

**From:** Steve T Gutke <sgutke@insightbb.com>  
**Sent:** Sunday, March 7, 2010 1:43 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Dear Mr. Secretary,

Regarding **RIN 3038-AC61**, I believe that either an increase in margin requirements or a decrease in maximum leverage ratio makes sense for retail investors (including myself). However, implementing both do not make logical sense which I shall explain. The purpose of margin is to cover the average daily FX loss (based on average daily price volatility). If the leverage is reduced 10-fold to the proposed 10:1 then potential maximum losses would be reduced by 10 times and as a result, the amount of margin needed would be reduced by 10 times. However, in order to be conservative and increase the safety of our financial markets, we should keep the current margin levels rather than lowering them by a factor of 10.

Alternatively, you could raise the margin requirements and keep the current maximum leverage ratio. However, my preference is to decrease the maximum leverage ratio to the proposed 10:1 because this directly reduces the maximum possible loss to the investor which directly impacts the small investor's ability to meet margin requirements in the first place.

Thank you for your time on this important matter.  
Sincerely,  
Steve Gutke