

**From:** Simon Kloot <simonkloot@hotmail.com>  
**Sent:** Friday, January 22, 2010 1:20 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Risks in reducing leverage to 10:1

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Dear Sir/Madam,

This is an addition to my previous email regarding the proposed legislation from the U.S. Commodity Futures Trading Commission that will reduce leverage on retail forex trading accounts to 10-1.

As a retail forex trader, I do not keep my entire trading capital in my brokerage account. To do so would be extremely risky.

Rather I transfer a proportion of my capital to and from my much safer bank account. My bank account is protected by regulations that mean I would not lose my capital should the bank go under.

To reduce leverage to 10-1 would mean I would have to keep my entire trading capital in my broker's account to satisfy margin requirements which is a very risky proposition. If the broker were to go bankrupt, I would lose my entire capital, whereas if i had only placed a small percentage of my capital in the account, I would not suffer an irreversible loss.

I hope you understand this concept and will keep the regulations as they currently stand.

Regards

Simon Kloot