

Dear Sir/Madam:

After reading the proposal and reviewing the reasoning behind establishing a leverage limitation, I find that the parties that pieced this plan together do not have a thorough enough understanding of the retail currency market along with retail broker products to discuss supporting such a broad sweeping, industry altering proposal. If that understanding was in place, they would never suggest such an unnecessary rule. I strongly recommend that this proposal be terminated immediately.

Why does the investor need a regulatory agency to restrict something that they investor already has complete control over. There are plenty of brokerage houses such as FX Solutions, FXCM, InterbankFX, competing for accounts that allow the investor to choose a suitable leverage amounts for their risk appetite. The investor decides if they want 2:1, 10:1, 50:1, etc.--not a distant regulatory agency. Additionally, there are a variety of account types that are marketed so an investor can further control the leverage amount and tune it to their personal risk tolerance. For example, standard, mini , and micro-accounts are offered by competitive brokers so the investor can exercise their right as an American citizen to choose an investment vehicle that is appropriate for them without having to have massive amounts of capital to get involved and,again, control their risk. With diligent study and research, that same investor can build an excellent income stream.

Let the investor choose the appropriate brokerage with the best leverage options for their needs, instead of having an regulatory agency dictate what is best for the investor.

The scenario described in the attachment where an investor makes a good faith deposit of \$10,000 to buy 1,000,000 units of foreign currency only to lose it all with a one percent move is unequivocally inaccurate.

First of all, brokerages will not allow an investor to open a contract/position of that size with the account balance mentioned that would produce the dramatic result described in Attachment A. One would need enough capital to pay the spread to open the position and have enough remaining deposit beyond the \$10,000 discussed in the example to have the right open the position. \$10,000 of the deposit would be required as margin and would be locked or protected to keep the position open. I feel the example in the proposal was designed to promote fear rather than document a real-world case study. It clearly communicates that the research for this proposal was not thoroughly performed prior to putting this proposal together.

In summary, I believe the proposal for Rule 2380 should be immediately discarded, since it destroys the right to freedom of choice for the retail forex investor and the opportunity associated with currency trading. It also interferes unnecessarily with the ongoing development of differentiating leverage products provided by brokers competing for discriminating investor accounts.

Kindest Regards,

Charles Jones
Anniston, Alabama