10-001
COMMENT
CL-07773

From: Brian Hutchins <brian@hutchinsinaustin.com>
Sent: Tuesday, March 16, 2010 9:44 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To whom it may concern,
I am writing in response to the U.S. Commodity Futures Trading Commission□s proposed regulatory changes, specifically the proposed 10:1 maximum leverage limit for retail forex customer accounts. Let me express, without qualification, my opposition to the proposed leverage cap. I believe the proposal is a misguided attempt at regulatory reform that instead of offering greater protection to the investor and the financial industry will cause significant harm to both.
While the leverage limit and other proposed changes are aimed at offering greater consumer protections that were authorized in the 2008 Farm Bill, this particular proposal takes the wrong approach. It will not protect the investor, but will eliminate a significant portion of retail forex investors by making the cost prohibitively high. I urge the CFTC not to underestimate the importance of retail forex investing and to consider the number of individuals whose livelihood depends on their access to the industry □ access that will be removed if the cost to invest is increased by a factor of 10 (over the current 100:1 limit imposed by the NFA).
I believe each trader should have the right to choose the amount of leverage that is appropriate for his/her risk appetite. Limiting the available leverage undermines the investor.□
Reform efforts should be focused on improving education for individual investors and/or requiring that brokers provide information and guidance to inexperienced investors regarding leverage and providing options for reduced leverage.
I urge you to eliminate the leverage cap from the proposed regulations and to consider other ways to protect consumers that don□t involve the destruction of a legitimate industry that provides jobs and income to many.

Sincerely,
Brian Hutchins