

From: Mike Owen <MikeOwen@gulftel.com>
Sent: Sunday, January 24, 2010 12:13 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex. RE: RIN3038-AC61

Dear Sirs:

In regard to the above there are areas in which I am in agreement of certain aspects such as the registration of Forex brokerages. This would reduce the possibility of shyster/scam operators taking advantage of the public through registration of not only the brokerages but also the account managers, investment pools and IB's by licensing and regulating the people who have access to the public's money. One would be foolish to think by registration only there would be a total elimination of unscrupulous operators that prey on the unknowing but it would be a move in the right direction in that if they were not registered it would certainly raise a red flag.

As for the change of leverage from the current 100:1 to 10:1 this is an area that would be counterproductive for both the public and the economy. The average trader has an account balance that is very minute compared to those of the large banks and would be very limited to the number of trades they could enter, would have to reduce their risk and reward to a point that may result in an increase in losses and result in margin call increases that would put them out of business. The average trader makes up a large portion of the daily money traded and this produces income to the population which what is needed to help in the economic recovery.

Another consideration against the ratio reduction is an average trader could pull their money out of US brokers and put them with foreign firms which would offer a more attractive ratio thus money would be going out of the US economy. These foreign firms may or may not be governed by regulations and could put the American trader in a position of dealing with shaky and or unscrupulous companies that could take our US dollars out of the pockets of our citizens.

We have seen the ratio reduces from 200:1 to 100:1 and if it is changed to the 10:1, the average trader would either be put out of business or forced to seek a foreign dealing station that would take money out of the US economy and open the trader to the possibility of fraud resulting in the loss of their money. It would be a bad decision and I am strongly against this change.

Thanking you,

Mike Owen