

**From:** Nicholas Saulsberry <saulsberrynicholas@gmail.com>  
**Sent:** Thursday, January 14, 2010 12:11 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Patrick Henry one said, "Liberty or give me death!" before being lead off the gallows. Literally, I find myself in the same situation with the new regulation proposal of 10:1 leverage on the retail forex. Why are laws made but to protect the liberties and privileges of the American people. I do not see how this law protects the free markets of capitalism or the priveleges of the american people rather it circumscribes and is rules for the sake of rules and once again stepping on the "little man."

I wish to convey to you that such proposal would:

1. **Without warrant strip the investor of the freedom to make his own financial decision** and basically put the government in the role of a mother telling the "investor baby" what he can and cannot do. This labors under the delusion that "average Joe" does not know what to do with his money so the government must tell him.

2. **Steps on the little guy.** A 25k retail forex account would be needed to start trading. I am actually fortunate to have that income. Most average Joes do not have that much disposable income to trade. Which leads to the sad statement they hear all of their lives. "In order to make money, you have to have alot of money." This would limit the trading of forex to only the wealthy an attack on class.

3. **The investor would stand to lose more under this new regulation.** Since the investor would be opening a much larger account than say a \$1,000 or \$500 account. The investor would stand to lose more, essentially at least 20 to 25k. **If the investor is going to lose his money, he will lose money wheter he has \$1,000 or \$20,000 this is simply augmenting the amount of unnecessary risk in his forex account.** I have an acquaintance who unfortunately trades in the stock market and he requires that inane amount of capital to have his trading account, so he took out a second mortgage on his house to get the stock trading account. Which of these is more detrimental to the economy I ask you? The man who took out a second mortgage on his house and lost 20k or the man who lost \$700 and learned forex wasnt the market for him.

4. **Makes U.S. forex brokers non-competitive-**Forex traders will simply open up accounts overseas where larger leveraging is allowed. I wouldn't be surprised if only a handful of retail forex accounts remained in the states with an inane 10:1 leverage. Why put such a large amount of your capital in a trading account at once when it is an unnecessary in another country.

5. **Takes the American dream out of America-** Mine is a true rags to riches story. My mother passed away while I was attending college. So while I was going to school pursuing an architectural enineering major I was having to take care of my two sisters and get an extra job waiting tables to make ends meet. I took a stock options course to learn how to trade for extra income, but realized the incredible high capital startup requirements. And thats when I ran into forex. The whole summer I went to barnes and noble took my notebook and read Technical Analysyes of the financial markets by murphy, forex made easy, Profiting with forex, etc, I opened a demo account, paper traded for a few months. opened up my first account with \$500. Its been 4 years and through careful study I've made a little over \$200k in extra income to help care for my sisters and pay for my degree. **I, a waiter, was able to take advantage of the markets and use fundamental and technical analyses to generate extra income for my family. Thats the American dream that Anybody can make it here.**

6. **Why is there no cap to leverage on banks in this market and just the retail investor-**If its education that you are worried about, I for one have definitely put in the time and study to be able to use proper risk management to not lose my whole account or overleverage myself. I would be much more open to a **mandatory money management course** or forex education course your broker had to provide you sponsored by the cftc at a reasonable cost of course so as to not stamp out average Joe reaching the American dream. Not to exceed \$500 for the course.

7. **Spits in the face of freedom and says your too stupid to know what to do with your money.**