

From: Brad Carducci <carducb@yahoo.com>
Sent: Sunday, January 17, 2010 2:27 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Mr. Stawick,

I truly appreciate the protection provided by your organization against possible fraudulent broker conduct in the retail environment, and for those efforts, I want to make sure that you know that you are appreciated by consumers like myself. There is one obvious area of concern that I have, and I do feel strongly that changing margin leverage down any further from what was changed just a few months ago is a huge step backwards. This action alone will have exponential financial consequences for our country. As an active Retail Forex Trader with a U.S. Broker, I am already at a huge disadvantage with the inability to utilize some low cost risk hedging strategies. To those of us who trade in the Forex Market for ourselves, this particular move in margin limits is more harmful than helpful, and I struggle to find a reason to limit margin accounts to 10 to 1 except for the benefit of banks along with other institutional market makers. All reputable brokers already have in place safeguards for margin calls based on an individual trader's real time account equity, and they will execute a margin call trade to close a position if an individual's loss exceeds a certain percentage of their real time account equity remaining less their initial margin requirement. By not allowing an individual trader in the U.S. the ability to trade with 100 to 1 leverage, you will turn the fate of currency strength to the institutions, and we will be at the mercy of primarily banking institutions, which have shown such prudent judgement in the past with the mortgage industry or paying executive bonuses on the backs of tax payer bailouts. I urge you to continue your focus on keeping broker's reputable, but stay away from further limiting margin accounts for individual investors. Unless the entire world will be limiting individual's margin accounts, you will make the citizens of the United States second class investors to the rest of the world. You also will be placing the fate of currency in the hands of everyone else except those of us living, voting, and paying taxes in the United States that choose to do business with a U.S. Brokerage Firm. Technology has given consumers the ability to participate in Forex, where we used to be at the mercy of currency exchanges based on dark board mark ups set by banks. The Retail Trader in Forex plays a huge role in this trillion dollar market by filling in the bid/ask institutional gaps in prices, which in turn makes the major currency pairs the most liquid investment available in the world, and this is a benefit to everyone. I appreciate your time and attention to my comments, and as a veteran that loves his country, I appreciate the freedom allotted to me as an American to provide individual feedback to my government.

Sincerely,

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