

**From:** LK <lkdigdesign@gmail.com>  
**Sent:** Tuesday, March 16, 2010 3:29 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** 'Regulation of Retail Forex'

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March 16, 2010

Secretary  
CFTC

Dear Secretary of the CFTC,

I'm an American citizen teaching in Bahrain. I trade the Forex market part-time. I was glad to locate your address with IBFX Forex broker, as I'm concerned about the news that spot Forex leverage may be restricted to 1:10 in the U.S.A. I find this disturbing. Like most private Forex traders I would appreciate the oversight of government agencies in the area of monitoring the security of client deposits. The proposed constriction of trading leverage to 1:10 is however, a transparent effort to protect vested interests in Futures brokerage firms in the U.S.A.. The computerized controls that spot forex brokers can maintain on margin can close out traders without going into a deficit. This is a significant benefit over Futures brokers where there is always the risk that a position cannot be closed until the account is depleted and a serious deficit is incurred.

If U.S. spot forex brokers cannot compete with the 1:100-1:200 leverage available from Forex brokers outside the country, it's likely that U.S. traders will move their funds outside the U.S.A.. This can't be considered a positive side effect of this proposed regulation.

I would request that the committee seriously reconsidered this aspect of the new regulations.

Best Regards,

Lon Kaufmann

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