

From: James Eckart <dalyncjim@verizon.net>
Sent: Tuesday, January 19, 2010 10:49 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Re: **RIN 3038-AC61**

These are my comments on the proposed regulatory changes wherein the maximum leverage allowed for retail Forex traders would be 10:1 as opposed to the 100:1 leverage allowed under current regulations.

I believe that all traders should have the right to choose the amount of leverage that is appropriate for his/her risk tolerance. Further, by requiring a significantly lower leverage by regulation, it forces retail traders to either have significantly more assets in his/her trading account and/or be forced to trade much smaller lot sizes, or both. Overall, this is a considerable disincentive to potential retail forex traders.

When I began trading spot forex two years ago, I was limited to 100:1 leverage and I was very comfortable with the risk when trading one or two lots of 50,000 lot size. In anticipation of forthcoming regulation changes, I am presently being limited to 25:1 leverage for all cross pairs which is limiting my ability to trade my desired lot sizes. If the proposed leverage regulation limits trades to 10:1 (10% margin requirement) leverage, I will be forced to stop trading forex because my risk reward ratio becomes unfavorable and my account size won't permit me to trade enough to make it a worthwhile venture.

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