

**From:** Michael Thomas <michael\_thomas1234@hotmail.com>  
**Sent:** Saturday, January 16, 2010 2:21 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Mr. Secretary,

I am writing in regards to the upcoming consideration of the regulation on forex brokers which will limit the leverage they offer their clients to 10:1. I feel this would be a very poor decision on the part of the CFTC. Leverage is a tool which gives individuals without massive funds the opportunity to be successful in a market that, for most of its history, was limited to large banks and corporations. By limiting this leverage you are removing this opportunity and once again locking out approximately 90% or more of individual traders.

I understand the reasoning behind this particular regulation is to protect individuals from quickly losing the money they have invested. Regardless of regulations, however, there will always be people who enter into a market without the knowledge and understanding they need to be successful. These people will lose their investment, whether it be at a leverage ratio of 100:1 or 10:1. The most likely result of this legislation will be that these uninformed traders take their gambling (and that is what they are doing) and move to poker, horse racing, or sports betting. True traders, however, who have spent years learning how to utilize the tools at their disposal, the least of which being a sizable leverage, will have lost the thing that allowed them to be successful in the first place.

Beyond the effects on the individual trader, the tremendous business that retail forex has become will be crushed. At a time when every business is still struggling to overcome recent economic hardships destroying a whole industry would have very negative and long reaching effects.

Do not destroy an industry you are regulating. Do not harm the people your regulations are trying to protect. Do not limit the opportunity that Forex gives by trying to stop foolish people from making foolish decisions (because this is a lost cause).

I appreciate your careful consideration of this matter.

Sincerely,  
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