From: Daniel Baik <danbaik1@gmail.com>
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To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

RIN 3038-AC61

The proposition of reducing leverage to a minimal 1:10 is ludicrous in light of the potential repercussions that may arise because of it.

1. A reduction in leverage would lock out many potential retail investors because the procurement of significantly large trading capitals is impossible for many traders.

2. This reduction may possibly even cause a mass exodus of U.S. investors and brokers, which would mean a significant loss of tax revenue for the country.

3. If point 2 does not occur, this may mean that the global Forex market would suffer from a reduction of liquidity, which would directly affect spread prices around the globe. In other words, if this proposal were to pass, liquidity would decrease and spread, as a result, would increase, however small.

4. Education, not further regulation, is the only method of prevention.

It seems Capitol Hill is in love with regulation. However, this is the one time where further regulation would be absolutely detrimental. High leverage in the Forex market causes no real risk for the broker, simply because of margin calling. The one who undertakes risk is the investor. As such, the only inherent danger in high leverage is the loss of an investor's capital, which is his or her own responsibility.

Regards,
Daniel