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COMMENT

March 17, 2010

Chairman Gary Gensler
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Gensler,

When Retail Forex leverage was 400:1 I personally started out at 100:1 and as I built my education and skill level I increased to 200:1, which I felt was prudent for my trading level. My personal decision, freedom you might say, that I was comfortable with.

I strongly feel 100:1 leverage is to low and unfair. I know many people who have shifted their accounts overseas as a result.

I heard of a proposal to lower leverage even lower to 10:1. I never write letters like this but this is something that I feel is to important to let go with out comment. We in the Retail Forex market should be allowed to asses our trading abilities and set our own leverage and risk levels as we see fit. To me it seems that forcing such a low leverage level is like the government telling us we can only make up to a certain amount of money if we are living in the United States. It just seems wrong. Personally, especially in the face of the current economic situation, I feel if anything the leverage should be increased up to at least 200:1 (actually back to 400:1).

One of my worries is that by lowering leverage to 10:1 the majority of Forex Retail accounts will head out of the country and that is not something we need in this economic atmosphere.

My other concern is freedom. How much money will the government allow me to make to provide for my family? I use to provide a service to build a component and my first quote for that part was $35,000. I was able to make a small profit at that price and had a lot of customers. In the end we found the balance between volume and price allowed us to provide the same service for $95,000. Above $100,000 and the volume died off, below $75,000 and volume was so high we could not provide a good service and reputation was hurt which would have eventually reduced volume. The market place found its own level. If the government regulated my sale price at $35,000 we would not have stayed in business or might have found somewhere to operate that did not regulate our ability to increase profit to a market acceptable level.

I feel the healthiest thing for the government to do would be to, at the very least, leave the leverage at 100:1. I honestly feel you should consider reinstating the 400:1 leverage rule and let the market find its own level. Not to be too corny but, it seems like the American way.

Thank you for your consideration of this matter.

Sincerely
Roger D Bacon

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