

From: mike delfino <mdelfino2006@yahoo.com>
Sent: Saturday, February 27, 2010 7:28 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Sir, Madam

I'd like to respectfully alert you about the unintended consequences of limiting leverage to 10:1. I trade forex for a living to support myself and my family (my wife and my three children) in this difficult economic times for our country (my wife and myself were laid off due to the recession in 2008). I chose to open a trading account with a U.S based forex dealer merchant (FDM) that is a member of the National Futures Association and is registered with the CFTC as a Futures Commission Merchant (FCM). I believe that the funds in my trading account are safe due to the oversight provided by the NFA and the CFTC. However if the proposal of limiting leverage to 10:1 come to pass it will definitely forced me and thousands of fellow U.S based traders to move our trading accounts to Canada,the UK, Switzerland or Dubai where there's no limit on leverage. We cannot make a living and support our families with only a 10:1 leverage limit. *This proposed rule will not* "protect" me nor my fellow traders from losing money when trading forex. It will only hurt my trading profits by limiting my positions size and prompting margin calls sooner. All the U.S. based Forex brokers - dealers already comply with the NFA disclosures requirements about the risks involved with forex trading on margin using leverage. It's been my experience with meeting forex traders at trading events and participating in online trading forums that the overwhelming majority of forex retail traders are sophisticated investors who understand the risks they're taking when using leverage. Leverage is more or less risky depending on the strategy. An arbitrary leverage 10:1, 50:1, 100:1 etc.. is meaningless unless the trading strategy employed is referred to also. **One size doesn't fit all.** I strongly believe that by simply requiring clients of retail forex brokers to take an online competency test to verify and certify that the particular client understands the true risks involved in using leverage; and depending on his passing score he gets "qualified" to trade with 100:1 or 50:1 or 10:1 etc..maximum leverage to protect him/her from himself/herself. If the CFTC is worried about forex brokers-dealers "taking advantage" of uninformed customers/traders trough leverage then certifying the traders should resolve that concern.

Sincerely,
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