10-001
COMMENT
CL-04172

From: Charla Fischbach <charla1@consolidated.net>
Sent: Tuesday, January 26, 2010 9:47 PM
To: secretary <secretary@CFTC.gov>
Subject: CFTC Letter -- REGULATION OF RETAIL FOREX
Attach: CFTC Letter.docx

Please see my attached letter.

To:	Secretary	Date Sent:	January 26, 2010
From:	Charla Fischbach	Subject:	Regulation of Retail Forex

To Whom It May Concern:

It has taken me time, money, & effort to learn to trade the Forex market. Just when I have become a knowledgeable Forex trader, I find the CFTC proposing a draconian regulation on my ability to supplement my retirement income. I strongly object to the proposed change in leverage to 10:1 for the Forex market. This change is intrusive & damaging to my trading efforts.

10:1 leverage is actually more detrimental to the small retail trader than 100:1 or even 200:1 when smart money management strategies are employed. The 10:1 leverage will force me, as well as other small retail Forex traders, to have to put more money at risk with a broker to make our trades. That will mean larger losses for the small retail Forex traders -- consequently larger potential gains for the large brokers.

Are these proposed regulations for the benefit of the small retail Forex trader or the larger institutions?

From my perspective, the regulation needs to be in the area of all those producing the hype in the infomercials on television as well as over the internet. Many prospective traders buy into the hype without being willing to do the hard work that is required to become a successful Forex trader. But, then, it's easier for an organization like CFTC to introduce a new regulation that others must enforce rather than going after the scam artists that make a fortune from those not willing to do their own due diligence. Leverage is not the problem. Unregulated scam artists are the problem!

Have you considered how detrimental this new regulation will be to US based brokers & the US economy?

- First of all, US brokers will lose many of their customers as well as a source of income that is generated by the spreads paid on all trades placed.
- Secondly, this will mean fewer employees will be needed to service their customer base, so this will add to an unemployment rate that really is much higher than 10%.
- Thirdly, many of these brokers will set up operations out of the country, which will decrease the tax revenues generated in the US.
- And, finally, Great Britain will love this rule. Since we share a common language, retail operations will probably be moved to London.

Have you considered what this will do to the very traders you are trying to "protect"?

- Many of them will not be able to fund a large enough account to make a living trading with such small leverage as 10:1.

- They will then be in a situation where they will choose to take their business abroad or open an account with an less regulated or unregulated broker.
- The small retail trader will then be at greater risk of unscrupulous scam artists making off with their money.
- In addition, you are limiting the freedom of US citizens to pursue a career that could make them big contributors to the coffers of the US Treasury.

The US government should be doing everything in its power to encourage economic growth & innovation rather than restricting growth. The 10:1 leverage restriction is a perfect example of an idea that will restrict growth. It won't restrict the "Yankee can do" attitude. Innovative ways will be found around your regulation -- should you impose such an unreasonable regulation!

I strongly oppose the 10:1 leverage idea. With all due respect, this 10:1 leverage proposal needs to be deleted from this legislation. The 100:1 & 200:1 leverage should be allowed to remain for US based retail Forex traders & their US based (regulated) brokers.

Thank you for taking the time to read my rather lengthy comments .

Respectfully yours,

Charla Fischbach

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