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Sent: Thursday, January 21, 2010 5:08 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex RIN 3038-AC61

To Whom It May Concern:

In regards to your proposal to further limit the amount of leverage on trading accounts used for foreign exchange trading provided by U.S. brokers and brokerage firms, I wish to register the following statements:

I may be very clear in my statements, but I consider myself reasonably educated and careful in the decisions I make and in what I undertake and have no problem taking responsibility for my actions and their consequences, good or bad. Personally it feels like the CFTC is restricting my freedom and ability to pursue a way to make a living and provide for my family by their proposed regulations limiting leverage to traders in the foreign exchange market. My guess is that by making it harder to succeed at trading in the foreign exchange market you will cause those traders who are knowledgeable and willing to share their knowledge with others away from trading in the U.S. and end up creating an environment that makes it harder for new and inexperienced traders to get the training and education necessary to avoid the problems you seem to be trying to prevent. I doubt you've had adequate time to collect enough information and study it to have any idea of whether all the regulations you enacted in 2009 had any impact on the problems you seem to be addressing and that introducing further more restrictive regulations without knowing the result of what you have already done is only going to lead to more problems trading on the foreign exchange in the U.S., not fewer problems. Even worse, other countries are considering similar regulations without any real evidence of what the end result is simply because they are blindly following the U.S. instead of asking themselves why or what they should expect to happen if they do. We pride ourselves in this country on the extent of our freedom to choose for ourselves, to pursue those activities that we enjoy and the freedom to decide what we do to provide for ourselves and others. But we now have the most restrictive set of regulations and rules than any other nation on earth when it comes to trading the foreign exchange market. As far as I can tell, no one has even provided a clear and rational explanation of what these regulations are supposed to be doing to help matters or provide any evidence that they have actually succeeded in what they have set out to do in the first place.

Wouldn't it be much better to use our resources to make education and training for new and inexperienced traders rather than try to prevent or discourage them from trading in the first place? People have a much healthier respect and caution for the stock market but I think it is only because they are much better informed about not only the risks associated with stocks, but have a much better idea of the complexity and skills required to succeed in that area than they do the foreign exchange. If people were as aware of how the foreign exchange market works and the risks that come with it I expect that the number of traders who are unsuccessful and quit after losing their money that they would take more time to learn about what they are trying to do and take less chances by trading before they are ready to do it correctly. There will always be losses, even the best and brightest traders lose regularly while trading and there will be those who will lose a lot to trading who never should have been trading in the first place. I remember thinking how easy it all looked when I first started trading and how quickly I learned that it was a lot harder and more complicated than it appeared. I was dismayed to learn that nearly all training is conducted by individuals and groups privately and that there exists almost no formal institutional educational opportunities for the foreign exchange market. Because most of everything that happens regarding foreign exchange trading happens online it is difficult to meet others unlike a classroom experience which makes it even harder to get up to speed in this field unless you are really motivated and willing to ask for help. There is also a great deal of misinformation floating around out there and a few who use it to take advantage of others which doesn't help anything either. Other than making it more difficult to make a living as a trader in this country, I can see no reason why you think further restricting leverage is going to help solve anything. I expect you don't have any real idea of whether the regulations you have already passed helped improve anything for traders here and would be hard pressed to show any concrete evidence or studies establishing the consequences of the regulations recently enacted.

Most people are quite capable of deciding what they want to do for themselves. Even the most careful and reasonable persons are going to make mistakes and losses are inevitable. As in most areas of employment and career there will be a lot of people trying to do jobs and tasks that they are not capable of or suited for who will fail and move on to something else, some more dramatically than others. Even if you prohibit trading by individuals in this day and age there are simply too many alternatives to really prevent anyone determined to give it a try. Why not try providing an environment encouraging good trading skills and educating potential traders to do it the right way? I would rather keep my freedom to make the choice and the possibility of failure rather than have my freedom of choice taken away in an attempt to keep me safe from myself.

I urge you to reconsider the proposed regulations regarding leverage and to provide the public with a better explanation of exactly what you are trying to achieve and showing us the results from earlier regulations and how successful they actually were. I hope you will find more productive ways to help traders do a better job at it and encourage schools and educational institutions to get involved in educating and training people to trade smarter and better. If people were better trained to deal with money and approach it differently while in school I can't help but believe we'd be in a much better financial situation in this country than we find ourselves now. Making it harder to learn to do things right will only make it worse than it is now and rushing into unproven, untested ways of doing things certainly can't be the best way to make things better.

Besides, noting good ever comes from taking possibilities to succeed away from people. We could use a whole lot more people earning a good living in tis country right now, not making it harder for people to succeed, so aren't you kind of making things worse instead of better by pursuing the kind of thinking that makes it more difficult? Think about it.

Winston E. Henley, Jr.