

**From:** Hugh Kimura <hk@hughkimura.com>  
**Sent:** Tuesday, March 16, 2010 7:24 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Dear Mr. Stawick,

I wrote to you before, but there are a few other points that have come to my attention regarding the reduction of leverage in this proposal and something that has been left out from these regulations.

Again, I agree with the other regulations that you want to put into place, but I strongly disagree with the proposed leverage change. As I mentioned before, changing the leverage will not protect traders who do not know what they are doing and only serves to punish other traders who know how to manage the risk. The same thing goes for anything in life. Should we ban motorcycles because a lot of people get seriously injured every year? Of course not. I feel that the leverage restrictions imposed by the NFA are fine and they should be kept that way.

In preparation for any changes, I have established two trading accounts in the UK where they are allowing me 400:1 leverage and those accounts have been working out well. If this leverage change takes place, I will move all my trading money into these accounts and I suspect so will a majority of other professional and part-time traders in the US.

This may cause a run at the US brokers and they may not have enough money on hand to meet the new proposed requirements for financial stability. Should this happen and they have to declare bankruptcy as Refco did, from what I understand, retail forex accounts are not protected under the bankruptcy laws and we would lose all of our accounts. If you want to protect retail forex traders, this may be something you want to add to these regulations. Futures traders are protected and would get all of their money back in case of a broker bankruptcy, why not forex?

In addition, reducing forex leverage does not make sense. Futures brokers can offer more than 10:1 leverage, why not forex?

Forex is much safer than futures because I can only lose what is in my account. If a futures contract goes limit up/down for several days in a row, there is no limit to what I could lose. This is one of the reasons I love trading forex (and there are no limit days in forex).

I agree that there needs to be regulation in the forex industry to stop the scammers. However, please do not punish us as traders. I strongly believe that we should have the right to trade the way we want to trade and not be restricted to the opinions of a few people who think they know what is best for everyone. This is America, we should have that choice!

From what I hear, you are taking public opinion on this matter seriously and I want you to know that I sincerely appreciate that. Thank you for your time.

Kind Regards,  
Hugh

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