

From: Randy Foreman <foremanr@cooley.edu>
Sent: Tuesday, January 19, 2010 10:33 AM
To: secretary@cftc.gov.
Subject: Regulation of Retail Forex - RIN 3038-AC61

Dear CFTC

While I am happy that CFTC is trying to protect the forex community with most of this proposed regulation, I am troubled by the proposed leverage reduction.

I feel that this attempt to reduce leverage to 10 to 1 is not actually intended to protect the trader. I believe in fact it is a political move on the part of certain very wealthy institutions to remove small traders from the competition.

The proposed leverage reduction of RIN 3038-AC61 attempts to give the appearance of being a "Big Brother" type of action intended to protect the user from himself. But if that is REALLY the goal, then it will fail. In reality the proposed leverage reduction of RIN 3038-AC61 will force the small forex trader to open an unsafe overseas account. So the regulation if truly intend to serve the retail forex trader fail.

But if the purpose of the leverage reduction is to eliminate forex retail traders from the US market then it will succeed marvelously.

A leverage of 10 to one makes it almost impossible to trade more than one pair at a time, or to enter into several long term trades.

Also some pairs such as the EUR/CHF move very little and so one needs to use a larger leverage. For example I tend to trade the EUR/USD with a leverage of about 30 to 1, whereas when I trade the EUR/CHF I trade it at about 3 times larger -- 90 to 1.

I strongly urge you to reconsider the aspect of RIN 3038-AC61 that reduces leverage to 10 to 1. The reduction last year from 400: 1 to 100: 1 was fine. We didn't need 400:1. 100: 1 is reasonable since it allows one to trade multiple pairs and also trade larger amounts on small movers such as EUR/CHF.

Thank you for your consideration.

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