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Sent: Saturday, January 23, 2010 6:03 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Hello CFTC

I am an active forex trader and am rather concerned, to say the least with future trading after reading the article on this page:
<http://www.forexpeacearmy.com/forex-forum/forex-articles/8342-if-cftc-does-say-goodbye-retail-forex-usa.html>

The part that really raises my eyebrows is the dialogue under '**And now, the worst part.**' Even though I am actually a Canadian citizen and currently do not use any US forex brokers the CFTC's proposed maximum leverage change to 10:1 will certainly lead to catastrophic consequences initially in the US and then globally.

So you now determine that the proposed leverage change is there to protect the individual trader. This may be true to some extent though certainly does not bode well for the established and knowledgeable trader. I have been trading for 5 years now and would like to say that I am pretty professional at it now. I had to make a drastic shift in my career several years ago as a result of my poor health that rendered me only able to work from home. I was lucky enough 5 years ago to stumble across a seminar on forex. I was most fascinated by the magnitude of the forex market and how it could become my bread and butter. I invested all my effort into educating myself about forex and how I could commence trading. Several weeks after intense self education I opened an account with Refco with just \$300. **When I made my first trade I made sure I apply due diligence by risking the least amount of money possible.** Sure, I could have been very aggressive and wager the maximum amount of money possible on my trade but I **had sensible risk management and traded only 1 mini lot. If people want to blow their complete trading balance by being careless then let them go ahead. Do not persecute the traders that know what they are doing. Forex does carry risk and you should enter into it knowing this.**

I lost money, I made money and my knowledge of forex and trading grew to the point where I did become slowly profitable. 5 years later I am the stage where I trade anywhere from 10-60 lots several times a week. I know the risks involved though I also know the rewards. It is imperative to my trading style that I have the highest leverage offered to me. I have brokers in the UK and Cyprus at the moment who offer me 200:1 - 400:1 leverage and is ideal for me. **To introduce a maximum of 10:1 leverage in the US may well lead brokers in other countries to adopt the same stance.**

If the US does adopt this leverage change it will most definitely wipe out the individual retail trader. I am sure it will have a profound impact on the big banks and other large scale trading entities. Doing this will lead to a huge drop in income for the US forex trader which will lead to less income for the US government. A domino effect has commenced and people in the US will take money out of the country to foreign providers. This will lead to job cuts in an already fragile US economy. How will the IRS then track foreign investments? Many foreign brokers are not regulated and you will be forcing the US forex trader in

potentially perilous conditions.

The CFTC's decision to change leverage in such a drastic way can certainly lead to governments around the world adopting the same measures for their own forex brokers. This would most certainly mean an end to forex trading globally. Forex today enjoys more rewards than stock trading. Why cannibalise an industry that is already prosperous in so many ways? Why annihilate forex trading as we know it?

Thank you

Andrew G

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