

From: daryldm@yahoo.com
Sent: Monday, March 1, 2010 4:51 PM
To: secretary <secretary@CFTC.gov>
Subject: 17 CFR Parts 1, 3, 4, 5, 10, 140, 145, 147, 160, and 166 Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries
Attach: NFAproposedRulemaking20100301.doc

Please consider the attached comments. Thank you.

Daryl Mercer

March 2, 2010
P.O. Box 11202
Bainbridge Island, WA 98110

Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Dear Sirs:

I am a forex trader and am writing to provide my comments and express my concerns about the proposed leverage reductions being considered by your organization. I believe the proposed changes will profoundly affect my profession.

I have dedicated myself to trading and have spent a considerable amount of time and money to become a proficient trader. I now trade full-time.

I understand and appreciate the risks associated with the higher leverage typically offered by forex brokers. Obviously, leverage can work for you or against you, depending on your knowledge of the market, your application of proper money management principles, and the integrity of your brokerage firm.

By lowering the leverage to the proposed 10% level, you are effectively requiring me to substantially increase the funds in my unprotected trading accounts to support the same level of trading and profitability. These substantially larger cash reserves are not protected by the SIPC or any similarly chartered organization and can be completely lost should the broker go out of business.

I understand and appreciate that your organization has responsibilities to try to keep the playing field as level as possible and I appreciate the changes you have made to clean up the brokerage side of the business. I suggest that you also require brokerages to no longer treat an individual with a trading account as an unsecured creditor. They should be required to structure their brokerage in such a way that they cannot use deposited funds as their own piggy bank, similar to what stock brokerages are required to do. For the most part, the brokerages that I have dealt with seem to be doing a much better job. Thank you for that. If I enter into a bad trade, I have nobody to blame but myself for the outcome and I can accept that and use the information from that trade to learn and improve. However, I have virtually no power to correct the situation if my broker is treating me unfairly.

Finally, please recognize that I am a professional traders and take my trading very seriously. I do not require, nor do I desire, the government to “protect” me by enacting the rule changes that you have proposed. It will not accomplish its intended goal. It seems counterintuitive that, if over the age of 21, I am allowed to completely destroy my financial life and that of my family in a casino where the odds of just breaking even are impossibly large, while at the same time, the government feels compelled to protect me as a professional trader from myself.

Please reconsider your proposed rulemaking. Thank you for your consideration.

Sincerely yours,

Daryl Mercer