

From: Flora Anderson <floraanderson@comcast.net>
Sent: Tuesday, February 9, 2010 12:43 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

C/O: CFTC

I strongly advise against further regulation of the amount of leverage available to U.S. retail customers at this time.

Last year a number of changes were implemented including a decrease in the amount of available leverage. It is my opinion that further changes are not required for the following reasons:

1. In the first place, forex was not responsible for the decrease in stock values in U.S. and other markets. The problem was tied to public perception as a result of cheap loans made available to unqualified homebuyers, the loans then packaged and traded as complex derivatives. As the economy as a whole went through a weakening cycle, the homeowners began to default on their loans. This in turn had an effect on the aforementioned derivatives markets that in turn led to capitulation from the highest levels achieved in the equity markets.
2. As an economy of hard working americans, we are an open and free society that benefits from free trade. By imposing additional restrictions on the forex market, this freedom will be reduced substantially. Much tax generating revenue will be lost as fewer entities will continue to trade, thus requiring fewer employees to provide analysis, customer service, computer related services, accounting, legal, and so on. With this hole in the economy created an extended economy will no longer exist as these employees will no longer be in existance within the current capacities, resulting in a further expanding domino effect within an already weakened overall economy.
3. By imposing additional leverage limitations, less liquidity will exist within the forex markets, thus making it possible for unscrupulous nations to manipulate currencies against the free world.
4. Among, the U.S. retail forex traders who remain in forex, many will be forced to trade overseas where these restrictions are not as imposing. This will mean that money once held in U.S. banks and once generating taxable interest to the U.S. treasury will no longer do so. Additionally, U.S. retail customers trading overseas may be more apt to have funds sitting with firms that are not necessarily as safe as at home, though many of the foreign dealers are substantial trustworthy firms.

Please do not impose any additional financial or leverage regulations on U.S. Retail Forex customers.

Sincerely,

James Anderson Jr