

From: Christopher Horne <christopher.ian.horne@gmail.com>
Sent: Thursday, January 21, 2010 7:38 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Secretary,

I am writing to comment on the proposed 10:1 leverage change in the currency markets. This is a ridiculous and short-sighted proposal. Leverage has already been decreased from 400:1 to 100:1. A decrease to 10:1 would wipe out most retail currency traders. A lack of traders would mean a dramatic increase in volatility and a decrease in the efficiency of the forex market. Traders who are able to afford the larger deposit requirements may move to offshore and unregulated brokers who can offer higher leverage, therefore increasing competition for American brokers.

10: 1 leverage would also mean more money would be needed in order to start trading, which is bad for a new trader just starting out. No matter what the leverage given is, even if it is 1:1, people who do not know what they are doing will still lose their money, and more of it since it will be required to put up a larger deposit.

These proposals aren't "protections". As a customer, we are able to exercise discretion in what we buy and sell, and what markets we participate in.