

From: Leon Bronfin <bron@clearwire.net>
Sent: Wednesday, March 10, 2010 11:34 AM
To: secretary <secretary@CFTC.gov>
Subject: FW: OBJECTION TO 10-1 LEVERAGE LIMIT - OR CHANGE FROM EXISTING LEVERAGE LIMIT - IN REGULATION OF RETAIL FOREX PROPOSAL RIN 3038-AC61

From: Leon Bronfin [mailto:bron@clearwire.net]
Sent: Wednesday, March 10, 2010 8:27 AM
To: 'secretary@cftc.gov'
Cc: 'dstawick@cftc.gov'; 'tsmith@cftc.gov'; 'jbauer@cftc.gov'; 'wpenner@cftc.gov'; 'ccummings@cftc.gov'; 'psanchez@cftc.gov'
Subject: OBJECTION TO 10-1 LEVERAGE LIMIT - OR CHANGE FROM EXISTING LEVERAGE LIMIT - IN REGULATION OF RETAIL FOREX PROPOSAL RIN 3038-AC61

ATTN: David Stawick, Secretary, CFTC and ALL CFTC Policymakers

As a non-affiliated market participant in the forex market on a retail basis, I am strongly **OPPOSED** to the 10-1 leverage limit as proposed in RIN 3038-AC61 to the Regulation of Retail Forex.

Like many attempts to “fix” a problem, adoption of this Regulation will NOT fix the contemplated problem, and in fact, will make the problem worse and/or create unintended side-effects that will outweigh any positive effects from implementation.

The proposal would require that I submit substantially more margin funds into non-protected, non-FDIC insured, non-SIPC eligible accounts, actually exposing me to greater risk in the event of insolvency of my Forex Broker.

This proposal would encourage many retail forex participants like myself to stop or reduce trading, creating loss of business and therefore jeopardize the business prospects and financial condition of domestic forex brokers – making it riskier for me to do business with them.

To avoid this risk, I would likely NOT shift my business into regulated Futures trading, because of possible problems with execution and contango, and instead would leave me with the only alternative of using an off-shore Forex broker – that may subject me to much greater risks and unknown business practices that may jeopardize my funds.

FX volatilities are generally substantially lower than in the futures market, so significantly more leverage is required to capture equivalent trading opportunities. By restricting 100-1 leverage – that recently has already been reduced by half – and which while available to me should I chose to use it, isn't forced on me to use – would greatly and negatively restrict my activities in this area, reduce market liquidity, expose me to greater risk and unintended consequences – the actual harm would greatly outweigh any intended benefits.

Please do not adopt this proposed Regulation – it will NOT be beneficial to me, but in fact will be extremely unfriendly and inhibitive to the retail forex participants.

Thank you

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