

**From:** J Smith <fluxlife@yahoo.com>  
**Sent:** Thursday, January 21, 2010 6:29 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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To Whom It May Concern:

Regarding the proposed Leverage Regulation: I understand the need for regulation in this market and I am thankful for that. However from a retail trader's perspective, 10:1 leverage is very steep. A leverage of 10:1 will no longer allow the Forex market to be a "Retail" market. These kind of requirements only allow those with already large sums of money to participate and profit in the market. 100:1 leverage is effective, safe, and allows people with a small amount of money to experiment, practice, and potentially profit in the market. 200:1 and 400:1 leverage(s) is something I can see as very extreme and dangerous. I believe those leverage levels should not be allowed in this market and only attracts the most riskiest traders. Those who tend to seek out those kind of requirements are the ones that should be looked after. 100:1 is common in most institutions and most individual traders can handle those levels. Furthermore, it seems that a lot of

institutions can handle these requirements without resulting to scams in raising capital.

Overall, I believe changing the leverage requirement to 10:1 would deflate a lot of the liquidity of the overall markets by cutting out a certain demographic of traders, decrease the U.S. FCM markets (as a lot of traders will most likely fund riskier unregulated/foreign-regulated accounts), and could possibly make the Forex market more riskier than it already is. 100:1 is an acceptable level and it is very apparent that it is a level a lot of U.S. based FCMs can handle with their capital requirements.

Thank you for your time,  
J.R. Smith