

From: Mike Graser <mike.graser@gmail.com>
Sent: Saturday, January 23, 2010 3:14 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex RIN 3038-AC61

Changing leverage from the worldwide standard of 100:1 to 10:1 will only server to send more money out of the US to foreign soil.

Forex investors are smart enough to know that if the proposed regulations are passed that they can put their money in overseas forex dealers to continue using the leverage they require. Those that do not know this will soon follow suit, as the information is freely available and already being discussed across all major Forex forums. The likely end result is that it will no longer be profitable for legitimate Forex brokers to operate in the US, *leaving only fraudulent Forex brokers behind.*

Your proposed *regulations* will negatively impact an already damaged US economy and job sector.

In recent years, I've seen *regulations* drive many tech companies out of California. More recently, in an effort to protect a non-native fish called Smelt, *regulations* are causing California farmers to sell their farms by withholding water from them. Nationwide, jobs are being lost to cheaper workers from overseas - again, due to current *regulations*. Right now, Forex is a \$1 billion industry in the US and is responsible for many jobs. You suggested *regulations* will mean more money is pulled out of the US brokerages, the money going again to overseas companies, with US brokerages closing down.

The change to a 10:1 will not "protect" people from bad investments, but will encourage them.

Those that choose to operate under these constraints are more likely to be the sort to throw caution to the wind and enter into bad investments. Leverage constraints combined with poor money management will result in their trades being stopped out sooner. They will lose their money more quickly, rather than less. In short, *your changes will hurt rather than protect the same people you are looking to affect.*

As one of many concerned forex traders, I ask you to withdraw the proposal to change from a Worldwide Standard of 100:1 to a Risk-Laden 10:1. The result will be harmful to the US economy, US jobs, and to individual investors.

Thank you for your time.

Sincerely,

Michael A Graser