

**From:** Bob Chugaeff <konkord2@yahoo.com>  
**Sent:** Wednesday, January 20, 2010 1:09 AM  
**To:** secretary <secretary@CFTC.gov>  
**Cc:** Stawick, David <dstawick@CFTC.gov>; Smith, Thomas J. <tsmith@CFTC.gov>; Bauer, Jennifer <JBauer@CFTC.gov>; Penner, William <WPenner@CFTC.gov>; Cummings, Christopher W. <ccummings@CFTC.gov>; Sanchez, Peter <PSanchez@CFTC.gov>  
**Subject:** STRONGLY OBJECT TO 10-1 LEVERAGE LIMIT IN REGULATION OF RETAIL FOREX PROPOSAL RIN 3038-AC61

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Attn : David Stawick, Secretary, CFTC  
and ALL CFTC policymakers:

As a non-affiliated US-based Retail FX trader, please note for the record that I am STRONGLY OPPOSED to the 10-1 leverage limit as proposed in RIN 3038-AC61 relating to the Regulation of Retail Forex.

Counter-productive effects

This senseless limit would in NO way protect, aid or benefit me but rather would greatly harm me since this restriction, if passed,

- would require that I submit substantially more margin-funds into non-protected, non-FDIC insured, non-SIPC eligible accounts, actually exposing me to increased risk in the event of bankruptcy of my Forex Broker.
- would NOT divert my business into regulated-Futures trading (as the CFTC is probably hoping), but rather would cause me to seek an unreliable, higher-risk offshore FX broker to trade through, whose practices might be questionable.
- would eliminate one of the greatest benefits of trading Forex : My ability to efficiently deploy my own trading capital in the way that I choose.

Lower FX vols require far greater leverage  
FX volatilities are generally substantially lower than in the Equities or Futures market. Therefore, significantly more leverage is required simply to capture equivalent trading opportunities.

Nanny not needed

I do not want the CFTC to treat me like a child and dictate how I should trade. While 100-1 leverage is available to me - should I choose it - I am never forced to use it.

The bottom line is that OTC Retail Forex trading is NOT Futures trading. Please do not try to treat it as such!

PLEASE IMMEDIATELY STRIKE YOUR PROPOSED 10-1 LEVERAGE LIMITATIONS.

Don't let proposal RIN 3038-AC61 become an expensive lesson in unintended consequences.

Thank you.

Best regards,

Vladimir Chugaev.