

**From:** Richard Bennett <rwbennett51@comcast.net>  
**Sent:** Tuesday, January 26, 2010 2:58 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

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Dear Sirs:

I am very concerned about the proposal to increase the margin requirements for Retail Forex, for many reasons.

First, on the personal level, I have been trading stocks, futures, and now Forex. This proposed regulation will severely limit my ability to grow my trading account.

I am in late 50's, disabled, and my wife's and my retirement savings are not going to last our lifetimes. I have invested some of our hard earned money to become a successful trader, spent considerable time learning to gain confidence and skills so that I would never lack the ability to generate income for our retirement.

Now the CFTC is proposing a new regulation limiting leverage in retail Forex customer accounts would be subject to a 10-to-1 limitation, For the life of me, I can't possibly see how this proposed regulation, if adopted, serves any useful purpose that benefits anyone. Certainly, it will not do any good for me. I suppose from one perspective it protects some people from their own stupidity by helping them limit how much they can lose in one transaction, but trust me, they will find a way to lose their money anyway looking for a way to get rich quick. Why not regulate how much money people can lose in casinos?

I am already limited by the government in terms of making money in my retirement accounts. I can only go long in or only do covered call options. As long as the stock market goes up, I can be profitable. If the stock market goes down, the government limits my opportunities to make money in the market.

And, I am not alone...there are likely hundreds of thousands like me in my age group with no employment future...and probably millions of younger Americans who will be unemployed or underemployed for a long time. The jobs shipped to India (tech jobs) or China (manufacturing) are not going to come back.

In response to this, many, many US citizens are learning to trade. Some are going to do well, if you don't change the regulations. There is an infrastructure being built out now in the educational and brokerage firms, and even the banks, that are preparing to serve this new demand. Please take a look at this. It is not small.

Those people who are suited for the career of trading, allowing themselves to become well prepared, practiced, and trained, will have self created jobs, they will be paying local taxes, and Federal taxes. They won't need unemployment, and they have money to spend in their local economies. Not only that, they can work from home, creating less demand for oil, and less traffic.

The use of leverage in the Forex retail market is a beneficial thing to a person with the right skills to use it. It is not like giving a mortgage to someone who has no money. And, it is not the same as the leverage created by the Investment Banks that caused the financial system to almost collapse. It is not the same dynamic, and its scope is very small. Please don't make the mistake of seeing all leverage as evil. The

leverage in the Forex market, if used wisely, allows a well trained individual to create an income for himself, and his family, without relying on the external job market, and without the need to have a million dollars to invest. Leverage has been a positive factor in this country. It has been used by individuals to get loans to start small businesses. It has helped small businesses to get lines of credit to expand their businesses. It has helped small businesses to become larger businesses, etc. My business is trading. My plea is to let me build my business.

BUT, beyond that...there is now an industry that has been growing rapidly in the US to serve the retail Forex trader. If you implement the higher margin requirements, first this industry and all the jobs that it is creating, is about to create, and will be creating, and all the tax revenue that goes with the business income, and those jobs, are going to disappear. The Forex market in America will disappear. All the jobs, profits, taxes generated in America will go overseas. All the transaction business will go to London or Switzerland, or even in the future, to Hong Kong or Singapore. Or Australia or New Zealand....I'm sure they would love to have the business.

There are already very good, highly regulated Swiss Forex brokers, more than willing to accept the US customers you would be pushing away. The same for London. (By the way, London probably has more Forex transactions than the USA in any given day. The US is the second market.)

If the US Forex Retail Trader moves his accounts to London or Zurich, that in turn would force US Retail Forex Brokers, if they wanted to stay in business, to move offshore outside your regulation, taking the jobs with them, and the payroll tax revenue, if not more.

You have a tremendous opportunity here to allow the formation of a rapidly growing industry in the United States....one where well trained individuals (i.e. "taxpayers") can participate in the truly massive and dynamic world's currency markets, having equal access as the worlds largest banks. This type of access is relatively new...with a new type of Retail Forex Broker building out the infrastructure and creating a base for secure transactions required by the Forex trader.

Really, I cannot see any positive outcome for our country, if these regulations are implemented.

Actually I would suggest the opposite....keep the margin requirements as they are, and better regulate Forex brokers. I will always prefer to trade with a US broker. But if my government decides to jeopardize my financial future even more than it has already has, I will find an overseas broker with 100:1 leverage.

Thank you.