

From: Ankit Garg <20.ankitgarg@gmail.com>
Sent: Saturday, January 23, 2010 12:57 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Mr Stawick,

My name is Ankit Garg and I am a Money Manager by my profession. I operate out of India and have clients all over the world. I primarily trade in Forex market and most of my clients are retail customers with a couple of thousand dollars. Currently, I have placed all of my client funds(in excess of US\$250K) with two of the largest brokers in US: Oanda and MB Trading. I am writing this mail to you to express my deep concern over the proposed capping of the leverage on retail Forex accounts to 10:1.

We, are responsible Forex traders and know what we are doing when we trade forex. A good leverage is like a necessary evil in the market, just like Friction(if you understand that much of Physics). Without proper leverage, the retail Forex market will die in US. I dont mean to sound rude here, but we all know that Americans already blame us Asians of taking away your jobs and with the proposed regulations coming into play, you will not be helping the cause of Americans. There will be plenty of brokers that would have to shut down because retail forex would no more be available. Tomorrow, will you support dilution of Rat poison in the market because few idiots commit suicide every day consuming it? Or would you advocate a move to make all the knives in the market less sharp because they slit a lot many throats every year?

I fail to understand, what exactly are you concerned about? You are not protecting any individual or retail investor by passing such regulations. Over regulation converts a capitalist system into atrocious and orthodox system and I am afraid, thats what precisely is happening now.

Mr Stawick, this work is bread and butter for me and acts as a source of some additional part time income for many of my clients. I cant afford to stop this work/business at any cost. I have a family to support and kids to grow. With the enactment of the proposed rules as Laws, I will be left with no option but to pull the money out of US brokers and park the same to some UK and Asian brokers, who continue to support retail forex trading. My fund account size of \$250K might not sound too big to you, but let me tell you that every time I make a trade on that money, some commission is earned by my US brokers, which in turn fund salaries of your citizens.

There is a very popular saying in my part of the world in Hindi which goes like this: "Boond boond se sagar bharta hai", which means "Every drop fills the ocean". Me moving my client funds in tune of a couple of hundred thousand dollars out of US broker might not sound a threat for the industry to you, but I can very well assure, the cumulative effect of the same will be disastrous to the retail Forex industry in US.

And at last, just to tell you, I have already initiated the process of transferring my funds from US brokers to brokers based in UK and Switzerland. I cant take this risk on my livelihood being at the mercy of some short sighted decision makers sitting at the top of US regulatory authorities.

Dont ignore the early warnings...Dont take them lightly.

Best Regards
Ankit Garg