

From: Ray Myers <owleyespy@yahoo.com>
Sent: Friday, March 5, 2010 3:49 PM
To: secretary <secretary@CFTC.gov>
Subject: 'Regulation of Retail Forex'

Mr. David Stawick,

I would like to offer my opposition to the changing of leverage for retail Forex traders from 100:1 to 10:1 per **RIN 3038-AC61**.

Such a restriction would make it impossible for me to trade because the margin requirement would exceed my current financial ability. I have studied for over 2-years the trading of forex and have managed to maintain my account without losing everything during the learning curve. I am just now realizing some success and all the effort would be for naught if the leverage is changed.

Losses from trading do not come from excess leverage but from improper risk control. I have experimented with several different forex trading platforms, and everyone has made available expert advise for novice traders. The one most common lesson is managing risk by not committing more than 2% to 3% of an account on any one transaction. Using those parameters it would make no difference what the leverage is, your account would be safe from a catastrophic mistake. By changing the leverage you would actually force some traders into funding an account in an amount greater than they would be able to afford losing. By having higher leverage I am actually able to trade a meaningful amount on any one transaction without ever risking any more than whats in the trading account.

Forex leverage for small retail traders is not the same as the leverage being used by the big market traders. In the case of Goldman Sachs for instance, they have all the resources of the bank plus the resources of the U.S. taxpayer at risk on every trade if they don't manage the risk. A retail forex trader never has more than the amount in the trading account at risk because the vendor automatically closes all open trades if the account goes below the leverage amount. Granted there can be a rare case that the price gaps past a stop, but even in those cases the vendor closes the account immediately.

I can see no benefit from changing the leverage, but it would certainly restrict access to Forex to many people during a time in our country that opportunities are few and far between. Please leave the leverage at 100:1 or greater.

Thank you;
Ray Myers