

From: Nial Fuller <nialfuller@hotmail.com>
Sent: Saturday, March 13, 2010 1:20 AM
To: secretary <secretary@CFTC.gov>; cftcfeedback@fxdd.com
Subject: 'Regulation of Retail Forex'

RIN 3038-AC61

Dear Secretary and CFTC,

I am a pro forex trader from Australia, and also educate 1000's of people per year on how to trade the currency market. Now, this proposed leverage change will completely destroy so many retail traders potential to make money from a small trading account. Given the small day to day volatility in currency market, why do you require a 10% margin (10 to 1 leverage), this makes no sense, it is not the solution. Small margins means people will simply "punt smaller" but it won't prevent them losing money, traders will always find a way to trade, lose or win.

Currency traders make the choice to trade, they are fully aware of the risks, you should just make industry rules that state traders must be made more aware of the risks with compulsory disclosures which they agree to, as well as more education on the topic. Also consider 3% margin, this is standard with many firms, and it should be industry standard. You may also want to compare the margins on many volatile futures markets which are normally 4 to 5 %, not 10%.

10 to 1 leverage makes trading the FX market more challenging on a 5k or 10k account (which is the average my students have).

If you make this change, you will have industry outrage, send many in the industry broke, and quite frank paint a target on your heads from so many angry consumers and company directors.

This is no small deal, this is a big deal, it will change peoples lives, and many of those people have a great deal of money and they don't want their lives changed.

This is not a threat, this is a merely my view, that people in high places will not be happy with this decision. I personally will find a way to deal with the change if you go ahead, but many firms and individuals won't.

Who would want to make such a decision in such a huge market, this is not your decision, it is not up to you, it is the traders decision, and you need to hear it loud and clear .. if you do this, you can and will cripple many peoples companies, and you will crush many retail traders hope and dreams of making good money from retail trading. The firms and individuals who are concerned, won't let it slide, they will be furious and will want to blame somebody, and those involved will be to blame ie: You and cftc regulators.

I respect your proposal but firmly disapprove and if you go ahead and approve it, expect industry wide pandemonium and ongoing protest. What will be next? Changing the margin on Futures and Shares? When will it end? The solution is more education, more up front disclaimers and large penalties for firms and brokers who fail educate traders on the risks and financial dangers, and how they can avoid them etc.

Thanks for reading my concerns,

Regards,

Nial Fuller

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