment on proposed regulations concerning retail Forex trading".

Identification number: RIN 3038-AC61

As a forex trader, I am surprised at such a proposed restriction in leverage to 1:10. This is a huge difference from the current leverage of 1:100 and previous leverage of 1:400 offered by other brokers in this international business. Also such leverages (ie. 1:400) are still available through other overseas international businesses not regulated by your department. With such competition business would simply move offshore. If customers are losing money trading, then using a smaller leverage will only generally mean that it takes them longer to lose their capital (ie. they will still lose it trading due to their inaccurate/insufficient/haphazard system and not due to the leverage). The customer & broker should maintain the right to determine the leverage as the margin should only be used as a cover for slippage on a margin call. This slippage should be the PRIMARY determination for the sizing of the required margin. Reducing the leverage reduces the return on any trading system and thus reduces the system's profitability & thus reduces the system's viability.

In my opinion, reducing the leverage to 1:10 would ultimately reduce the viability of Futures Trading to a level that it wouldn't be a viable commercial arrangement.

Regards,
Samuel Weinholz