

From: Tom Collins <tom4bucs@yahoo.com>
Sent: Friday, January 22, 2010 1:18 AM
To: secretary <secretary@CFTC.gov>
Subject: 10:1 Leverage

HI,

I cannot believe the proposal to limit retail Forex leverage to 10:1. The simple solution will be to open an overseas account to bypass US Rules - thus costing US jobs in the Forex industry and banking centers. The impact goes deeper with US tax collections reduced, as many foreign governments do not report earnings.

Perhaps a better plan would be to have graduated leverage based on capital in account. Under \$2,000, give traders a 25:1 or 50:1 leverage base. For accounts of \$5,000 or maybe starting at \$10,000 open it up to the full 100:1 leverage.

This proposal will hurt professional Forex traders under the guise of protecting them.

They know how to limit losses and have money management plans in effect which mandate how much to put into a trade.

If you want to slow losses, then put a Hard Code into the software to limit losses to 50 PIPs. My loss limit is set at 10, plus spread.

I would bet that those responsible for this inane rule have never traded Forex.

Recapping, the 10:1 rule will cost thousands of US jobs and millions of US tax dollars, It will only hinder the retail Forex trader until we can get an overseas account set up.

Sincerely,
Tom Collins

Forex Trader