

From: Kip Knight <knight.kip@charter.net>
Sent: Saturday, January 30, 2010 1:09 PM
To: secretary <secretary@CFTC.gov>
Subject: Retail Forex

Regarding: RIN 3038-AC61

To Whom It May Concern;

I am a retail Forex trader, and I understand the need for market legislation. In 2009 when hedge rules changed for NFA regulated brokers, I viewed the change as generally positive. Conversely, I believe that the 10:1 aspect of the RIN 3038-AC61 is disastrous and will have multiple unrecoverable negative impacts on Forex trading in the US.

- Retail Forex brokers will be, in many cases forced to close because a large percentage of accounts will be moved off shore
- Tax revenue from individuals working for current Forex brokers will be eliminated as a result of loss of jobs
- Traders with small accounts will move their accounts offshore
- This is overregulation and is seen as a continuation of over regulation

I trade with GFT and have a wonderful relationship with my broker. I use proper money management in my account and only trade with funds I can afford to loose. I understand that not all traders follow this policy, but I should not be penalized for the actions of others. I generally believe that rule makers and legislators attempt to act in the best interest of those being regulated; however, clearly when a rule or legislation has such a broad sweeping negative impact it cannot be seen as positive. My experience is not unique, and I urge a reconsideration of RIN 3038-AC61.

Brokers and traders alike in the retail Forex market recognize the abuses that have occurred in the past and continue to occur in some areas. But, RIN 3038-AC61 penalizes all participants in the retail market not just those who abuse the system. Stop RIN 3038-AC61, and write legislation that works. Eliminate overregulation and win a victory for retail Forex.

Sincerely,

Kip Knight
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