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COMMENT
CL-04284

From: Rick Trojacek <housesoop@gmail.com>
Sent: Wednesday, January 27, 2010 5:01 PM
To: secretary <secretary@CFTC.gov>
Subject: Proposed New Rules for Spot Trading Foreign Currency Markets

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Dear Sirs:

I have been recently alerted by my broker that a ruling change is being sought with regard to leverage ratios in the Spot Forex Market. While I support changes to increase the liquidity of Forex brokers and their subsequent exposure, reducing leverage ratios from 100:1 to 10:1 will be devastating to spot traders and brokerage firms and will be counterproductive. The Margin Call system of Forex Trading by design reduces risk. It is unlike Futures or Stocks where a Margin Call can genuinely place a trader in debt. As you know, the trader is not vulnerable whatsoever in this regard in Forex Trading. His/her account may be, if it reaches Margin Call, it is simply closed and all trades exited by the broker in behalf of the trader, and the trader can reenter the market later at any time with new funds.

I respectfully submit that this feature of Forex Trading be unchanged, and be allowed to remain as it currently is. My request is framed on two possibilities. First, it will give an unfair advantage to overseas brokers, and no regulation by the CFTC, and the currency market will die in the USA from a Spot Traders perspective. Brokers and dealers will go broke unable to sustain enough active trading to meet overhead against less regulated foreign brokers. The second reason is it will immediately place undo financial hardship on current traders, forcing them to increase their capital by 10 or seek out a foreign broker.

Sincerely,

Rick Trojacek