

**From:** Joe Broadhurst <jbrdhrst@insightbb.com>  
**Sent:** Friday, January 22, 2010 2:08 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Gentlemen,

**Re: identification number RIN 3038-AC61**

**My name is Joseph D. Broadhurst and I am the Managing Member of Southwinds Trading Company, LLC, in Louisville, KY. We are retail traders in the Forex market and as such we are very concerned about the proposed CFTC regulation changes in margin requirements for our Industry.**

**Our understanding is that this proposed change would limit our leverage to 10:1 for all of our US based trades. To my knowledge all Forex traders acknowledge and accept that one component of currency trading risk is variable leverage. We use this tool to manage our risk in each and every trade situation.**

**For example: If our technical analysis of the US Dollar vs. the British Pound leads us to believe that the relationship is out of balance and as the situation is corrected we could profit by selling the Dollar and buying the Pound. If we believe this situation is LOW risk we would sell and buy a greater number of lots however using fairly low leverage. If we believe this situation is HIGH risk we would sell and buy a lesser number of lots however using higher leverage. The higher leverage is required to offset the greater risk we are assuming.**

**Historically many US Retail Brokers have offered leverage as high as 400:1 and to be restricted to 10:1 leverage would greatly reduce our ability to control the risk we assume with each trade.**

**I also believe the proposed rule change would drive most US traders to move their accounts to other countries where this repressive regulation does not exist. With today's high level of communications it simply does not matter where our trades are placed, however we do prefer to do business with US Brokers.**

**Best regards,  
Joseph D. Broadhurst  
Managing Member  
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