

From: Mr. Barker <contactbarker@gmail.com>
Sent: Friday, March 5, 2010 3:40 PM
To: secretary <secretary@CFTC.gov>
Subject: proposed leverage change

Dear David Stawick:

Do you trade forex? Personally, you? I'm not being a smart-ass, I obviously don't know. If you don't, if you don't have firsthand experience with what it takes to be a successful forex trader, how on earth can you expect to make wise choices that will affect literally millions of small traders? If you do, can you honestly convince yourself that this proposal will in any way further it's intended objective?

The proposal to change leverage to 10:1 is just stupid if it's really intended to protect traders from themselves. All it will do is force small traders like me into offshore accounts where we will have to deal with additional costs and have less security regarding the brokers. I, for one, am not giving up my leverage. If I have to, I will follow my money offshore as soon as I am able. Trading is literally changing my life for the better and I will not be giving it up just because there's a marxist in the White House and socialism rampant in the streets. America deserves better.

I am a new trader. I've spent the last 8 months, at times literally living in front of my computer for days and catching cat naps on the couch so I wouldn't miss signals, learning how to trade. I have spent money on products ranging from very good to very bad. I have dug into savings to support myself. I have learned to practice good money management. I have learned to refine a trading strategy and adhere to it no matter what. I have paid my dues and then some and now you want to throw another roadblock in front of people like me just getting started. All because you get a lot of complaints from people that go into forex expecting it be easy, then they get upset when they find out it's hard? So many people expect something for nothing, but forex is the real world and it doesn't work that way.

There is a reason why 95% of traders don't make it and it has nothing to do with how much leverage they have. They lose because they haven't learned to trade. If someone goes live and blows an account, they aren't practicing good money management pure and simple. I experienced this myself and lower leverage would have made no difference. Forex is a zero sum game. A few win big, a lot of other people have to lose - that's life.

You simply can not "fix" ignorance with all the regulations in the world. Education and experience maybe, regulation no. Some people will always be more creatively stupid than you can be systematically regulative.

I've learned through reading, and more importantly doing, to:

- Never risk more than 3% of my account on a trade.
- Patience, wait for price to come to me so I can use small stops.
- Always set a stop loss of 20pips maximum immediately and never increase it.
- If I have 3 losing trades in a row, stop trading for the day, take a break, figure out what's going on before trading again.
- Calculate contract size for each trade based on my risk %, account balance, and stop loss.
- Only take trades I think have a potential of 2:1 or better reward to risk.
- Follow my written trading plan exactly, shooting from the hip is not allowed.
- Start small, protect capital, build the account through compounding - increasing position size, while keeping risk % low and constant.

- Always remember that only I am responsible for my success or failures.

My rules, not yours, are what protect me and my accounts. My rules, based on my experience, not you catering to the lowest common denominator.

I now make rates of return I never imagined possible. It still amazes me that something so simple (not easy) can put food on the table for my family. Forex is my small business, my American dream. A year ago I was driving a delivery truck in a dead end job, wondering how I'd managed to live 42 years and have so little to show for it. Forex has given me the opportunity to change my life, my family's lives, maybe some of my friend's lives. I enjoy my new profession and am proud of my new skills. I now feel I have a purpose in life: learning to trade so I can eventually show other people how it do it too.

Your proposed margin reduction will do nothing to stop the losers from losing. They will just lose slower, or more likely, they won't start trading at all because the incentive is gone. Is that what this is really about? Killing the forex market for small traders? Then you get fewer complaints from clowns that blame everybody but themselves for their mistakes? **That's not fair and it's not American. I'm hoping you see this and agree this country is supposed to be, and still is, about opportunity, not entitlement.** No one is entitled to make money in forex or anything else, but we deserve the opportunity to pursue it as we see fit.

What I need and want your agency to spend time and effort on is going after the few truly bad brokers out there. Investigating outright fraud, not trying to be everybody's nanny. Having CTFC membership should be a good thing, but instead I'm having to spend time looking for brokers that don't have it. You know how depressing that is when I'm being forced to look outside of my own country because the government is trying to make it impossible for me to make a living doing what I want to do, what I have a passion for? I will eventually get to point where I am ready to teach others to trade - I am hoping I will still be in the U.S.A. at that point. Nothing you can do will stop me from trading, though I guess you can force me out of the country and out of the U.S. tax base. You are an American too and I know in my heart that you are better than that.

Thank you for your time and carefully considering the consequences of the margin proposal.

Sincerely,

John Barker
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