

From: Golledge, Steven <golls@comcast.net>
Sent: Saturday, January 23, 2010 11:20 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of retail forex

Dear Sir/Madam:

I have read with interest the proposed regulations on retail forex trading ID # RIN 3038-AC61.

As a professional trader for more than 40 years, I am fully aware of the risks involved with margin trading and the possibility of sizeable losses if those risks are not properly managed. However, it is my experience that the reputable companies operating in this market provide ample tools to manage risk by the use of stop loss and other limit orders, and will automatically close positions to ensure that losses cannot exceed the available margin.

I strongly believe that each customer should be allowed to determine the appropriate level of leverage for their own trading account, within the overall trading structure. While I agree that there should be an upper limit on leverage, the existing 1% level is comparable to the margin required at the major exchanges and seems appropriate to this type of trading. A limit at the level proposed will likely encourage clients to move their accounts to other less-regulated geographies, thus increasing the risk for less-experienced traders.

In order to avoid disputes between the account holder and market maker, I would suggest that all account holders be required to submit their own leverage preference, in writing, with the information to be retained in the market-makers records for audit purposes.

I request your reconsideration of this proposal.

Respectfully yours,
Steven Golledge