

From: Juan Eizondo <papaney1@yahoo.com>
Sent: Tuesday, February 16, 2010 7:02 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear CFTC,

I am writing to comment on the new proposed regulations. In particular about the lowering of leverage from 100:1 to 10:1.

I am a retail forex trader that has used alot of leverage from domestic forex brokers and unregulated brokers in Cyprus. Overseas up to 500:1 is offered. Now why would anyone use such leverage? I don't really, I only like the fact that I can open a position with a set amount and not worry about complex computations especially when trading 3-7 currency pairs on minute charts. In reality I only use about 100:1 or less sometimes closer to 80:1 because I leave enough capital in my account to cover future positions and my open positions. I also use a domestic broker, Oanda, to make longer trades. They allow 50:1 leverage. I wish they had 100:1 because capital tied up in margin could be used to cover open positions.

Now I want to make a point that for the experienced trader even ZERO margin (INFINITE leverage) would be no problem as most have a very good grasp of how much capital they need to cover open positions.

I know the legislation is not aimed to protect experienced traders but the newbies that believe forex trading is a get rich quick scheme. I am positive it is this group that has complained to the CFTC, crying about how they lost all their money because they did not "understand" leverage even though 100% of legitimate domestic brokers clearly spell out the risks on the account opening page and elsewhere on their websites. Losers will lose their money with 1000:1 leverage or with 1:1 leverage. They only difference may be how quickly they lose it.

Does the CFTC want to live up to American principles of Justice? Wouldn't it let 99 guilty men go free rather than send one innocent man to jail? Why must 99% of traders who are happy with choosing their own leverage suffer because 1% lost their money (when most probably really understood that leveraged forex trading is risky and are now just sour graping)?

Thank you

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