From: forrest@velocity.net
Sent: Monday, January 25, 2010 6:34 PM
To: secretary <secretary@CFTC.gov>
Subject: [Fwd: RE: Comments on Proposed FX Regs.]
Attach: untitled-2

---------------------------- Original Message ----------------------------
Subject: RE: Comments on Proposed FX Regs.
From: "WFG" <westernfinancial1@cox.net>
Date: Mon, January 25, 2010 2:15 pm
To: secretary@cftc.gov

Atttention CFTC:
Re: Commmentary on proposed CFTC regs on Forex--as requested

As part of the proposed regulations, it is stated: "leverage in retail forex customer accounts would be subject to a 10-to-1 limitation," which means 10:1 leverage would be the maximum amount allowed for all Forex traders in the U.S.

This will mean that to trade a single standard lot of $100,000 one wouldl need $10,000 in your
account. Currently it can be as little as $1000 (100:1) in the U.S. and $250 in the U.K. (400:1)! How does this "help" U.S. retail traders or the FX Industry in U.S.??

The government is suppose to be helping the retail Forex trader by providing a safe environment via regulations--that is, safe from fraud and unfair practices--NOT safe from risk in the market. The Risk in the market is what makes profits possible for investors, hedging of risk available for those who have currency risks in their business, and provides liquidity in this public market. Reducing the leverage to 10:1 will reduce not only the risk but the profit opportunity for the retail trader and increase the hedging cost for hedgers of currency risk. This does not serve the public--rather damages the FX Trader by reducing his profit opportunity- - and increases the cost of hedgeing risk -- thus weakening the economy even more than it is. WHERE IS THE BENEFIT? TO WHOM?

In addition, the proposed regs will drive more FX business to off-shore brokers--which has already begun due to recent regs passed that were also damaging to the retail trader's profit potential in Forex. This will also have a negative impact on U.S. employment in the industry due to more investors rushing to offshore brokers.

Some regulation to keep out the scams is justifiable. But TOO MUCH regulation is damaging to the benefits of a "free Market" and the public on both sides--invetors and hedgers-- who can benefit therefrom.

In my opinion and virtually ALL of those in the industry with whom I have spoken, THESE PROPOSED REGS ARE TOO MUCH AND DAMAGE THE FREE MARKET AND ITS BENEFITS TO INVESTORS, HEDGERS AND THE ECONOMY!

Yours truly,
Charles R. Rietz, FX Trader
Gilbert, AZ

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