

From: Paul Zimmerman <openpossibilities01@yahoo.com>
Sent: Tuesday, January 26, 2010 7:57 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of retail forex

Dear Sirs,

I am writing to speak out against the proposal to cap leverage at 10:1. As a relatively small retail Forex trader, I would be eliminated from this market by such a move. I presently operate at 50:1 leverage and would not be able to generate the dollar value of returns I get, both from active trading and from certain carry trade strategies that I employ, at a lower leverage.

I want to be very clear about this: me, and people like me, will be pushed into bankruptcy by such a move. Whatever benefits you think there are to be derived from capping leverage at such a low level, understand that you will literally be taking away vital secondary income from thousands of individuals, and that will lead to damage to other parts of our nation's financial system. If it were not for the returns I am able to consistently generate with my skills at 50:1 leverage, I would not be able to pay several of my bills. At 10:1 leverage I would be forced out of the market and go broke.

Of course, I am not going to let this happen to myself, so the only choice I will be left with will be to take my business overseas. Therefore, in addition to harming people like me, you will end up destroying the jobs of people who work in the U.S. based firms that people like me have been using, and you will end up costing the U.S. tens of billions of dollars of potential tax revenue at a time when the financial solvency of our nation is in question.

I urge you to leave leverage rules as they are right now. Do not put this rule into effect or you will only have yourselves to blame for the destruction that will result.

Sincerely,
Paul E. Zimmerman, M.A.
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