

Dear FINRA,

I must state my case where your explanation of the Retail Forex Market and the proposal to change the leverage from 100:1 to 1.5:1

I understand the need for regulation, however this specific proposal is the wrong way to do it and will hurt way more people than helping. Anyone who trades the Forex, or teaches others to trade the Forex, or works for a Forex brokerage and this will include many thousands if not millions of people, will lose their jobs and incomes, thereby creating an even greater financial crisis. This includes loss of income and not only jobs, but a whole professional field, so re-education will be needed, homes will be lost, bankruptcies will ensue.

The importance here in this industry is integrity of the brokers and education for those new to the market. You will destroy a whole facet of our economy should you impose this regulation of 1.5:1 leverage.

**Your reasoning for this regulation is in poor judgement.** You say it is to protect investors. Hah! You would do better to protect investors from ponzi schemes and investigate group investments like Madoff, Enron etc etc. How about an improved investigation process! Traders have only themselves to battle with or to blame or to give accolades. The forex in my opinion is the best educator of finances and one's mental and emotional thinking. Oh it is a wonderful tool for human development! That is the key here to life on this planet - self improvement, and the Forex does it as good as an olympic training. Personally I have become a citizen of the world through trading the forex. I care what happens in Japan, in Iceland, in Ireland, in the Ukraine. I have learned more about the world we live in and am immensely grateful for the years of experience, of listening for hours to Alan Greenspan, or waiting to hear what the Bank of England has to report. I have traveled and met hundreds of people from all over the world. I am not a rich person and don't think the forex will make me rich, but it is a living and can be a good one, and keeps me involved in our incredible world. I will bet you any forex trader will say the same. We are not greedy or stupid people. We are bold adventurous people who challenge ourselves and are humbled and blessed every day.

**Your explanation of the margin protocol is misleading,** as an educated trader never trades the full amount he has on deposit in his trading account. It is also entirely wrong. **How can you propose to affect the lives of hundreds of thousands of people and not even properly understand how this market works!!!** You state here, <http://www.finra.org/web/groups/industry/@ip/@reg/@notice/documents/notices/p117743.pdf>, the following:

"For example, if an investor wishes to purchase \$1 million worth of a foreign currency offered with a 100 to 1 leverage, the investor would only need a good faith deposit of \$10,000. If the investor deposits only the minimum funds required, and if the value of the foreign currency contract dropped by 1 percent (to \$990,000), the account equity would be depleted entirely and the investor's position would be closed

out. The investor would lose the entire \$10,000 deposit."

**You are 100% wrong.** In order to trade \$1million worth of foreign currency, \$10,000 is taken from the account and held in good faith by the broker as collateral for your trade, but if there is \$0.01 lost and the investor has no more funds in his account, then the trade is closed immediately and the investor has the \$10,000 returned to his account. It is the balance in the account which is at risk and that risk is determined by the trader's stop. There is a warning on each trade station when a client is close to margin. An trader is educated to trade usually no more than 5% that is held in his account, and even then he is taught and knows exactly what is at risk, which is the amount between your entry and your stop only, nothing else. Most brokers offer guaranteed stops and even then trading currency is about proper money management, and is not the same as the trading of stocks, bonds, etc. As a trader, it is actually a benefit to me not to get a margin call from the broker. I know I have to manage the trading funds in my account responsibly. If the trade is close to margin, I am trading incorrectly, and should know it. Every broker will teach a client these basics, the key being money management.

Your proposal is an uneducated one and harmful to the present financial economy. As a person who trades for a living, I will be left with no income, no job and will be in need of years of re-education. I believe your proposal has not been clearly thought out.

I implore you, do not proceed with this regulation. I am 50 years old and am not in a position to lose my career.

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