From: Peter Fontana <peterfontana@bellsouth.net>
Sent: Monday, February 1, 2010 12:43 PM
To: secretary <secretary@CFTC.gov>
Subject: Proposed Margin Regulation for Retail Forex

Mr. David Stawick
Secretary
Commodity Futures Trading Commission

Dear Mr. Stawick,

I am responding to the proposed revision of the Forex margin requirement (RIN 3038-AC61). I very much object to the proposal to change the margin for Forex trading from 100:1 to 10:1. This proposal would be devastating to Forex traders. A Forex trade is a zero sum transaction as the amount on the long side is offset by the short side. There clearly must be some margin deposit to protect both sides of the transaction. Many trades are hedging transactions and therefore even with 100:1 marging very low risk trades. Not very long ago a 400:1 margin was offered by many Brokerage firms. For some traders this could result in them being out of margin in a short period of time. I think that the current 100:1 margin is adequate protection for all involved. If this proposal were adopted many traders would move their accounts to foreign Brokerage firms where 100:1 margin would continue to be offered. Unfortunately a number of foreign firms use shady business practices and the traders equity could be lost. I urge you not to change the 100:1 margin requirement .

Sincerely,
Peter R. Fontana
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