

From: Sherman Smith <shermansmithgroup@yahoo.com>
Sent: Friday, January 22, 2010 10:48 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex : I oppose the 10:1 leverage proposal

RIN 3038-AC61

Dear CFTC,

I have been a forex trader for over one year. Within that short time frame, there has been various regulations that never was America's scenario in the forex market before- hedging being banned and leverage above 100:1 being banned, to name two.

I have now read that the CFTC is planning on reducing the leverage on all forex brokers in America to only 10:1. I took one look at this needless and senseless proposal and said to myself, "Surely they jest." But the CFTC does not jest as evidenced from the source that this report came from.

Needless to say, I am thoroughly opposed to this George-Orwellian-1984-like regulation of American's decision-making capacities when it comes to their own money. Stating that 100:1 is a dangerously risky leverage for Americans to play around with does not become the CFTC's business.

By law, all forex brokers, all forex books, all forex documents, all forex web forums, etc etc. have to state that forex is, in itself, a risky venture. It is therefore the responsibility of the people who decide, on their own volition, to trade foreign currencies through a broker to ask for lower leverage if they feel the 100:1-leverage risk is too high for them. The CFTC does not make the call to just ban leverage over 10:1 for everyone as of which.

If the CFTC, nonetheless, passes this ludicrous proposal that basically every forex trader and forex broker, ECN and market maker alike, oppose then we the traders will take all our business to overseas accounts where these regulations are non-existent.

If the American forex brokers lose money, business and traders as a result of this proposal, then the CFTC will answer to each and every one of them, as well as any other business connected to forex in America that is also hit by it. The multi-billion-dollar business of foreign exchange in America WILL BE DAMAGED if this proposal is passed into law. The economy is bad enough as it is in America right now with double-digit unemployment.

Do you undertsand? Enough is enough with whatever has been going on in this nation and it's economy for the past 2.5 years. We do not need this proposal to be passed... and if it is, rest assured there WILL BE ACTION taken that will end up corrupting the entire American foreign exchange industry.

Thank you very much
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