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**Sent:** Thursday, January 21, 2010 7:21 PM  
**To:** secretary <secretary@CFTC.gov>  
**Cc:** Stephen Lulay <stephen.lulay@yahoo.com>  
**Subject:** Regulation of Retail Forex

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Hello,

I am very concerned about the proposal to increase the margin requirements for Retail Forex, for more than one reason.

First, on the personal level, I have been training for a year to be a trader. I am about to launch my trading business as a corporation.

A new regulation like this would severely limit my ability to grow my trading account.

I am 60 years old, my retirement savings are not going to last a lifetime.

Yet, now after this year of intense study and training I am confident I know how to manage the realities of leverage and loss control. I am confident I can do this and do well.

What alternatives do I have? Even though I am smart and technically skilled, no one is going to hire me at my age.

And, I am not alone...there are likely hundreds of thousands like me in my age group with no employment future...and probably millions of younger Americans who will be unemployed or underemployed for a long time. The jobs shipped to India (tech jobs) or China (manufacturing) are not going to come back.

In response to this, many, many US Citizens are learning to trade. Some are going to do well, if you don't change the regulations. There is an infrastructure being built out now in the educational and brokerage firms, and even the banks, that are preparing to serve this new demand. Please take a look at this. It is not small.

Those people who are suited for the career of trading, allowing themselves to become well prepared, practiced, and trained, will have self created jobs, they will be paying local taxes, and Federal taxes. They won't need unemployment, and they have money to spend in their local economies. Not only that, they can work from home, creating less demand for oil, and less traffic.

(Not everyone will have an aptitude for this work...but many will.)

The use of leverage in the Forex retail market is a beneficial thing to a person with the right skills to use it. It is not like giving a mortgage to someone who has no money. And, it is not the same as the leverage created by the Investment Banks that caused the financial system to almost collapse. It is not the same dynamic, and its scope is very small. Please don't make the mistake of seeing all leverage as evil. The leverage in the Forex market, if used wisely, allows a well trained individual to create an income for himself, and his family, without relying on the external job market, and without the need to have a million dollars to invest.

BUT, beyond that...there is now an infrastructure being built in the US to serve the retail Forex trader. If you implement the higher margin requirements, first this infrastructure and all the jobs that it is creating, is about to create, and will be creating, and all the tax revenue that goes with the business income, and those jobs, is going to disappear. It will never form.

Instead it will grow outside your jurisdiction. You will be giving all the transaction business to London or Switzerland, or even in the future, to Hong Kong or Singapore. Or Australia or New Zealand....I'm sure they would love to have the business. The only limitation is how they can access the fastest internet backbones.

There are already very good, highly regulated Swiss Forex brokers, more than willing to accept the US customers you would be pushing away. The same for London.

(By the way, London probably has more Forex transactions than the USA in any given day. The US is the second market.)

If the US Forex Retail Trader moves his accounts to London or Zurich, that in turn would force US Retail Forex Brokers, if they wanted to stay in business, to move offshore outside your regulation, taking the jobs with them, and the payroll tax revenue, if not more.

You have a tremendous opportunity here to allow the formation of a new industry in the United States....one where well trained individuals (i.e. "taxpayers") can participate in the truly massive and dynamic world's currency markets, having equal access as the worlds largest banks. This type of access is relatively new...with a new type of Retail Forex Broker building out the infrastructure and creating a base for secure and integrous transactions required by the Forex trader.

Really, I cannot see any positive outcome for our country, if these regulations are implemented.

Actually I would suggest the opposite....keep the margin requirements

as they are, and institute college level trainings for a person to enter the self-employed trading profession, so, if they are capable, can compete against the giants with success. The tax system and local economies will thank you.

Thank you.

Stephen Lulay  
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