

From: Michael Serpico <mjserpico@gmail.com>
Sent: Sunday, February 7, 2010 9:46 AM
To: secretary <secretary@CFTC.gov>
Subject: Industry Filings: Comments on Industry Submissions: Regulation of Retail Forex
Attach: RIN 3038-AC61 comments.docx

Dear Secretary,

My comments on **RIN 3038-AC61** are provided in the attached document. In summary, I urge you to abandon the proposal to limit forex leverage on the grounds that it will limit people from a legitimate source of self employment and strip students of the market of a way to learn about trading from a hands on approach.

Thank you for your time,
Michael Serpico

1801 Buttonwood St. Apt 217
Philadelphia, PA 19130
2/6/2010

David Stawick, Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.,
Washington, DC 20581

Dear Mr. Stawick,

Please consider abandoning the proposal to limit retail forex leverage to 10:1. The forex market provides individuals with an entrepreneurial opportunity to support themselves and provides an avenue for individuals to learn about the derivatives markets' nature, risks, and operations. By limiting the leverage to 10:1, many otherwise smart, calculating and prudent individuals will be unable to gain the educational and financial benefits the forex market can provide. The rule could then ultimately lead to a marginal increase in the general population's ignorance of the marketplace and unemployment via former participants' inability to trade.

The retail forex market allows many skilled individuals with the ability to become confident self-employed workers or at least provide them with supplemental income. By increasing leverage requirements, participants' equity accounts will be unable to support the same number of contracts per trade. They will either have to abandon their source of income or trade without proper risk-reward ratios in an attempt to match the income they were generating when their accounts could support multiples contracts. This will lead to participants risking more money than is prudent or forcing customers to look elsewhere for the ability to trade.

The forex market also allows young, budding students of the market to get a hand on approach to understanding how the market works while only risking limited amounts of capital. Concepts, like leverage, slippage, bid-ask spread and many others will only be fully understood through genuine experience and sometimes financial loss. These experiences make the participants more knowledgeable and ultimately better off to pursue careers in the finance sector and keep a keener eye on their personal finances. Participants who do not heed these lessons and choose to risk more money are doing nothing more than gambling and will squander their money elsewhere regardless of the leverage requirements imposed.

Once again, I urge you not to pass a proposal limiting the leverage of retail forex transactions. This proposal will do little to stop the reckless participants squandering money and only hurt the smart, knowledgeable traders that have done nothing wrong.

Thank you,
Michael Serpico