From: Edgar Cuevas <edgarcuevas@gmail.com>
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To: secretary <secretary@CFTC.gov>
Subject: 'Regulation of Retail Forex'

RIN 3038-AC61

What the CFTC is proposing *increases the retail trader's risk by a factor of 1000%.*

The math goes this way:

At the current 1:100 leverage, for each $100.00 of his/her out of pocket Capital Investment *Risk Exposure*the trader is entitled to trade $10,000.00 worth of currencies.

At the proposed 1:10 leverage, the trader is entitled to trade *the same $10,000.00* worth of currencies but his/her out of pocket Capital Investment *Risk Exposure is $1,000.00* as opposed to $100.00.

The CRTC proposal 'increases' out of pocket Capital Investment Risk Exposure by 1000%.

Clearly something is wrong with the proposal; it is either terribly misguided or worse. How would the retail trader's *exposure to risk be reduced with their proposal*? What is the common sense answer that is being overlooked?

Reducing **Leverage** from 1:100 to 1:10 is **not** the answer. The proposal as it stands as a disaster-in- waiting for retail traders.

The right solution is for the CFTC to tackle margin control.

In order to protect the new/naive/self destructive and or otherwise uneducated trader from him or herself,**account margin limitations** should be revised so that the trader's out of pocket Capital Investment Risk Exposure is never any greater than 5% or 10% or his/her trading account at any time.

Leave leverage alone; leverage is neither the problem nor the solution. The answer to risk exposure is not leverage control. In fact, *leverage control would have the exact opposite effect by increasing risk – tenfold.*

The answer is **margin control.**

Apart from that, I would call on the CFTC to use whatever pro-active and aggressive steps necessary to keep unscrupulous brokers/operators and get-rich-quick- and-easy 'fantasy' educational scams out of business.

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