

From: Justin Sharp <sharp@sharpone.net>
Sent: Saturday, February 6, 2010 11:58 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Secretary,

I have read each and every comment posted regarding the "Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries". While there appears to be mixed support for various regulations proposed, there is an overwhelming amount of disapproval for the proposal to limit the amount of available leverage to a 10:1.

As most other commenter have done, I must too voice my opinion that this would be a grievous mistake. Please hear the people! Traders will move their accounts to brokerages which do not need to abide by these regulation, which will put American traders who keep their accounts with domestic brokerages at a significant disadvantage. It will increase the barrier of entry to the individual trader. It will put many brokerages out of business, and destroy many jobs and lives. The domestic FX market represents a Billion dollar industry, please do not destroy it by sending these jobs and the capital it represents overseas with the rest of the US jobs. Worst (from a federal bureaucratic perspective) is that it will send US tax dollars away, at a time when federal spending is at an all-history high.

As a matter of philosophy, "we the people" did not ask you to protect us from ourselves. We know the inherit risks involved with highly leveraged trading. These risks are no different than any other highly leveraged instrument that many of us deals with on a day to day basis. Consider the highly leveraged instrument that most are intimately familiar with: your mortgage. If you (generically speaking) were to lose your means of employment, you would stand a real chance to lose your house because it is leveraged into a mortgage, which you may no longer be able to service. However, despite this risk, you and many others decided it was a personally acceptable risk to take in order to provide a comfortable place to reside and store your possessions. Likewise, I meet with a large group of FX traders on a fairly regular basis. I can not honestly say that I've ever met a trader who was "duped" into opening an account based on the high leverage available. Each and every one I have met is intimately familiar with the risk at hand, and despite knowing the risk, still chose to fund and trade their accounts. Many of these people have lost significant amounts of money, all of us have periods of account draw down, and yet most I meat consider it an acceptable risk given the potential profits to be had. We knew the risks, and yet we chose to do it anyway. How many people visit the various casino's in this country each and every day. People ought to be free to utilize whatever amount of leverage the market is willing to offer. We the people choose to inherit and deal with the risks involved in freedom, in fact there is no risk great enough to be robbed of it!

I am in extreme uber-contemptable disagreement with your proposal to limit leverage on FX accounts to 10:1. In fact, I am in complete gleeful support of lifting previous regulation and allowing 400:1 to be accessible again. I personally would not choose to trade at this level of leverage (400:1), as it does not suite my risk profile. But I would never rob another of his right to leverage his own capital at this rate.

Congressmen/Senators:

I have copied you on this correspondence as I am extremely concerned about the current path this country is on. Massive federal spending, ever diminishing state's rights, ever increasing entitlement programs - redistributing the wealth of the nation, increased taxation at nearly every level. This is not

what our founders intended, indeed their intentions were clear and can be found and read by anyone who has an internet connection. As to the matter at hand, I urge you to contact the offices of the CFTC and inquire as to the reasons for the uncalled-for limitation on the end consumers use of reasonable leverage. Current leverage rates level the playing field for this market, instead of benefiting only large banks with large capital able to be risked. This is an prime, red-hot example of how government bureaucracies are over stepping their regulatory bounds, and micro-managing the American people. I have supported you in the past, but enough is enough! It is bad enough that we are taxed to the hilt, and sucked dry at every corner, now the CFTC wants to limit our means of retail FX traders making a profit as well? This type of behaviour in the federal government can not persist, there will come a breaking point. Take a moment and read the comments posted on the cftc's site:

<http://www.cftc.gov/lawandregulation/federalregister/federalregistercomments/2010/10-001.html> I am not alone in this frustration. Please join me in resisting such unnecessary and obviously unwise regulation.

Thank you for your sincere consideration.

Sincerely,

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