

From: R D <rdubois3@gmail.com>
Sent: Wednesday, March 3, 2010 8:30 PM
To: secretary <secretary@CFTC.gov>
Subject: possible solution to the leverage concerns

To Whom it May Concern:

I understand that there has been quite the debate over this small portion of your proposed changes, and recognize that it's intent is to "protect the public". It is my experience that "the public" are relatively new and inexperienced traders who may foolishly overextend themselves through leverage mismanagement and lose most or all of their initial investment. More experienced traders use margin and leverage cautiously and do not make those mistakes.

Typically, when an investor opens a new trade account, the form asks for years of experience in trading. This is undoubtedly for statistical purposes, but can be misleading as trading stocks is vastly different from trading commodities which is vastly different from trading FOREX.

You may have already considered this, but I feel that it would be easier to implement a graduated leverage system based on how long the client has maintained an active account with a specific broker (6-12 months) instead of requiring excessive due diligence or client-reported numbers that may or may not mean anything. That way, the 'new accounts' (presumed inexperienced) are more restricted (and "safer"), and the 'old accounts' (presumed experienced) have the greater leverage flexibility if they wish to utilize it.

This is a compromise that can satisfy the whims of experienced traders in the form of more flexible leverage ratios, and minimize risk for inexperienced traders by restricting them. It would be a 'win-win-win' for public, investor, and regulatory agencies alike.

Sincerely,

Richard Dubois