

From: Chris Stanley <tactics@broadscopeconservation.com>
Sent: Wednesday, January 20, 2010 6:39 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To whom it may concern,

I would like to comment on the CFTC proposed regulation of the retail forex markets. As you are well aware certain rules need to be adopted for the protection of all entities within these markets, especially the small retail trader. We have all heard stories or know someone who have been hurt by the numerous unscrupulous brokers, IB's and counterparties that have fleeced retail traders. The internet is littered with firms wanting this business. I have been fortunate to have utilized reputable US registered brokers with my accounts over the past three years and the regulations imposed of late have been very effective in weeding out the bad firms. As a retail forex trader, I supplement my income trading this market. I am strongly opposed to the 10:1 leverage proposal by the CFTC. This regulation/requirement will drive many of the "smaller guys" out of the markets entirely or to offshore (ie unregulated) brokers.

The liquidity provided by retail traders increase the efficiency of the markets. Removing them, or unfairly pricing them out of the markets will result in increased price volatility overall and decrease the efficiency of the markets which is bad for everyone. In addition to this, US firms will not be able to compete with foreign brokers on the same level, therefore causing them to shut down and in turn losing jobs that rightfully belong in the US and not abroad.

Please reconsider this portion of the proposal. You have already reduced the leverage across the board on exotic pairs and the majors pairs are at a maximum of 100:1. In my mind these numbers are ideal for prudent trading. Any worthwhile venture requires risk and nothing is guaranteed. People will still trade these great markets but many will do so unprotected if you force this requirement. If people are forced to trade outside of the US, the regulators will in effect have neglected their responsibilities to the US public.

Thank you

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