

From: Charles "Chase" Jones <ccjdev_al@yahoo.com>
Sent: Saturday, March 6, 2010 11:53 PM
To: secretary <secretary@CFTC.gov>
Cc: ccjones@sfxholdings.com
Subject: Regulation of Retail Forex

David Stawick,

Please eliminate/strike/ remove this proposal: RIN 3038-AC61, 10:1 leverage constraint and leave at the present industry ranges ... 100/1, 200/1 etc.

Why any member of the the CFTC would ever believe that limiting leverage to such a ridiculously low level 10 to 1 is a good idea is to "protect" forex traders has me dumbfounded. This is true after recognizing that the rule change proposed is based on erroneous suppositions, it is completely idiotic and baseless in the realities of the retail market investor and trader.

Please immediately put a stop to this proposal. This is not in anyway a reasonable or value-adding proposition.

Traders have the ability to choose brokers that allow them to control their own leverage and adjust it to an acceptable risk tolerance level. There are so many options to mitigate risk already in place. Besides Standard Accounts, brokers offer mini-accounts, micro-accounts, and even within those accounts the ability to alter the leverage and/or choose how many lots that should be traded to minimize risk exposure.

Any seasoned, educated forex trader or forex dealer has operated happily under these premises and market dynamics. So it clearly appears that your working group has a socialist solution looking to wreck a functioning free market opportunity.

Here is the issue. A 10-1 leverage restriction policy would cause me and other traders to funnel more money into our brokerage accounts to control the same position sizes to deploy our strategies and generate the returns. Instead of having put up \$1000.00 to control a position, we would have to put up \$10000.00. These brokers are not insured. So these are high risk accounts in that regard. Refco went bankrupt and anyone who had their accounts with them lost their balances. Please spend your time vetting forex dealers but do not take away their right to select their own leverage offerings.

I strongly question the integrity of this proposal since it is no way helping affairs for the seasoned forex traders in the industry. It is exposing traders to more risk and removing freedom of choice regarding what brokers can offer. So if the intent is to crush the opportunity that currently exists or to erect barriers to entry, enacting this deluded policy would effectively accomplish that mission.

More importantly, in this economy, this is a business for me and others and to have the CFTC propose a leverage restriction ruling when it is clearly NOT needed is upsetting. It, unfortunately, demonstrates unabashed ignorance towards the availability of options in the Industry and has leanings towards abuse of power.

When this clear lack of understanding proposes to impact my livelihood, increase my risk exposure ten-fold and strip me of an excellent opportunity that I have studied and labored for over the past 6 years, I will state vehemently and unequivocally that ANY leverage restriction proposal, 10-1 or otherwise must be abandoned and forgotten as an industry wide proposal. Leave the control, where it belongs in the hands of the brokers and traders.

Once again, please eliminate/strike/ remove this proposal: RIN 3038-AC61, 10:1 leverage constraint and leave at the present industry ranges ... 100/1, 200/1 etc.

Regards,

Charles Jones