

From: huemspec <huemspec@gmail.com>
Sent: Tuesday, January 26, 2010 2:45 PM
To: secretary <secretary@CFTC.gov>
Cc: support@forex.com
Subject: Regulation of Retail Forex

RIN 3038-AC61

While I have compassion for people who loose large portions of their resources to investments, it is imprudent to penalize the vast majority who don't, along with the rest of the citizens of the United States.

Late last year, I received notice that maximum leverage was reduced by 50%, from 200:1 to 100:1. While disappointing, the concept was tolerable. Reducing the leverage further, is not only unfair, it appears imprudent, as doing so not only limits the profitability for most retail investors, it reduces the corresponding tax base.

Taxes collected from Forex trading are as high, if not higher than personal income tax. Whereas those who suffer losses may be able to recover a portion of their losses through taxes in further years, reducing the profitability of the rest of us, reduces Federal revenue that supports the quality of life of all US citizens. For this reason, reducing profitability of individuals who invest in forex trading impacts all citizens, rather than the few that the change in regulation would protect.

Furthermore, the protection sought is protection from self. Many financial advisers recommend allocating no more than 5% of assets to speculative investments. People who invest more are placing their self and their household at greater risk of loss. While their individual loss is disappointing, their personal loss does not warrant taking measures that amount to an exponentially larger loss to the balance of individuals, in the United States and abroad, who benefit from the tax base of the United States.

Further reduction of the investment ratio in forex retail accounts communicates a counterproductive message. The message is investors

- do not have to accept responsibility for their actions.
- do not have to research the risks and rewards of investing.
- do not have to monitor their investments.

They can escape full responsibility for their actions, including the portion of their assets that they devote to speculative investments, by coercing our government to restrict everyone else.

Forex trading is one of the purest forms of capitalism available. Our country was built upon the principle of "life, liberty and pursuit of happiness" for everyone, not just the rich or otherwise privileged. The retail forex market provides access to

individuals other than the wealthy. It positions anyone willing to learn about investments, capitalism, and human behavior a reasonable opportunity to acquire wealth. Reducing the ratio further substantially limits that ability.

Finally, other alternatives are available, for example:

- Increase public awareness of risks through advertising and other campaigns
- Require forex trading firms to utilize risk reduction technology that limits loss to the amount the investor deposits with the firm. Doing so optimizes return, limits loss, and supports individual responsibility.

I am disappointed with the regulation that reduces ratios from 200:1 to 100:1. Reducing them further is appealing. Doing so encourages irresponsibility rather than personal responsibility; it not only reduces the profitability of most investors, it also reduces much needed Federal revenue; and finally, it removes one of the few remaining economic opportunities available to most citizens of the United States.

Regulation does not prevent individuals from doing foolish things. It does not foster personal responsibility. Furthermore, the proposed regulation will increase losses among millions of US citizens and people around the world by removing Federal revenue associated with successful forex investment.

Sincerely,

Michael Christian Baron-Jeffrey

Further contact information available by request. Simply reply.

Cc: Senator Burris, Senator Durbin, Congressman Foster FOREX.com
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