

From: AlfaCorp,LLc <alfacorp1@aol.com>
Sent: Tuesday, January 19, 2010 1:27 PM
To: secretary <secretary@CFTC.gov>
Subject: New Forex Leverage Proposal is an outrage!!!

To whom it may concern,

I am a small business that relays solely on the forex market and its current leverage requirements. I have been a professional trader for over 13 years and have come to know that leverage when used properly is actually safer to new and experienced traders alike as it provides more participation and liquidity which prevents excess volatility leading to less risk. YES LESS RISK, because a new trader can open his/her account with less startup capital (higher leverage allows this), therefore he/she has less overall risk due to capital limits. This has allowed me to tutor and train young traders with minimal out of pocket cost to the trader. Conversely the new trader that uses max startup capital (as will be the case with your proposed requirement) will place this inexperienced trader at a huge disadvantage as he/she is very unlikely to ever build upon this initial deposit and will be encouraged to take larger risk by holding trades longer, not using stops etc, based on the illusion that he/she can afford this risk. In my experience high leverage can be very beneficial and has been the main reason for the recent popularity and successes associated with the forex market. The proposed requirement does not take into consideration real life retail trader scenarios and will ultimately put retail traders and small businesses out of business!!

I ask that you seriously reconsider this proposal and allow the retail trader community who you claim to want to protect, have their input as well as the brokerage houses. We are liquidity providers in our own right and are on the front line of currency markets around the world. I fear that if this proposal does pass, it will not only increase unemployment but also force more brokers, retail traders and small business to take their business overseas as many have already begun. This will be a travesty to all market participants and the American people as a whole!!!

David Rosenthal

Best Regards

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