

From: David Baker <zof4ever@hotmail.com>
Sent: Saturday, January 23, 2010 7:57 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Ref: RIN 3038-AC61

Dear Sir,

I Have just read a disturbing article on a popular Forex website (Forex Peace Army) which outlines the US government's plans to tighten up controls and safeguards for the financial service industry. Whilst I support and endorse fully any planned legislation that would help to protect the public from fraud and any criminal activity designed to relieve them of their hard earned money, I am greatly concerned by the section of the draft that proposes to protect the public from themselves.

By imposing a maximum 10:1 leverage capability in the Forex market the US government would be severely limiting the potential for the small trader to compete in the foreign currency markets. I know that most private individuals who trade currency instruments do not prosper particularly and that some do and will lose substantial amounts of money, but **it is their choice** to do so. Nobody who starts trading Forex should be in any doubt as to the high risks of this activity. Every document one reads regarding Forex trading clearly states the risk and the high probability of substantial losses, and so it should. This is an example of good and effective government legislation. If people choose to ignore these countless warnings that is up to them.

Speaking globally, Forex is the fastest expanding sector for private investment. This is because of the high degree of leverage that the small investor can wield in this market, take that away and many risk takers will move back to the casinos where the odds are weighted much less in their favor. But more importantly for the United States, many people will simply close their US brokerage accounts and try and open them overseas. This would lead to many American brokerages having to close and lay off staff, and would also mean that millions of dollars will exit the US banking system and head abroad.

I have been trading Forex for about two years now. I am not particularly successful at it, but one day I may be and I would seriously resent any government body denying me the right to perfect my trading skills. High leverage is an intrinsic part of currency trading on the foreign exchanges. Yes it's risky, but like life it is a series of calculated risks without which there really would be little point. By all means seek to protect me and others from exploitation, but do not seek to protect me from life!

Yours Sincerely

David Baker (Forex Trader)

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