

**From:** Joe and Wendy Tritz <tritzfamily@wi-net.com>  
**Sent:** Saturday, March 13, 2010 10:42 AM  
**To:** secretary <secretary@CFTC.gov>  
**Cc:** cftcfeedback@fxdd.com  
**Subject:** Regulation of Retail Forex

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**Reference to: RIN 3038-AC61**

Dear Mr. Stawick,

I have recently been made aware of a proposed change to regulation of the Retail Forex markets that will require a maximum margin requirement of 10:1 leverage.

I will assume that the primary reason for such regulation is to protect the small investor. Other reasons have been suggested in the Forex community, and would quite frankly be so disappointing if true that I will make the assumption that the primary motivation is protection.

I am a small and unremarkable investor. A "middle class" father of eight, I - along with a multitude of others - did the "smart" thing over the last number of years and robotically invested in my 401k and mutual funds. Despite all our protections and regulations in the market, I still saw my account take a nearly 50% hit at its low point. There is risk in investing, and I accept that. Regulations or not, the market has a way of reminding us of that every now and then.

It was at that time that I started looking into Forex trading. I opened an account and have been learning the ropes ever since. Having invested a total of \$5,000 I am not a large trader. But I am a trader, and I enjoy the alternative to traditional investing. I am able to trade very, very small lot sizes - microlots - to reduce my risk, while still taking advantage of leverage in this market. But I fully understand the risk and have followed the sage advice that the dollars I invest in Forex are dollars that I can afford to lose. And, yes, I did lose money in my first year - but over the last 4 months I have realized a nice return, so all is not lost.

Perhaps this simple story doesn't sound all that important or impressive. But that is not the point. The point is that I don't need protecting from any regulatory body. I know the risks and I know the opportunity. The only thing a higher margin requirement will do for me is reduce, or even eliminate, opportunity. I will be very, very disappointed if this regulation comes to pass. I oppose it, and respectfully ask that this proposed change be scrapped.

Reasons for opposition:

- 1) Even with regulation, markets are risky. Forex traders almost universally understand the risks. If not, any issues with that are in the way of advertising claims more than anything else. I'd worry about potential misrepresentations of results well before I'd penalize ALL traders because of the few who don't understand the impact and risks of leverage.
- 2) We seem to live in a period of time where regulators feel as if we cannot think for ourselves and therefore need to be protected from ourselves. I don't need the help, and I believe most traders feel the same way.
- 3) This not only limits opportunity for retail traders, but it will actually encourage funding accounts at much higher levels, which may actually place more money at risk than the trader initially intended to put at risk.
- 4) If the goal is to simply shut out small traders - which this regulation will do - then that is pretty disappointing. Further, it seems to make an assumption that a small trader is a person who "shouldn't be" risking their \$1,000 in the market, or who "can't afford" to risk \$1,000 in the market. I believe this is a faulty assumption. It is more likely that small traders are fairly sophisticated traders who are self-managing risk by limiting their account sizes in the market while they either figure it out or don't. It is quite likely that these small accounts are a small fraction of their total investment portfolio.

I could go on, but this is probably overly long already.

Thank you for your consideration,  
Joe Tritz  
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