

From: Sheree Landers (rsl) <rslanders@usa.net>
Sent: Wednesday, January 20, 2010 2:04 AM
To: undisclosed-recipients@cmsout01.mbox.net
Cc: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

David Stawick,

I have only rarely given my view in electronic format, however the pending CFTC legislation has one major area I take issue with: namely the proposed leverage change at 10 to 1. [RIN 3038-AC61] It is one thing to implement rules to require companies to be more financially sound and stable, it is quite another event to then control their customer base actions with changes which will only force them out of the US.

As a FOREX trader, I am already thoroughly and completely outraged with the recently passed NFA no-hedge rules with No-StopLoss rules. Now this outrageous proposal: RIN 3038-AC61, to limit to leverage to a ludicrously small 10:1. The FOREX market thrives on leverage, where other markets do not. Comparative market analogies or justifications or models do not directly apply to the unique FOREX market. The financial constraints this proposal places on the retail trader, will not provide realistic or significant protection for the new trader and only make trading unnecessarily more difficult for the serious trader. Particularly in light of the fact that anyone who currently does not like the recent NFA rules has ready moved off-shore and with passage of these now proposed leverage constraints, thousands more will move off-shore. Actually the end result is only, the really clueless will even attempt to trade under these leverage constraints in the US. Smart FOREX traders will open accounts off-shore/overseas.

This change will also have the direct effect of many more US people losing more money and many US jobs disappearing: again => going off-shore/overseas.

Certainly the proposed leverage change will hurt the US trading industry and US citizens.

The proposed rule 'may' have an arguable basis, however it is certainly only justification or a sad rationalization rather than a valid change that will hurt the industry rather than help or protect its traders or investors.

There are numerous other ways to reduce the new traders losing all their money. i.e. Require 'proven' online demo trading with at least 51% success for 400 trades before going 'Live' in the market. Limit trade entries that over leverage an account at entry. Just a couple simple areas that would not destroy the industry for existing traders and make it safer for new entrants.

Cutting leverage as proposed will not change trading habits, it will only force movement of traders and their accounts off-shore.

The rule change proposed is based on erroneous suppositions, it is completely idiotic and

baseless in the realities of the retail market investor and trader.

Please eliminate/strike/remove this proposal: RIN 3038-AC61, 10:1 leverage constraint and leave at the present industry ranges ... 100/1, 200/1 etc.

Regards, a Retail Forex Trader