From: riverhpublishing@aol.com
Sent: Friday, January 22, 2010 7:58 PM
To: riverhpublishing@aol.com
Subject: "Regulation of Retail Forex"

Gentlemen:

The new proposed CFTC rules are very positive regarding the registration required of all participants dealing with the solicitation and handling of forex monies.

The proposal to reduce the trading ratios to 10:1 is Draconian and requires to much capital to be tied up for a business wishing to protect itself in the ever fluctuating currencies.

Additionally, the recent rules to reduce to reduce ratios to 100:1 was a good move and to 25:1 for certain very high risk currencies. This new move is intended to cut out the retail forex trading which makes no sense. The little retail guy has no ability to influence the giant forex market.

Indeed, the intent should be to limit those giant financial institutions and money speculators from playing havoc with currencies as did George Soros years ago. Why not just limit those with portfolios in excess of 500 or maybe as low as 100 contracts to a ratio of 25:1.

In any event, the issue at hand should remain the restriction of large financial institutions putting large sums at risk for their own account or that of a group of their clients.

In no respect whatsoever, will this strategy change the direction or impact upon the stock market as Elliott wave rules and the patterns are consistent over the past 300 years and the market is quite predictable. What it will change if the changes are as I propose, is that the big guys won't make a killing and pay out large bonuses and they won't make large losses and require bailouts or go bankrupt. At present for the banks its "heads they win, tails we lose". That should be your priority and not another measure to restrict the trading of individuals.

And, as you are no doubt aware, there will be many large firms that depend upon retail forex trading that will find alternative safe havens elsewhere in this virtual world.

Respectfully submitted

Paul E. Swartz

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