

To Whom It May Concern,

I have read the proposal to limit the trading leverage in retail Forex down from current levels to 1.5:1. I am **strongly** opposed to this proposal on the basis that it will in essence kill retail FOREX trading for the average investor.

I am retired and since retirement, I have spent the last five years learning how to trade the currency market. I have finally reached a point where I can supplement my retirement income (\$300-\$500 per month) trading the FOREX market with my 3K balance account. In addition, I am slowly increasing my balance over time. Now this proposal comes out and if it passes, I will be eliminated from even trading in the market because of the leverage that you are proposing.

Presently my account balance is around \$3,000, I use a leverage of 400:1, and if the leverage decreases to 1.5:1, I cannot trade anymore. If I trade one mini lot, I will need \$6,667 in my account just to cover the margin. Presently using 400:1 my margin requirement is \$25.00 thus allowing me to have a smaller account balance in which to trade. Because of this proposal, I will be forced to have at least 7000 (realistically I will need at least 10000) in my account in order to trade one mini lot. Since this market is highly volatile, there could be a move against my position anywhere from 50 to 200 pips. If it is a really bad day, the move against my position could be more than 300 pips. In essence, I would have a margin call on my account on my first trade in the first day if the market moves 333 pips against me. Obviously, I would have used a stop loss or I would not even have made the trade. In addition, since I do not have any additional funds, I would be eliminated from the market. Let us say I did have 7000 in my account with a leverage of 400:1. I would have a cushion of 6975 pips for the currency pair to move vice the 333 under FINRA's proposal. I could even increase my trade size based on **my trading rules** using the higher margin.

The issue here is not that the margin requirement of 200:1 or 400:1 is a bad thing, it is that the trader needs to be taught the proper trade size for the account size they have. Putting this regulation in does not protect anyone from the volatility of the market. Instead what it does is eliminates the 'little man' from any possibility of a decent return on his/her investment.

I plead with you **not** to regulate the 'small investor' out of this market and instead help to educate investors on the proper use of trade size in relation to account size.

Thank you,

Donald E Prindle