

From: Paul Krater <paulk2002@yahoo.com>
Sent: Thursday, January 21, 2010 7:29 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To Whom it may concern:

Concerning the lowering of the leverage - **RIN 3038-AC61**

Please do not pass any regulation causing the leverage to go from 100 to 1, down to 10 to 1, for that would remove most retail (small) traders, who are trying to learn and earn. Most of these people do not have \$10,000 in their account, and therefore, if you all require a 10 to 1 leverage, and if someone wants to trade just 1 lot in a regular acct, it would mean they would not be able to.

Likewise, in a mini acct, one would have to have \$1000 instead of \$100 for each lot traded, which would cause traders to not trade, since they wouldn't have enough money, or they would feel that they would be in jepordy of trading and risking too much.

If you want to have this lower leverage, I urge you to only require it for institutions and banks - NOT the average retail trader.

We've already had to give up various trading styles, such as hedging or having two different trades in opposite directions, taken at different times, due to some people trade long term, and some like to trade short term, and some can do both (or used to be able to, until the FIFO rule by the NFA was enacted), thus taking trades away from the experienced trader.

You all say you're trying to "protect" the consumer by doing this. In my opinion, you are just hurting the true trader. If a trader doesn't know what they're doing, they shouldn't be trading. Don't prosecute those who know how to trade, by trying to make things "easier" for those who don't know how to trade.

I believe if you lower the leverage, you're going to have more new traders losing everything they have much more easily, 'cuz they won't understand what this leverage is, and it'll be all wiped out in a single trade. You all will be HURTING the small trader, when your intention is just to help and protect them.

If you all still decide to lower the leverage, I, as an experienced trader, will find a place outside the US to trade, that doesn't have these absurd rules. Why do politicians and others mess with things that work??? - I never did understand that. It's just like large corporations - Oh, let's do this or that (thinking they have a good idea, when in reality, they never did ask the workers what they thought of the idea), and then the company doesn't understand why they went out of business.

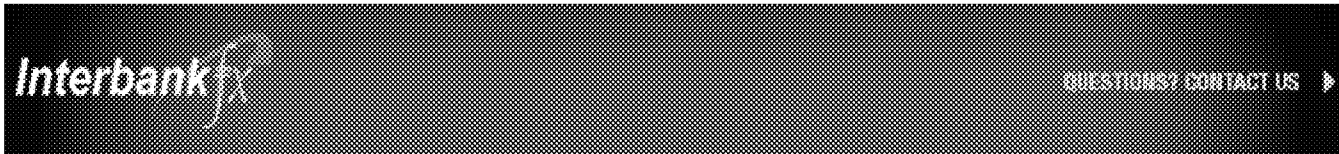
While lowering the leverage probably won't cause companies to go out of business, it will hurt the retail trader, for the reasons I already stated above.

Thank you.

Regards,
Paul Krater

----- Forwarded Message -----

From: Interbank FX <marketing@email.ibfx.com>
To: paulk2002@yahoo.com
Sent: Wed, January 20, 2010 8:02:02 PM
Subject: CFTC's Proposal of Leverage Changes: How You Can Help



Dear Valued Customer,

As many of you are aware, the U.S. Commodity Futures Trading Commission (CFTC) announced on January 13, 2010 that it is seeking public comment on proposed regulations concerning retail Forex trading.

As part of the proposed regulations, it is stated: "leverage in retail forex customer accounts would be subject to a 10-to-1 limitation," which means 10:1 leverage would be the maximum amount allowed for all Forex traders in the U.S.

An example of how the proposed regulatory restrictions would affect a major currency pair appears below:

Maximum Leverage under Current Regulations	Maximum Leverage under Proposed CFTC Changes
USD/CHF	USD/CHF
100:1 leverage (one percent)	10:1 leverage (10 percent)
1 lot (100,000)	1 lot (100,000)
Margin requirement: \$1,000	Margin requirement: \$10,000

We stand behind the belief that you should be given the freedom and right to choose the amount of leverage that is appropriate for your individual desired risk, and that this basic principle of 'choice' is in jeopardy by the proposed CFTC regulations.

If you feel strongly about the proposal, we encourage you to help determine the outcome of these proposed regulations. You can help make an impact by sending comments directly to the CFTC at: secretary@cftc.gov.

Please include 'Regulation of Retail Forex' in the subject line of your message and the identification number **RIN 3038-AC61** in the body of the message.

You can also submit your comments by any of the following methods (include above ID number):

- **Fax:** (202) 418-5521
- **Mail:** David Stawick, Secretary Commodity
Futures Trading Commission 1155 21st Street, N.W.,
Washington, DC 20581
- **Courier:** Use the same as mail above.

In the upcoming days, Interbank FX and the rest of the U.S. Forex Dealer Coalition will be releasing a more formal opinion about the proposed changes. Please feel free to read further details about the regulation on the CFTC website by clicking [here](#). In the interim, we encourage you to voice your opinions to the CFTC and your local U.S. representative.

As always, we want the best for our traders. We hope you'll join forces with us to prohibit the proposed leverage

requirements.

The Interbank FX Team



FX

GAIN



CMS FOREX

FXCM

FXDD

Interbank

PEG

International US and Canada 866.468.3739 Australia 1.800.884.912 Indonesia 001.803.017.9112 Malaysia 1.800.813.776
New Zealand 0800.445647 Singapore 800.101.2097 United Kingdom 0.808.120.1966 International +1.801.930.6800

Interbank FX™ LLC | IBFX™ | IBFXU™ | Registered FCM, Member NFA
Interbank FX | 3165 Millrock Drive STE 200 | Salt Lake City, UT 84121 | Tel: 1.866.468.3739

To opt-out of future emails from Interbank FX, [click here](#).

Trading in the off exchange retail foreign currency market is one of the riskiest forms of investment available in the financial markets and suitable for sophisticated individuals and institutions. The leveraged nature of FX trading means that any market movement will have an equally proportional effect on your deposited funds. This may work against you as well as for you. The possibility exists that you could sustain a total loss of initial margin funds and be required to deposit additional funds to maintain your position. If you fail to meet any margin call within the time prescribed, your position will be liquidated and you will be responsible for any resulting losses.