

From: fxwork@cox.net
Sent: Friday, January 22, 2010 5:21 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex esp with regard to leverage

Hello:

Re: RIN 3038-AC61

I have been trading the forex market for the past 2 years on a regular basis. There is a definite learning curve. I have had experience previously with mutual funds, and stocks. I have a post graduate degree.

I do appreciate the fact that there are rules to regulate the brokers re: their liquidity and capital requirements. People trading on other than family accounts should be registered and regulated.

I have never lost a full account balance. There are many successful traders who, early, in their careers lost their entire account balance. However, they went on to be extremely successful traders. An important new change that has been implemented by many brokers is to have accounts with almost infinite trading lot sizes. This allows a person to trade a penny a pip up to \$50,000 or more a pip. With these small lot sizes, it enables a person to learn to trade while putting only small account balances at risk. This also allows for excellent equity management if the trader chooses.

With the new proposed 10:1 leverage, the small individual investor would have two choices-- #1-- not to trade and then not have the opportunity to make the money that they previously had the opportunity to make. #2-- move their money to off shore accounts/ brokers who might be unscrupulous and totally not regulated. Also many people working in these brokerages would lose their jobs, another cause for jobs to be exported overseas.

The small business person is the backbone of the US economy. With any business there is a risk. Life does not come with guarantees. People start businesses everyday-- some succeed and some fail.

I am using two reputable brokers, Interbank fx and Oanda. I use proper equity management principles and stop losses. I have not had problems with excessive slippage. I get re quoting from IBFX, but I appreciate that as it allows me to decide whether I will accept the new price in a fast moving market. There is no chance of me losing more than I have in my account as it is totally automated and will close all my positions if I am at risk of losing the amount my leverage allows. There is not the risk of selling short and having no buyers at an acceptable price as one sets ones stops and the forex market is very liquid.

I am requesting that the current 100:1 leverage stay in place in the retail forex market. This would enable me to continue to build my account in a planned manner.

Thank you for your consideration
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