

From: wjenkins@nyc.rr.com
Sent: Sunday, January 24, 2010 5:10 PM
To: secretary <secretary@CFTC.gov>
Subject: Public Comment Form

Below is the result of your feedback form. It was submitted by
(wjenkins@nyc.rr.com) on Sunday, January 24, 2010 at 17:10:27

commenter_subject: Regulation of Retail Forex - RIN 3038-AC61

commenter_frdate: January 20, 2010

commenter_frpage: Page 3283

commenter_comments: I am writing to you with great concern regarding
the proposed regulations contained in the Food,
Conservation, and Energy Act of 2008
(RIN3038-AC61), also known as the "Farm Bill". The
portion of the bill limiting foreign exchange
trading leverage to 10:1 will decimate the industry
in this country and effectively put legitimate
traders like myself out of business completely.

I applaud the efforts of the CFTC and have welcomed
recent changes in regulations intended to increase
protections for inexperienced traders and naïve
investors. The new anti-fraud measures, concern
for customer complaints, and the effort to reduce
predatory practices are all laudable. But this new
concern with leverage in foreign exchange accounts
is not only counter productive, it will make it
impossible for retail traders to do business.

The nature of foreign exchange makes it quite
different than trading the securities markets. I
have been involved with both for many years.
Leverage of at least 100:1 is a necessity for any
retail trader to realize a sufficient profit to
trade the market at all. And contrary to what one
might think, the limit on leverage below these
levels will actually put more traders into risk.

Prudent trading requires that an account not be
overtraded and that transaction sizes not exceed
one or two percent of account net balance. At 10:1
leverage, this prudent sizing of trades would be
virtually impossible for most traders, forcing them

to risk dangerously high portions of their funds. Without going into the subtleties of trading here, the proposed leverage limits will cause many traders to incur margin calls leading to failed trades that would otherwise be successful. And the less experienced traders, the ones this new proposal is intended to protect, will be forced into trading positions that would heretofore have been considered irresponsible, leading to quick losses and empty accounts.

I urge you strongly to reconsider this new regulation carefully before taking further action.

Thank you.

commenter_name: Wallace H. Jenkins

commenter_firm: Rivendell FX

commenter_withhold_address_on: ON

commenter_address1: 40 East End Ave. #2H

commenter_city: New York

commenter_state: NY

commenter_zip: 10028

commenter_fax: 212-879-8984

commenter_phone: 212-879-8984
