

Rivendell FX

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COMMENT

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David Stawick, Secretary  
Commodity Futures Trading Commission  
1155 21st Street N.W.  
Washington, DC 20581

Received CFTC  
Records Section  
2/22/2010

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OFFICE OF THE SECRETARIAT  
C.F.T.C.

Dear Secretary Stawick:

I am writing to you with great concern regarding the proposed regulations contained in the *Food, Conservation, and Energy Act of 2008* (RIN3038-AC61), also known as the "Farm Bill". The portion of the bill limiting foreign exchange trading leverage to 10:1 will decimate the industry in this country and effectively put legitimate traders like myself out of business completely.

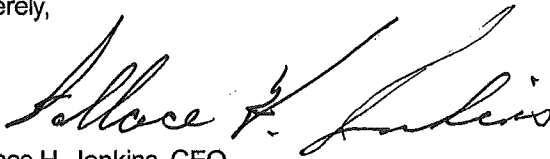
I applaud the efforts of the CFTC and have welcomed recent changes in regulations intended to increase protections for inexperienced traders and naïve investors. The new anti-fraud measures, concerns for customer complaints, and efforts to reduce predatory practices are all laudable. But this new concern with leverage in foreign exchange accounts is not only counter productive, it will make it impossible for retail traders to do business.

The nature of foreign exchange makes it quite different than trading the securities markets. I have been involved with both for many years. Leverage of at least 100:1 is a necessity for any retail trader to realize a sufficient profit to trade the market at all. And contrary to what one might think, the limit on leverage below these levels will actually put more traders into risk.

Prudent trading requires that an account not be overtraded and that transaction sizes not exceed one or two percent of account net balance. At 10:1 leverage, this prudent sizing of trades would be virtually impossible for most traders, forcing them to risk dangerously high portions of their funds. Without going into the subtleties of trading here, the proposed leverage limits will cause many traders to incur margin calls leading to failed trades that would otherwise be successful. And the less experienced traders, the ones this new proposal is intended to protect, will be forced into trading positions that would heretofore have been considered irresponsible, leading to quick losses and empty accounts.

I urge you strongly to reconsider this new regulation carefully before taking further action.

Sincerely,



Wallace H. Jenkins, CEO  
Rivendell FX Llc