

From: Bernard J. Stankay <bernardjstankay@verizon.net>
Sent: Monday, January 25, 2010 6:19 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

identification number
RIN 3038-AC61 in the body of the message.

Dear Sir or Madame:

I write with concern over the proposed regulation. I am assuming that one intent of this proposed regulation is protection for the small retail customer. Being a small retail customer, I just want to emphasize that higher leverages that I have used, up to 100:1, have not adversely affected me. I think the issue should not be leverage limitations but sound education which I have undertaken prior to trading. While warnings are provided, I personally believe some form of free (not more cost burden to the small trader) education should also be provided and it isn't. Therein lies the problem. If you understand the risk and know how to manage it, and if you have a reasonable understanding of trading systems and methods as well as economic fundamentals, a 100:1 leverage is an opportunity, not a gamble.

I take currency trading very seriously and I approach it as such. It is a serious opportunity to earn money. As you know, small retail traders don't earn much even at 100:1, and even at that leverage small earnings are quite time consuming. If the maximum leverage was reduced to 10:1, I would likely not trade because of the sheer amount of time required to earn anything at 10:1, thus losing income opportunities. Also, if expensive educational requirements were mandated, I could not afford them. I would be eliminated from the opportunity, thus relegating this opportunity to the wealthy only. Furthermore, with flexible leverage, people have a choice. They don't have to trade at 100:1 and they know that if the knowledge is properly disseminated. In currency trading, you can be limited to not lose more than you put in. That limitation already exists and should be mandated if it is not enforced.

The bottom line is that with flexible leverages, one can choose. With higher leverages, trading becomes an opportunity for the small trader. Proper education is essential; that is what reduces risk. Reducing risk by eliminating the opportunity defeats the purpose and diminishes the market balance and its liquidity. Above all that would hurt, not help, the small trader.

Please consider these comments.

Sincerely,

Bernard J. Stankay