From: adit b <acm.bfx@gmail.com>
Sent: Monday, January 25, 2010 4:29 AM
To: secretary <secretary@CFTC.gov>
Subject: "Regulation of Retail Forex" review of proposed new leverage rule from a retail trader.

Identification number **RIN 3038-AC61**.

Dear Mr.David Stawick:

First, I would like to express that CFTC rules in order to put leverage in forex spot market down to 10:1 is basically **killing** all US based retail forex trader that has interest in forex spot market. I believed this would be devastatingly bad as Government would basically shut down Forex Spot market to common people and monopolizing this market for financial institution and multimillionaire people only. In my opinion, as a retail forex spot market trader, a Maximum of 100:1 leverage with option to go down such as 50:1, 25:1, 20:1, 10:1, or even 5:1 leverage ratio are much better and excellent consideration because retail trader will learn the reality that the least leverage are the better off they would be in trading the forex market.

I also believe that this is a constraint to the freedom to participate in available market for retail trader and an isolation, or protectionism, for the benefit of rich people only. On the other side of coin, it would also be easy to perceive that CFTC or NFA simply does not conscientiously willing to regulate Forex Spot Market, thus would force retail trader to trade in Futures market only.

Secondly, I believe out two of the most recent established government regulations there were only one that does make good sensible sense in reality. For example, the No Hedging rules; where trader can not have both sell short and buy long positions in a same pair, under same account, is realistically the only excellent regulation improvement, because it'd actually benefit retail trader.

The second NFA rules regarding "First In First Out" position in reality prohibit a trader to execute sound risk management and "damage (unrealized P&L) control." For example, if a retail trader anticipated an appreciation in a currency where one opened a buy long forex spot position at 1.6400 price quote, the second buy long position at 1.6500 price quote, and current market action is in favor for retail trader, because current price quote at 1.6450; then the retail trader WILL NOT BE ABLE TAKE SMALL LOSS and forced to close the currently positive position. Thus, it will force trader to take small win and accumulating bigger loss. This undeniable fact as a consequence of FIFO rules has effectively devastating the retail trader and giving abundance opportunity for the Forex Spot Brokerage to 'milk' client's money.

I believed Government still has great interest to accommodate Americans abundance opportunities to pursue happiness in US soil. Ironically, there are rules that will be excellence in theory during the planning process but after being applied in the real world that same theory would crumble instantly as reality speaks the opposite loudly.

I think CFTC and NFA, or future government regulating agency that would regulate Forex Spot Market better off scrutinizing and analyzing the performance of Forex Spot Brokerages in US soil instead of deliberately killing most Americans access to forex spot market. I mean, for all tax payers money, dedication, and labour that people in US soil has been giving to build and enhance this country, US regulating agency should protect the small / weak people from corrupt Forex Brokerage and people such as Benny Madoff. If US regulation agency still has decency left they should protect the market for the weak or poor people from being corrupted by the strong people.

I understand that there will not many future presidents could do worst than George W. Bush's term of presidency but I surely hope and still trust that some US enforcement agency will be able to undo the catastrophe or at least do not make worst by protecting the rich and salvaging the weak people. Otherwise,. Americans would be force-feed into an 'inverted-Communism' political ideology.

Finally, if CFTC would do much good for USA, you as a federal enforcement industry should apply this 'leverage truncation' to all banks, that exist in US soil, to must have a maximum 2:1 leverage in their financial dealings -- never 10:1 ratio any longer -- and the prohibition of interest (" usury") practice. Four hundred years of history teaches mankind to acknowledge that usury practice will eventually always subjugate the poor/weak to pay up 90% of interest accumulation that the rich conducted in the names of weak people, while milking profit of the poor people from a protected legal corner.

Another thing that perhaps would benefit the market participants is the price synchronization of currency pairs in the forex spot market around the world, much like the price quote of a product in Futures market are the same across the globe on any given time.

I thank you very much for your reading and considering it.

Best regards,

A.B.