

From: Joey Weaver <josephw782@yahoo.com>
Sent: Thursday, January 14, 2010 1:33 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Hello Mr. Stawick,

I must strongly protest the current proposal to limit leverage to 10:1. I believe the NFA recently had decided that such a move would leave USA-based brokers unable to compete internationally. If the new rule does come to pass, there will be an immediate and substantial exodus to overseas brokers, many of which are poorly regulated.

Moreover, some trading strategies are built completely around the trading of short moves with high leverage, with small stop losses and profit targets. Even using 100:1, such strategies often pose much less risk than a longer term approach using 10:1 may. To assume that anybody using 100:1 leverage is at greater risk than others is completely untrue. Also, many traders that have spent years of hard work perfecting strategies such as these, will no longer be able to use them. This is completely unfair.

I understand and appreciate the desire to protect inexperienced traders from over-leveraging, but there are other ways to do this. Brokers could be required to give a more detailed explanation of the effects of leverage on their account balance. This is the logical and reasonable way to protect them, while not alienating experienced traders as a leverage reduction would.

Given that there are other ways to warn traders of the risk of leverage, and that many traders understand and REQUIRE a high degree of leverage for their strategies, and to prevent an exodus to overseas brokers, I humbly request the current requirements stay the same. Thank you for your time.