

From: Mark Werner <statdr@gmail.com>
Sent: Monday, January 25, 2010 12:13 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Re: Proposal RIN 3038-AC61

Dear CFTC,

Reducing LEVERAGE from 1:100 to 1:10 is NOT the answer. The proposal as it stands is a disaster-in-waiting for retail traders.

In order to protect the new/naive/self destructive and or otherwise uneducated trader from him or herself, ACCOUNT MARGIN LIMITATIONS should be Revised so that the trader's out of pocket Capital Investment RISK EXPOSURE is never any greater than 5% or 10% of his/her trading account at any time.

At the proposed 1:10 leverage, the trader is entitled to trade THE SAME \$10,000.00 worth of currencies but his/her out of pocket Capital Investment RISK EXPOSURE is \$1,000.00 as opposed to \$100.00.

The CRTC proposal 'INCREASES' out of pocket Capital Investment RISK EXPOSURE by '10 TIMES MORE RISK'

Clearly something is wrong with this proposal.

Leave leverage alone. 'LEVERAGE IS NEITHER THE PROBLEM NOR THE SOLUTION.'

The answer to RISK EXPOSURE is NOT LEVERAGE CONTROL. In fact LEVERAGE CONTROL would have the exact OPPOSITE Effect by INCREASING RISK - 'TEN FOLD'.

The answer is 'MARGIN CONTROL'.

Sincerely,

Dr. Mark Werner
2090 Joslyn Place
Boulder, CO 80304