

From: lucinda davis <lucindadavis04@yahoo.com>
Sent: Monday, January 25, 2010 11:10 AM
To: secretary <secretary@CFTC.gov>
Subject: Proposed 10:1 leverage

Dear Sir/Madam:

I am a forex trader and have enjoyed good relationships with a couple forex brokers here in the United States. I have become aware of the CFTC proposal of limiting the amount of leverage offered by NFA-registered brokers to 10:1.

I am very sorry to hear of this proposal and the possible consequences should it pass. This move would absolutely kill foreign exchange trading in the US as we know it today and would force us to move our accounts to brokers in other countries. I strongly feel that the government should allow forex brokers to offer their clients whatever leverage they are able to. People like me enjoy trading small accounts and should be allowed to do so. A person should not have to had a \$100,000 account in order to trade in forex market.

With the act of many traders moving their accounts offshore, many US brokers would have to lay off workers and/or close. In these times when jobs are needing to be created, is that really the action that we want to happen? Also, in these slow economic times, many people, such as I, are using their forex trading to supplement a lower income or rebuild retirement that has gone by the wayside over the last few years. The new proposal could totally eliminate that if a person wants to retain US brokers as I do. The NFA has many legitimate and protective rules that we appreciate and we would lose that protection by going offshore.

I am not sure of the rationale of the proposal of 10:1. Is it to protect people from losing in the forex maket perhaps? If that is the case, I am of the opinion that trading requires a certain discipline and the use of money management skills. These must be learned and adhered to on a personal and person to person basis depending on their tolerance and goals. I certainly hope and pray that the government does not attempt to legislate the irresponsibility of some at the expense of those of us who follow our money management rules. At any rate, I can see how the new proposal could actually increase losses and people with small accounts get margin calls more frequently.

Again, as a active forex trader, and since the leverage has already been lowered from 200:1 to 100:1, I hope and pray that it be maintained at the current level of 100:1.

Very sincerely,

Lucinda Davis
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