

From: Jerry Scelzi <gscelzi@optonline.net>
Sent: Saturday, January 23, 2010 8:17 AM
To: secretary <secretary@CFTC.gov>
Subject: 'Regulation of Retail Forex'

Dear Secretary of Commodity Futures Trading Commission,

Regulation of FOREX as described in RIN 3038-AC61 is not what the American people need. These changes to reduce leverage will only serve to punish those by which can no longer afford to invest/speculate with this market. Each person should have the right to determine their own leverage level, which current policy provides. This action if undertaken will be perceived as yet another way big government is interfering with private interest, and not in the people's best interest.

If I could make a few recommendations that would be in the consumers best interest on this matter, regulation should seek to fix the current floating policy on PIP spreads to penny (for USD/JPY, USD/EUR) or 3 penny increments on most other crosses. When the change to PIP spreads was introduced last year to a floating policy, it didn't seem to accomplish much for the traders, but did assist in the broker-dealers commission. Everyone soon realized this policy was merely a ruse by which consumers thought they were getting smaller spreads, when in fact, some spreads grew when the actual trades were locked! Hence, regulation on this matter will help those trading in Forex retail market.

About why I am against what you are proposing? Simply because it will up the ante for the everyday investor to enter this market as the minimum requirement for making a trade would be to have an account of at least \$1000-\$1500 USD. Previously, \$250-300 would have been enough to trade one mini-lot, and see considerable gains. This is the cheapest entry point for any trading account, and it gives the consumer the opportunity to make outstanding gains, while risking very little money. Plenty of people use FOREX as "casual" trading space, because it is exciting, and can be very rewarding. I just love when I hold 1-2 mini lots and things swing 400-500 pips in my favor over a short period of time. Where else can anyone make \$500 on \$150 investment in a day or even a few minutes? If you were to raise the ante for minimum requirements, I will assure you; millions will leave this space, and never return.

Why not let people make their own choices? I urge you to leave things as they are, and see about fixing what needs to be fixed – the PIP spreads.

Thank you,

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