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Sent: Tuesday, March 9, 2010 8:02 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I am writing in support of NOT decreasing the leverage ceiling from 100:1 TO 10:1.
I had no concerns at all about the 200:1 to 100:1 change (200:1 struck me as "quite alot" at the time).

I am willing to volunteer that as a novice currency trader, I "wiped out" my margin: that the FOREX firm closed the entire position and not just enough to clear margin is a separate issue between my FOREX firm and myself.

I have since learned that my trading style is to hold much lower leverage, resist dollar averaging too frequently, and to have capitalization available that can sustain long-term trends and issues such as stop-sweeps that I now understand are a common part of trading in this environment.

However, I do not want to have this money necessarily with my FOREX firm - they aren't FDIC Insured and I have other accounts to invest in, including my stock brokerage account that gives me check writing privileges and ATM services.

My main concern is a reduction of this magnitude would hamper the ability of a typical retail customer to handle a sustained market downturn. Without including mathematical equations - a rough calculation is that a person leveraged at 5:1 can only survive a 10% reduction in the price of a currency pair before the Max Deal Size Available goes to \$0. This is where FOREX firms close positions.

Watching the Max Deal Size Available in a market down-turn is going to make setting stop-loss and limit orders very difficult without having to undercut potentially profitable longer term trends. In addition, it will hamper the ability to keep a long-term trading mind-set which requires the ability to get on with other aspects of your life without having to continually monitor the markets. As an aside, even if I have the money to cover a margin call, I may not be able to "get there in time" during the normal course of a typical business day.

If a firm will offer the margin - why not have that as a "psychological buffer"?

The reduction to 100:1 is relatively new - why not wait and see?

-Ed Leibnitz