10-001
COMMENT
CL-03983

From: Jon A. Quist <JonQuist@hawaii.rr.com>
Sent: Tuesday, January 26, 2010 4:19 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Secretary,

I most strongly disagree with any proposal to regulate retail forex with the intent of establishing a margin requirement of 10:1.

Such regulation ultimately will not succeed in protecting retail traders from risking their money in this market. It will dissuade some, I am sure, as the means to trade will be reduced. But it will not eliminate those willing to take the risk. In fact, such action will only increase the risk to any remaining retail traders in at least one way, and probably more.

The one certainty is that the number of traders will thin, and consequently competition will decrease. With less participants the remaining traders will be easier for commercial traders to focus upon and they will more easily manipulate the market in ways that will decrease the odds for retail traders below what we see even today.

As for price executions, and the free flow of currency exchange, with less traders in the market place the remaining participants will not be well served. As commercial traders ultimately represent international businesses and investors, who are already suffering in the wake of the current world economic situation, the new regulation will seem to be a burden on them. But in reality, all of these entities are intertwined with individual consumers and employees, and the less favorable exchange encountered by the commercials will just be passed down to all of these “innocent” individuals.

I believe the burden that retail traders **choose** to take upon themselves, actually serves to help the economy on many levels. I believe such regulation is bad for business, bad for the economy, and bad for retail traders as well. It is my sincere hope that such a regulation is never passed.

Sincerely,

Jon A. Quist
Kailua, Hawaii