

From: Shawn Beagle <shawn.beagle@gmail.com>
Sent: Friday, January 15, 2010 4:18 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sir/ Madam,

I believe lowering the leverage requirement for retail Forex transactions will do the exact opposite in regards to customer protection.

Lowering the leverage of retail FOREX in the U.S. would do nothing but kill a legitimate business. Why would Americans keep trading in a climate that is laden with laws against them? Why would foreigners open a FOREX trading account in the U.S. when the rules are prohibitively against them compared to other jurisdictions around the globe?

By enacting this legislation to restrict and limit traders further will only cause a mass exodus of FOREX trading in the retail U.S. markets.

This will cause American traders to put their money in less than scrupulous brokers with less ethics than what the U.S. permits via the NFA oversight.

So if American traders put their money in a foreign FOREX broker how can you say this will benefit the trader? How will this protect the American trader? How will this benefit the U.S. based broker? How will this encourage investment from foreign means in the retail U.S. FOREX market when rules around the globe are more favorable to the trader?

The U.S. retail FOREX market is an infant when comparing it to the U.K. and various other places. Yet they don't see the need for these kinds of rules and restrictions.

If you are so worried about the consumer you should educate them and not restrict them.

If it's not obvious already I would hope that you elect to leave leverage rates the way they currently are at the minimum of 100:1. Otherwise the 'blood' of the retail U.S. Forex markets are on your hands and the people you are trying to protect will be leaving your jurisdiction in droves.

Put your Focus on better client Protection of Funds like the FSA has in the UK. Like real segregation of client Funds etc.

Or is your real desire to truly destroy the US Retail Forex Industry and all the jobs, income and investment that go with it?

Regards,

Shawn Beagle