

From: Craig Elliott <craigelliottmusic@gmail.com>
Sent: Friday, March 12, 2010 10:42 PM
To: secretary <secretary@CFTC.gov>
Cc: cftcfeedback@fxdd.com
Subject: 'Regulation of Retail Forex'

To Whom it may Concern,

I adamantly oppose a change in the leverage for forex. There are a lot of people who are forex traders as their living and it will become much more difficult, if not impossible, if this change in the forex leverage were to go through. I feel the reason for this change is to protect people from losing their shirts in forex. The thing is, people have access to education and should be able to use their good judgement when entering the forex market to make sure they trade with paper accounts, which everyone has access to, and to make sure they have consistently been profitable before they use real money.

A real solution that I would support instead of lowering the leverage would be to make everyone prove they have been at least even or profitable after placing a certain amount of trades and for a certain amount of months before they are allowed to put any real money on the table. This would make it so that the crazy gamblers would lose interest since it would take too long for them to get in the game and would ensure people had a solid foundation before risking any of their real money. As we have seen, even investing in mutual funds can be very risky and a lot of people have lost money by selling at the bottom after this financial crisis due to fear. I feel like proper financial education is a must before participating in any type of investing, whether forex, mutual funds or any other instrument.

I hope you'll consider campaigning to leave the leverage alone as it has already been greatly reduced by 4 x. Reducing it from 100:1 - 10:1 would be another 10 x reduction in buying power and would forever change the forex playing field limiting it to only allowing people with massive accounts to make money at this. While it is a zero sum type of investing so are all other types. To install these types of regulations would be to take away opportunity from the middle class in this viable field. I make my career in forex and if you made this change I would have to risk too much money in order to trade. The result in this would be the opposite effect than is desired and you would see traders taking on 10 times the risk of their account on loan in order to try to get the same kind of return.

Thank you for hearing what I have to say

Craig Elliott