From: Tom Tang <tang11790@yahoo.com>
Sent: Sunday, January 31, 2010 2:24 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

RIN 3038-AC61

Dear Secretary,

The proposed regualtion to limit leverage to 10:1 is not necessary.

It is said that this measure to to "protect the traders". I belive that it only limits traders' ability to trade forex, not protec them. Because the maximum rist of a forex (or any other investment) trading account is to lose the entire fund that was put in the account when it's opened. It doesn't matter what the leverage is.

The way to protect the fund is to limit paper lose to certain percentage of the toatl balance, for example, 50%. When this margin is reached, open orders will be automatically closed.

For instance, I have $10,000 in my account. Some open orders are losing money. Once reached the -50% mark, orders are automatically closed. I still have $5,000 left in account. If I choose to continue to trade, and still lose money, the 50% rule will be triggered again. This time I will have only $2,500 left, and so forth.

This proposed regulation will not control the risk, but rather force the trader to put more money in the account. Many strategies rely on a leverage 100:1 or higher. Trader will either pull out of US forex market completely, or continue to trade with more maney and same risk. If a trader doesn't have good risk management, he/she will end up lose more money!

Thank you for your time and attention,

Sincerely yours,

Zhiyun Tang