

From: ksrapper@yahoo.com
Sent: Tuesday, January 26, 2010 4:09 PM
To: secretary <secretary@CFTC.gov>
Subject: Public Comment Form

Below is the result of your feedback form. It was submitted by
(ksrapper@yahoo.com) on Tuesday, January 26, 2010 at 16:08:32

commenter_subject: Regulation of Retail Forex

commenter_comments: The proposal to increase margin requirements for
the retail Foreign Exchange market is a really bad
idea.

While it is true that there are many unscrupulous
retail FX brokers, there are no scammers and
bucket-shops that are regulated by the CFTC because
of stringent rules and regulations that must be
abided by in these firms. FX dealers that are
truly in the arena to do good business, such as
FXCM and Alpari, names I am sure you know well,
offer multiple warnings to their customers that FX
is incredibly risky and that their entire
investment may be lost without excellent risk
assessment and strategy.

We all know that. My bet is that every FX trader
has been wiped out at least once or twice while we
are learning to trade. There is nothing wrong with
that, as that is what we were told and that is what
we expected. We go into an account knowing that we
may lose everything.

That having been said, there is no protection the
government can offer the trader- and nor should it
offer protection to anyone- because we understand
the rules that apply to FX. I have learned. I
understand risk management and I do not expect the
government to bail me out of losing trades. The
government, in fact, should not be bailing out
anyone because of a losing trade but we probably
had best leave that subject for another discussion.

By reducing the margin offered by retail FX brokers
by ten times (10X!!!), this greatly reduces one
aspect of the market that is beneficial for everyone
involved: liquidity. The FX market is the most
liquid in the world and is the main reason I am an

FX trader. There are ways to manipulate the market but it takes an enormous and obvious sum of money to do that. By broadcasting such manipulations, it makes the expected result null and void, as many traders see it well before it comes to a head. No one can say that about options on stocks or the price of oil.

I would have to severely restrict my trading because of some artificial protection by the government that is neither necessary nor welcome, as would just about every other FX trader I know. I would not have the opportunity to learn and get better at it. In short, that would not be fair at all to us "home-gamers."

I suggest that if you want to look into a real CFTC problem, look at the oil market manipulations by Goldman-Sachs last year, or the ongoing market manipulation in the price of gold by the COMEX. No one has ever said that an FX broker who is regulated by your body has manipulated markets or deliberately taken investors' money because they were not aware of the risks. We all know the risks and I haven't heard anyone complaining on the trader side, except when we make a really bone-headed trade that we weren't supposed to make in the first place. There is no protection for doing stupid things. That is our own fault, not the fault of FXCM or Alpari.

In short, if it ain't broke, don't fix it.

I am uncertain as to how the proposal ever started but it should be abandoned immediately. Don't go after the little guy- again- when there is so much questionable activity that your Commission should be worrying about.

Stop this proposal now!

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