From: The Snapp's <liquidgold@mindspring.com>
Sent: Sunday, March 21, 2010 10:26 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To: David Stawick, Secretary, and CFTC Policy Makers,
From: Deborah Snapp
Re: Regulation of Retail Forex - RIN 3038-AC61
Subject: **Opposition to 10:1 leverage. Leave leverage maximum at 100:1 or greater.**

Dear CFTC,

These comments are in response to your proposed rule changes in the Regulation of Retail Forex, RIN 3038-AC61. Although, many of your proposed changes are very well thought out and will be helpful in reducing fraud in the Retail Forex Market(examples: broker registration, regulation of marketing standards, and increased dealer capital requirements), there is one area of the proposed changes that I oppose. That is the area of reducing leverage to 10:1. I believe in regulation and the enforcement of that regulation, but I also believe that consideration of regulation changes and their unintended consequences must be seriously considered.

I have traded Retail Forex for six years and spent several of those years in research, study, seminars, webinars, and practice accounts, while learning to trade currency as my primary method of earning a living. I am fully aware of the risks involved in trading. If this 10:1 leverage is imposed, my trading will be negatively impacted and my ability to earn a living in currencies will vanish in the. I would have to put more funds at risk to trade.

Below is a partial list of the reasons I oppose the 10:1 leverage limit:

1. Retail Forex has operated as basically a decentralized market and done amazingly well by Broker Self-Regulation, especially as compared to the other financial markets in the U.S. over the last 2 years, that were highly regulated and on exchanges.

2. The NFA has already reviewed leverage and reduced it to 100:1 for major currency pairs in November 2009. This level has been determined by the National Futures Association, Brokers and U.S. traders as an acceptable level of leverage and risk. The recent reduction to 100:1 from higher levels is an adjustment many U.S. traders are still adjusting to.

3. The proposed 10:1 leverage will "shut out of the market" many experienced and

knowledgeable small traders. Please consider leaving the leverage as the NFA has implemented and simply require more new account training and proper disclosure forms regarding leverage risks on all Retail Forex accounts. Education is the answer, not restricting what people can and can not do with their investment decisions.

4. Since many Retail Forex Brokers around the world offer greater leverage and some even more protection of the clients funds than in the U.S., more money will be directed out of the U.S. and traders will simply trade offshore. U.S. jobs will be lost at a time that the national unemployment is near 10%. Brokers will leave the U.S. as their client bases dwindle. Many high paying jobs will be lost in the U.S.

5. Future jobs will be lost. The Retail Forex market is growing in many parts of the world and many of those traders would have opened accounts in the U.S. but not if the Brokers have all gone out of business and become uncompetitive in the world market. This 10:1 leverage is anti-competitive.

6. Most of the fraud you are looking to save the retail trader from is caused by con-men and deceptive advertising. Registration as proposed will help reduce this fraud. The 10:1 leverage will not affect fraud and eliminates the traders.

7. You will be increasing the retail traders risk by requiring maximum 10:1 leverage of experienced and reasonable traders to deposit more funds with broker entities for trading. These broker entities (FDM's/RFED) are not required to maintain our funds in segregated accounts and the client funds are not protected under U.S. Bankruptcy laws. So changing to 10:1 leverage actually increases the client/retail trader's risk. Refco retail forex accounts are a prime example.

8. Removes the freedom and ability of the individual trader to choose the desired risk and affects the trading of the trader. It also impacts the trader that uses higher leverage as a significant factor in their trading strategy.

9. If this 10:1 leverage goes into effect, the run off of U.S. trader accounts, will overnight put U.S. Retail Forex Brokers into Bankruptcy as all the account holders run to the exits asking for their accounts to be closed and funds returned. No doubt many will not be able to withdraw their funds in time, since it is unlikely that the Brokers can cover all accounts leaving at

once or even 90% of them leaving at once. This will be a regulation induced nightmare!

10. Congress did not intend for the CFTC to eliminate the U.S. Retail Forex Industry, but, merely, protect the client from fraud. If they had wanted to eliminate the industry they would have done so, but instead they authorized the CFTC to regulate, which means they intended for the industry to remain in operation. This 10:1 leverage will "kill" the U.S. Retail Forex Broker and Industry.

I ask you to please consider the points above and leave the leverage intact as it is and only consider regulation changes that make the Retail Forex industry safe of fraud. I encourage you to ask for proper disclosure, licensing, advertising and consider making the funds in the Retail Forex accounts segregated and 100% returnable to the account holder in the event of a broker bankruptcy.

Final Comment: If the 10:1 leverage goes into effect then all of the other proposed changes are irrelevant, since the Retail Forex Brokers will be out of business overnight and no regulation will be needed.

Thank you,

Deborah Snapp
1614 NE 154th St.
Vancouver, WA 98686
360-597-4285