

**From:** akincheloe <akincheloe@sbcglobal.net>  
**Sent:** Monday, January 25, 2010 8:27 AM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Greetings;

I am writing you because of my deepest concern regarding your proposed new margin changes on trading forex. Such a drastic change will cause a number of very negative events to occur.

First, the average trader will now be dramatically hampered in their ability to enter and remain in the forex market due to the large account balances that will be required in order to make a decent profit from their trades.

Second, is the fact that even those people who carry a larger account balance, will likewise be deprived from the ability to make anywhere near the same level of profit as is now possible. Among other repercussions that will follow due to this is the fact is that the taxable profit of ALL in the forex market will be dramatically decreased, thus costing the government considerable tax revenue. At this stage of our national debt, this would not seem to be desirable.

Thirdly. Unlike the stock market, where trading on margin can produce severe financial losses, this is not possible with forex trading. This is simply because every broker that I know of will close your account out when you approach a zero balance due to a trade moving against you. I know this to be true because I have traded both the stock and forex markets for a combined total of over 10 years, so I am not a novice at this business.

Fourthly. If these proposed restrictions are put into place, even a large percentage of the large balance carry traders will likely move their accounts to a foreign broker where these proposed onerous restrictions will not be in place. Since they can then trade in foreign corporations, in foreign countries, the US government will further face a loss of taxable revenue. Once again, this would not appear desirable.

Fifthly. If your organization wants to protect the trading public in the forex market, the #1 best way to do this would be to further force the trading desk brokers to stop the practice of holding one's order until the market changes and then enter against their customer with their own trade. As you know, this is the disadvantage faced by a customer who uses a trading desk broker. A trader has with an ECN broker does not have to deal with this type of what I consider to be a dishonest practice, as it is not occurring with the ECN broker. The trade completion by an ECN broker, once an order is placed, is extremely rapid.

Thank you very much for the opportunity to express both my opinion, as well as my reasoning behind that opinion.

Albert M. Kincheloe