

**From:** Steve Lavergne <stevelavergne@gmail.com>  
**Sent:** Thursday, March 11, 2010 8:28 AM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Dear Secretary -

I am writing in opposition of the proposed limitations on leverage in retail forex accounts. Over the past 10 years US regulators have developed a pattern of limiting or in some cases completely restricting individuals from fully participating in free markets based solely on their level of capital. The assumption that traders lack sophistication based solely on the level of capital in their account is discriminatory and simply flawed. Take the stock market for example, I hold FINRA licenses 7,65,63 and have professionally managed hundreds of client brokerage accounts. However, if I choose to open a small brokerage account with \$25,000 or less I am unable to day trade freely because US regulations incorrectly assume I lack sophistication based on my capital level.

Also, the proposal would have the opposite effect to the mandate to protect market participants against fraud, manipulation, and abusive trading practices. Forex is a global market and restrictions on US based market participants would simply create demand for foreign based retail brokerage firms that reside in unregulated jurisdictions that in most cases perpetrate fraud and predatory marketing practices on the most vulnerable traders.

Another effect of the proposal would be decreased market liquidity. The forex market by nature can experience brief but extreme volatility around news events. With larger equity requirements retail traders with even large capital balances would be forced to withdraw from the market to avoid the volatility that can now be tolerated.

All of the adverse consequences of this proposal are far to great to cover in a single email, but by far the most important impact would be closing yet another golden gate for the next generation in the name of protection.

God Bless the United States of America

Steven Lavergne