

From: nickdholt@googlemail.com on behalf of
Nick Holt <nick.holt@starscan.co.uk>
Sent: Wednesday, February 3, 2010 6:46 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Ref: **RIN 3038-AC61**

Dear Sir,

I am writing to you in light of the suggested changes in regulation of the Retail Traders in the US.

I'd like to start by clarifying that I absolutely agree with the perceived intention of this regulation ... to ensure that the Retail Forex market is a safe and regulated market where traders can come safe in the knowledge that their funds are secure and that some of the "sharp" practices are brought into check.

I am new to Forex trading, although I have now been researching this trading market in excess of 1 year and I have for a long time been aware that a strict Money Management policy is need otherwise the risks involved in trading are ridiculous. A mistake which causes the vast majority of new traders to lose their capital ina very short period. It is my understanding that it is in this light that the suggestion of a maximum leverage of 10:1 be permitted for the Retail Trading market in the US, and with this I whole heartedly disagree.

I beleive that the key to sucessfull regulation would be fair controls applied ina cautious manner ... with a ratio of 10:1 small traders, with limited capital are excluded from the market, and those that can get in are limited in the growth that can be achieved. I truely believe that EDUCATION is the key ... there are no shortage of places people can get well instructed in Forex trading, can find out about the pit-falls and can plan the best way for them to avoid those dangers.

I agree that leverages of 100:1, 200:1 and 400:1 are ridiculous and I currently trade at a ration of 50:1 which allows me the opportunity to make good growth while also maintaining a tight money management policy.

I suspect that should such a low leverage be imposed on the money markets in the US, a significant number of traders from outside the US will have no alternative but to move their money into other financial jusidictions (Asia or Europe for example) ... this would be a further blow to the US economy ... and as we have seen, that would also have an effect on the rest of the Global economies.

Please, in this matter, reconsider the level of leverage, limited it to 50:1 allows us small new traders to enter tha market and grow our business in a safe, profitable and controlled manner.

Sincerely,

Nicholas Holt
Email : nick.holt@starscan.co.uk
Address: Im Gruenen Grunde 3C, 22337, Hamburg, Germany
Tel: +49 160 977 85369