

From: tigermothflyer-trader@yahoo.com
Sent: Wednesday, February 24, 2010 9:58 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

RE: RIN 3038-AC61

Dear Sir,

First, I would like to thank the CFTC for looking out for the small traders like me by implementing rules and regulations that protect the retail investors and traders. However, regarding the current set of proposed changes to the leverage for retail forex trading, I felt it unnecessary and crippling. As an individual trading my own personal account, I would like the freedom of choosing my own leverage as offered by my broker and not be limited to a ridiculously low leverage as proposed by the CFTC. I trade only mini contracts and used the advantage of the mini contract to manage my risk by scaling up or down the number of contracts I trade according to my equity level. This trading regime allows me to grow my equity at an exponential rate when market conditions are favorable and allows me to cut back on risk when facing adverse market conditions. However, the new proposed leverage change will seriously impact my money and risk management strategy, not to mention my long term equity growth. In effect, the CFTC is telling me to trade a smaller size than my current strategy allows, even though my current strategy is already rather risk-adverse. I do not wish to be dictated by the CFTC as to what position sizing to take or not to take, and if the proposed rule does take effect, I will definitely move my account away to another broker in another country that gives me the freedom to choose my own leverage. I am sure many retail traders will be doing likewise, thus posing a serious limit to the future growth of the US retail forex brokerage industry. I hope the CFTC will reconsider this proposed leverage change and leave the choice of choosing the leverage amount to the individual trader. Thank you very much for your kind consideration.

Regards
Jim Tai