

From: Steve Dent <s.dent@xtra.co.nz>
Sent: Saturday, January 23, 2010 12:24 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sir/Madam,

I write in relation to the news that the United States Government intends on regulating the retail forex market, banks and other finance house etc.

Whilst I recognise what the anticipated regulations are trying to achieve and the reasons as to why they are being considered - they amount to trying to crack a walnut by using a 100lb sledgehammer!

In simple terms, the current world financial meltdown was caused by the banks and finance houses reckless lending practice's - NOT by individual investors ... whether they are in the stock markets, forex markets, bond markets - or any other investment market!!!

Those investors have had their investments/money decimated by the likes of Lehmann's and Madoff etc. who were Reckless and Greedy! Those investors had no control over their monetary losses they were powerless.

I believe what is vitally important to consider here though - is that Forex Traders are in complete control of their own investment decisions and they are fully aware what the risks are - and that includes losing all their money very quickly.

While I am encouraged to hear that - for the safety of all participants, Brokers, Merchants and Dealers etc are ALL going to have to be registered with the SEC (long overdue!), I am very alarmed to hear that your regulations will also include setting the **maximum** leverage for US retail forex to **10:1**.

This ratio is totally absurd and, if brought in, it will result in many millions of dollars leaving the shores of the US. If not, it will not be worth them trading forex any more and they will be forced to put their money back into the banks and that is like jumping out of the fire and into the fire !!!!

One thing I respect about the USA is their penchant for democracy to reign... Please don't take that democratic right away from Forex Traders by reducing the leverage ratio's to an absurdly low level.

Thanks
Steve