

From: Tom Hamilton <tom.linkedin@gmail.com>
Sent: Tuesday, February 9, 2010 4:01 PM
To: secretary <secretary@CFTC.gov>
Cc: Stawick, David <dstawick@CFTC.gov>; Smith, Thomas J. <tsmith@CFTC.gov>; Bauer, Jennifer <JBauer@CFTC.gov>; Penner, William <WPenner@CFTC.gov>; Cummings, Christopher W. <ccummings@CFTC.gov>; Sanchez, Peter <PSanchez@CFTC.gov>
Subject: STRONGLY OBJECT TO 10-1 LEVERAGE LIMIT IN REGULATION OF RETAIL FOREX - PROPOSAL RIN 3038-AC61

Attn : David Stawick, Secretary, CFTC and ALL CFTC policymakers:

As a non-affiliated US-based Retail FX trader, please note for the record that I am **STRONGLY OPPOSED** to the 10-1 leverage limit as proposed in RIN 3038-AC61 relating to the Regulation of Retail Forex.

Counter-productive effects

This senseless limit would in NO way protect, aid or benefit me but rather would greatly harm me since this restriction, if passed,

- would require that I submit substantially more margin-funds into non-protected, non-FDIC insured, non-SIPC eligible accounts, actually exposing me to increased risk in the event of bankruptcy of my Forex Broker.
- would NOT divert my business into regulated-Futures trading (as the CFTC is probably hoping), but rather would cause me to seek an unreliable, higher-risk offshore FX broker to trade through, whose practices might be questionable.
- would eliminate one of the greatest benefits of trading Forex : My ability to efficiently deploy my own trading capital in the way that I choose.
- **would result in a significant loss of jobs and dollars for the US economy.** I would very likely take my money and business to a broker in Europe, hurting our economy and boosting theirs.

Lower FX vols require far greater leverage

FX volatilities are generally substantially lower than in the Equities or Futures market. Therefore, significantly more leverage is required simply to capture equivalent trading opportunities.

Proposed Margin regulation is unnecessary, restrictive and goes against the values of our country.

While 100-1 leverage is available to me – should I choose it – I am never forced to use it. The bottom line is that OTC Retail Forex trading is NOT Futures trading. Please do not try to treat it as such!

The change you propose is NOT in line with the free market economy that is one of the most valued aspects of this country.

PLEASE IMMEDIATELY STRIKE YOUR PROPOSED 10-1 LEVERAGE LIMITATIONS.

Don't let proposal RIN 3038-AC61 become an expensive lesson in unintended consequences.

Thank you for your consideration,

Tom Hamilton

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