

From: chuck moreno <chpdofficer@yahoo.com>
Sent: Saturday, January 16, 2010 1:35 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Mr. Secretary.

I am writing to voice my concern over certain aspects of the proposed legislation regarding the regulation of retail forex. I believe that the greater purpose of the regulation is to protect the consumer from potential fraud and scams and I applaud the government for taking efforts. We know we don't want another Bernie Madoff situation. While the proposed rules requiring broker and manager registration are good for the consumer other parts would deal a fatal blow to retail forex in this country. The new minimum capital requirements would help the biggest brokerages by reducing the number of new companies that could form and compete with them. Another problem is that this could easily make smaller and otherwise well regulated companies move offshore. Some of these will set up shop in places with little or no regulation. This moves both jobs and money out of the USA. However the biggest issue that I and the majority of Forex traders in this country have is the proposal to set maximum leverage to 10:1. This will be a death sentence to retail forex in the USA. The government is not protecting people by doing this. What this would do is force people to move hundreds of millions of dollars to foreign countries. How will the US government protect us from scams and frauds in these foreign countries with less or no regulation. If the foreign broker doesn't want to return our money upon request what recourse will we have. The CFTC will be to blame. The US would lose countless jobs and not to mention the huge amounts of loss of tax revenues from the brokers and investors. Based upon what the government has been pushing I was under the assumption that President Obama was trying to create jobs not destroy them. Please don't allow this regulation to go through as currently proposed. The economy is trying to recover. This would only hamper those efforts.