

From: Nick Edwards <nicedwar@gmail.com>
Sent: Monday, January 25, 2010 12:57 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Regarding:

"Leverage in retail forex customer accounts would be subject to a 10-to-1 limitation." from:
<http://www.cftc.gov/newsroom/generalpressreleases/2010/pr5772-10.html>

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I am for basic protection of retail traders/investors. I have personally signed up for investment services that turned out to be a scam, and I believe organizations who are committing outright pre-meditated thievery should be stopped.

I am *not* for eliminating the potential for reward by over-limiting the inherent (not pre-meditated) risk in investing. It is very hard to enter the forex market without getting an education on the risks involved; the disclaimers and warnings are all over educational information, and all over broker websites and literature. Anyone who is somehow able to invest a large amount of over-leveraged funds in forex without coming across these warnings is a lost cause. I am particularly against limiting the leverage traders can use. While some leverage offered by brokers can get extreme (200-1), forcing 10-1 nearly eliminates the potential for investment-savvy, initially low-income individuals like myself to prosper in forex. I'm sure this would only drive retail traders to use non-US brokers. A better path to take is to foster and promote the helpful retail trader community's educational efforts. Most in this community would agree that leverage protects more than it draws down.

Please see that the leverage-limiting provision in question, and any provision that would similarly limit potential for prosperity is not used. Thanks.

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