

From: Toby Benedict <tobycbenedict@gmail.com>
Sent: Saturday, January 30, 2010 8:00 PM
To: secretary <secretary@CFTC.gov>
Subject: Re: Regulation of Retail Forex

Dear secretary,

In addition i believe that people would not devote the necessary amount of time researching economic fundamentals, etc, if the leverage was reduced to 10 to 1; because they would have to gain upwards of 2000 pips to make the same return they can now with 200 pips, they would end up not researching the market enough because of the extra amount of time it would take and therefore end up doing poor quality trades. As well i don't believe that any traders are out to dictate or manipulate the market; how can they when it is a 3 trillion dollars market. Everywhere else in the world people are able to trade the forex currency market with leverage and i strongly believe that the already reduced leverage at 100 to 1 is optimum, fair, and plenty safe. In fact in order to lose your money you would literally have to do hundreds of trades because the leveraged position protects most of your money and when it closes you are left with a large amount of capital and more opportunities. In addition people can use stop losses at all times and manage their risk by A. either changing their leverage, or even easier by just buying less lots. It's every individual's own personal choice; please do not reduce the leverage to 10 to 1; that would be a 97.5 percent reduction, and completely unnecessary. Toby Benedict

On Sun, Jan 24, 2010 at 7:24 AM, Toby Benedict <tobycbenedict@gmail.com> wrote:

RIN 3038-AC61 Dear sir,

I have traded currency pairs in the forex market in the U.S. for over 3 years time. I believe that the changes implemented last September reducing the leverage to 100 to 1 and 50 to 1 have benefited many traders. However the new proposal to further reduce leverage to 10 to 1 would be unnecessary and overly restrictive. I devote a large amount of time studying the technical and fundamental analysis to try new trading strategies all the time and i find the current amount of leverage very good. If it is drastically reduced to 10 to 1 it would severely affect my return potential; it would be impossible to get a good return in a reasonable amount of time. Furthermore if this change was implemented and the regulators prevented U.S. investors from being able to trade forex overseas i would be severely dissappointed and frustrated. People know that foreign exchange trading is potentially risky already; they are well educated and know to not use more than 10 percent of their total capital invested on higher leveraged trades. The companies do a very well job of educating investors on this. Therefore i would be very dissappointed to not have an opportunity to be able to make a little money with the small amount of money i can save from my job; 10 to one leverage would be way too low. Please keep the leverage at the current level; it is already safe enough. I strongly believe this would very negatively affect the forex retail market in the United States. Thank you for your time. Sincerely, Toby Benedict tobycbenedict@gmail.com 510 Broadway #301 Seattle, WA 98122