

From: Taylor Stockwell <stockwet@gmail.com>
Sent: Tuesday, January 19, 2010 11:31 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Re: ID Number RIN 3038-AC61

To Whom it May Concern:

I am fiercely opposed to the proposed leverage change represent in the CFTC's latest regulation proposal. While I appreciate the efforts that the CFTC is making to stabilize the retail forex market, there must be balance between stabilizing the market and promoting growth. As a long-time retail trader, I, and many, many others, will move our accounts elsewhere if this rule is accepted.

The 10:1 leverage rule represents an overly aggressive approach to dealing with potential business losses resulting from Forex trading. It seems that the CFTC is attempting to protect me from myself. I'm sorry, but, that is simply unacceptable. Following are some valid reasons for leaving leverage at 100:1 or GREATER.

- 1) Retail traders use leverage as a protection against broker failure risk. I do this. I keep cash in my other bank accounts and smaller amounts of funds with my brokers. I don't want to lose my funds due to a broker bankruptcy. If you can guarantee me that this will never happen, then I might be willing to consider this as an option. Unfortunately, this isn't a guarantee that you will ever be able to make.
- 2) I and other traders will move our accounts offshore. All of your policies will then be for nought if there are no more traders trading in the US FX market.
- 3) Brokers will go out of business.
- 4) Retail traders will lose a major source of income.
- 5) Jobs will be lost or moved to offshore firms.
- 6) Tax revenues from traders and firms will vanish.

There are far more reasons to leave the leverage at higher levels than to move them down. If you are aiming to kill the US Forex industry, this will certainly succeed. If you are out to protect Americans from predatory practices, this will fail as traders will move offshore. In all, this is a very, very bad idea.

Regards,

Taylor Stockwell
13604 Winterberry Ridge
Midlothian, VA 23112