From: smccar1576@aol.com
Sent: Wednesday, March 17, 2010 6:52 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To whom it may concern;

Please register my objections to proposals to reduce the effective leverage for retail foreign exchange traders from 100:1 to 10:1. I, like many other retail forex traders, am very sophisticated and understand the risks of leverage. It is, in fact, that very risk that attracts me to the market.

Leverage primarily presents risk within any financial market to the extent that the funds being traded have been borrowed. As you can imagine, retail investors are only putting their own capital at risk and not the capital of others. The clearing and trading institution and firms that we work with do not advance us any capital and we are always required to maintain adequate margin. As such, margin calls on retail investors do not create the spiraling effect of forcing further selling which in turn forces more margin calls and on and on.

To the extent that you feel there is a need to limit risk exposure for retail investors it should be more focused on how much of their aggregate personal capital is at risk in the forex market as opposed to the leverage built into the market itself.

Thank you for your consideration and please feel free to contact me if you would like to discuss this in further detail.

Kind regards,

Scott McCarthy
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Garnet Valley, PA
610-459-1359