

From: Lencse Zoltan <zoltanlencse@gmail.com>
Sent: Thursday, January 21, 2010 1:37 AM
To: secretary <secretary@CFTC.gov>
Subject: Comments about the proposal in relation to leverage 1:10

Dear Madam, Sir,

I am writig to comment on the recent proposal the U.S. Commodity Futures Trading Commission (CFTC) announced on January 13, 2010.

As part of the proposed regulations, it is stated: "leverage in retail forex customer accounts would be subject to a 10-to-1 limitation,"; the subject of my comments.

As you probably try to regulate and restrict the unethical elements of this business, it may also be an intention to prevent retail customers from financialy detrimental trading decisions. As a result of this proposal many retail customers with smaller amount of capital would not be able to participate in this business any more. Now, it may seem that this limitation would filter the market it would be not successful in my opinion and I strongly disagree with the proposal.

Please consider my arguments and anticipated impacts in bullet points as follows:

- Making incorrect decisions has nothing to do with amount of capital required for trading, so you would actually not acheve one of the goals
- Education can help traders to understand how to handle leverage properly.
- There are many traders with small capital who actually participate in the markets; with your proposal these customers would not be able to work any more. The liquidity providers help these traders to business.
- A serious regulation on the vendor side and marketing of the industry would rather help. There is a big amount of misinformation avialable about trading at the moment. Vendors selling harmful products with harmful marketing. Automated Trading is being executed to vendors benefit. The missleading marketing of the industry causes people to loose more than they can afford and not the leverage. New regulations and laws would help to restrict all the many scam adverts on the internet which cause people with going in o the market with 1000 USD and trying to get rich. The validity of the marketing material is often in question but without proper education people can not verify it. A regulated body could! Regulation and constant checking on vendor websites, validity verification can help. Please take as an example the Forexpiecearmy civil organisation.

Please consider the above and I hope the limitation will not come to force.

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Kind Regards

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