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**Sent:** Tuesday, January 26, 2010 8:28 PM  
**To:** secretary <secretary@CFTC.gov>  
**Cc:** Stawick, David <dstawick@CFTC.gov>; Smith, Thomas J. <tsmith@CFTC.gov>; Bauer, Jennifer <JBauer@CFTC.gov>; Penner, William <WPenner@CFTC.gov>; Cummings, Christopher W. <ccummings@CFTC.gov>; Sanchez, Peter <PSanchez@CFTC.gov>  
**Subject:** STRONGLY OBJECT TO 10-1 LEVERAGE LIMIT IN REGULATION OF RETAIL FOREX PROPOSAL RIN 3038-AC61

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Attn : David Stawick, Secretary, CFTC and ALL CFTC policymakers:

As a non-affiliated US-based Retail FX trader, please note for the record that I am **STRONGLY OPPOSED** to the 10-1 leverage limit as proposed in RIN 3038-AC61 relating to the Regulation of Retail Forex.

### **Counter-productive effects**

This senseless limit would in NO way protect, aid or benefit me but rather would greatly harm me since this restriction, if passed,

- would require that I submit substantially more margin-funds into non-protected, non-FDIC insured, non-SIPC eligible accounts, actually exposing me to increased risk in the event of bankruptcy of my Forex Broker.
- would NOT divert my business into regulated-Futures trading (as the CFTC is probably hoping), but rather would cause me to seek an unreliable, higher-risk offshore FX broker to trade through, whose practices might be questionable.
- would eliminate one of the greatest benefits of trading Forex : My ability to efficiently deploy my own trading capital in the way that I choose.

### **Lower FX vols require far greater leverage**

FX volatilities are generally substantially lower than in the Equities or Futures market. Therefore, significantly more leverage is required simply to capture equivalent trading opportunities.

### **Nanny not needed**

I do not want the CFTC to treat me like a child and dictate how I should trade. While 100-1 leverage is available to me – should I choose it – I am never forced to use it. The bottom line is that OTC Retail Forex trading is NOT Futures trading. Please do not try to treat it as such!

**PLEASE IMMEDIATELY STRIKE YOUR PROPOSED 10-1 LEVERAGE LIMITATIONS.**

Don't let proposal RIN 3038-AC61 become an expensive lesson in unintended consequences....

Thank you.

Best Regards,

Andy