

**From:** Kravos, Ted <tedforex@yahoo.com>  
**Sent:** Saturday, February 27, 2010 12:09 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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The Kravos Residence  
4028 Whipple Ave.  
Canton, Ohio 44718

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

Dear Sir,

**Hello, My name is Ted Kravos and I mailed you a letter a couple weeks ago on this issue as I pasted it below, just in case you did not get it in the mail.**

**I am very concerned about the new proposal rule and wanted to make sure you get this.**

My father and I are from Canton, Ohio and we are retail Forex traders and we are very concerned about the CFTC's proposal to limit Forex leverage to 10:1. RIN 3038-AC61

We strongly oppose the proposed 10:1 restriction of leverage sizes for retail Forex traders in the United States because it will cost thousands of jobs and will cause us to move our money outside of this country.

One of the primary reasons that traders lose money is because they are largely uneducated and do not practice trading in a demo account before trading real money.

**Novice Forex Traders need to READ the very large print RISK DISCLOSURE STATEMENT that every United States Broker makes us sign on their registration forms before trading real money and opening an account.**

**IT IS NOT FAIR for all traders to be penalized in the Forex because some people complain of losing their money. People lose money because they don't educate themselves about the risks involved with trading large amounts of money at one time. The simple way to stop this is they should not trade money they cannot afford to lose.**

**It's their own fault for NOT reading the risk disclosure and NOT getting properly educated before investing their money. Trading is serious business and brokers should be shut down if they are not educating their clients properly about risk.**

**The brokers need to provide more educational materials on examples of how people can lose their money and that any trader should NEVER RISK MORE THAN 3% OF THEIR TRADING CAPITAL on a single trade. This rule alone will prevent great loss of money.**

Hundreds of brokerage offices, Forex businesses, Forex seminar trading companies, Forex trading book companies and the large trade shows in New York and Las Vegas will go out of business or move to other countries.

Customers here will move their funds with other internet brokerage offices located overseas to continue with the current 500:1, 400:1, 200:1 leverage.

**United States forex traders cannot make money and trade with this low leverage of 10:1 PLUS the 10 times higher capital requirement. It's ridiculous!**

People may change the way they invest their money and try more riskier ways to make money. Real Estate and the Stock Market is not the answer in this economy.

We lost a lot of money in Stock Option Trading and know that trading Forex is much less risky.

It seems as though someone there thinks that retail forex trading is so dangerous as to precipitate some type of financial crisis. We know that is not going to happen.

We need to focus on more important problems in our financial system.

We need to CREATE JOBS in this economy and KEEP THE JOBS HERE in the United States. We don't need to jeopardize more jobs by this new proposal.

People in this economy do not have the kind of money to trade with 10:1 leverage AND may decide to invest their money into more riskier avenues of trading.

If leverage changes to 10:1, there will be **TOTAL DESPERATION AND TRADERS WILL SCRAMBLE** to overseas brokers that allow the leverage the traders are used to having now in the United States. Don't change anything. Leave everything alone!

More United States traders will get scammed on the internet by unlicensed and unethical brokers that don't really have an office to be called a broker.

**The U.S. government has a right to collect taxes on our earnings in the Forex! KEEP THE MONEY IN THIS COUNTRY AND COLLECT TAXES ON IT. Traders will move funds out of this country with 10:1 leverage ruling.**

We think it would be better to work with the **Forex Peace Army** to educate the public about scam forex web sites and brokers that are scammers. The Forex regulators should give more Forex traders reference to the Forex Peace Army website on the broker registration forms to help people to become more knowledgeable about unethical brokers and scam web sites. Their website is [www.forexpeacearmy.com](http://www.forexpeacearmy.com).

Forex Peace Army is the best thing out there to educate the public about Forex and to let people know about the real Forex educational materials and free web site trading help. It is a totally unbiased web site for the Forex Traders to protect them from losing money.

The Micro Accounts with the United States Forex Brokers are good for the middle class traders because it reduces the amount of money they can lose in the Forex Trading. People can start with little money and learn how to trade. It gives the chance for people with small incomes the ability to learn how to properly invest their money in the Forex. A person cannot lose a lot of money with a micro or mini account.

We think It would be good that brokers recommend trading in a small micro or mini account before investing in a standard account. This would avoid great loss of large sums of money by the novice trader. Traders need to be informed properly of this option.

If the leverage is changed to 10:1, it would eliminate these smaller micro accounts that most United States Brokers offer since they would go out of business and lose millions of dollars and lose all their clients to brokers overseas. **People would have to trade greater sums of money to make any money at all which is more risky for people.**

The United States government will lose millions of dollars in tax revenue generated from traders moving their money to overseas brokers and people will lose their jobs.

**We, the American People DO NOT want to see the financial industry in this country lose more jobs.**

This proposal of 10:1 leverage would jeopardize many lives and many trading educational seminar companies will also go out of business.

**All this proposed legislation really won't matter too much because if it passes. All the brokers in the U.S. will go out of business and what good will that do? The brokers DO NOT want this proposed 10:1 leverage.**

Governments should control banks and the stock market manipulators...not Forex traders.

It wasn't retail Forex traders that took down the economy the last few years, was it?

Please reconsider and **DO NOT PASS the 10:1 leverage! 10:1 is NOT the answer!**  
**PLEASE DO NOT LET THEM PASS IT!** It will make the economy worse!

Thank you,

Sincerely,

Ted Kravos and Ed Kravos

OUR ADDRESS

Ed and Ted Kravos  
4028 Whipple Ave. NW  
Canton, Ohio 44718

Phone: 330-492-3262

**Ted Kravos**