

From: FX Trading Partner - Vance <vance@fxtradingpartner.com>
Sent: Wednesday, March 17, 2010 11:16 PM
To: secretary <secretary@CFTC.gov>
Subject: Regarding Proposals for Regulation of Retail Forex

Dear David Stawick,

This is regarding RIN 3038-AC61

I have been building a training company since March of 2006. My focus is on the development of currency trading skill. I'm a small company and focus on the needs of my clients. The first thing I teach them is how to avoid unnecessary risks that cause most traders to fail. It takes a minimum of 4 months and usually 6-12 to complete our basic training. Even then, the client is not ready to trade their money. But when they think they are, I impress that if they cannot make money trading \$300, they certainly cannot make money trading \$30,000. The entire focus is not on making lots of money, it is rather on learning to make a small profit on a consistent basis. I first applied this in business when I realized that 90% of all of the businesses that start up never even make a single dollar. To me it is a principle.

I realize that it is difficult to decide how to best protect consumers, so I can appreciate the difficult task at hand. I just wanted to weigh in and let you know that if you change the leverage to 10:1, that will make it impossible for me to compete with other companies and individuals around the world who are totally disregarding any agencies here in the US. After all, price moves in our market are measure in 1/10,000th of a dollar. This is unlike any other market. In addition, the small number of clients I have will likely move to other countries with their accounts immediately.

Note that it was better with the higher leverage of 400:1. This actually minimized our risk here in the US. I was one of the individuals who lost money when Refco went bankrupt in 2005. Since then I taught traders that they should keep 25% with their broker, and 75% in their US bank, FDIC insured. Since we never exceed 5% risk, this worked just fine. When the rules changed to 100:1, now we need 50% with the broker. So as the leverage goes down, we are more at risk.

I just hope the decisions move in a direction that create reasonable rules. I recognize the need to have regulation. I would just encourage your team to think about how to best achieve your objective. I think by changing the leverage, all you do is move the money offshore and eliminate US competition, which could be instrumental in creating a better, safer culture in this industry.

I wish you the very best, and thank you for reading,

Vance Williams
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