

From: David Propst <dwp_ca_nv@hotmail.com>
Sent: Wednesday, February 10, 2010 4:32 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

See attachment in doc format or read below:

Feb 10, 2010

Secretary of CFTC
United States of America

Re: Regulation of Retail Forex

Dear Secretary,

I am **opposed** to any changing of the leverage rule to what is proposed by all of the agencies to 100 to 1 or even to 4 to 1 or even the old proposed 1.5 to 1.

I'm **in-favor** and I understand we need to be overseeing a market currently without restrictions and regulations.

This is the element that your are taking away from retail traders:

the Commission considered current industry practices, as well as NFA's current leverage restrictions of 100 to 1 on major currencies and 25 to 1 on non-major currencies, and the proposal by the Financial Industry Regulatory Authority ("FINRA") to limit the maximum leverage on certain **retail forex transactions offered by broker-dealers to 4 to 1.**

Regulation will help improve "No commission" on trades that are a hoax. Clients still pay some exorbitant spreads, slippages and deviations.

Regulations are needed to prevent scam, boiler rooms (Zelener) and untrained advisors (Sanders) to exits, customer protection, regulation protection, granted, however do not go over board! Most investors have gravitated towards Forex due to the leverage and using proper trading plans leverage works to the customer best interest.

The new leverage rule change will cause this market no longer to be the "retail" market but to revert back to the "wholesale" market between the elite and financial institutions. Thank you for telling me what I can do and what I'm equipped to do. Your efforts should be to regulate the thieves and leave the rest of the honest people alone.

I am opposed to changing of the margin rules for 200:1 (banks) to 100:1 or 4:1 (retail) and FINRA's 4 to 1 proposal. What are you trying to accomplish? Without a criminal mind, I get lost in your legal mumbo jumbo that distracts from the real issue and hides the additional under laying element. There must be a benefit for some one to write all of this legislation documentation. Some changes are only going to stifle the American enterprise and curtail the American Dream of independence.

I understand we need to be overseeing a market currently without restrictions. The clear and easy way to start with a multi-phase approach rather than to throw so many restriction in place to disrupt the ebb

and flow of the market and business.

You have so many high paid experts that can figure this out, however they need to remember the past or get help from the old timers.

Refining the system without rewriting a new plan is in order as an example:

Phase I

Licenses CFTC, NFT, etc., the brokers, dealers, Advisors, managers, account executives and clearing houses

Financial requirements.

Broker House cover net risk with hedge insurance. No bailouts to brokers, financial institution and banks who are naked.

Educate the clients, CYA. Educate the clients, CYA. Educate the clients, CYA.

Documentation requirements by **all** parties to the transaction.

Phase II

Protection of clients accounts with rules and insurance (hedging their risk and not competing against clients), similar to SIPC.

Client Margin rules.

Why would you want to change the world market to suit the USA and it's regulatory bodies that have proven it's not what it is cracked up to be? Just look at the financial markets current track record. The market doesn't need to be changed, just fine tuned.

Currently, broker/dealers cover themselves with a liquidating margin account strategies. Forced position closing trading due to margin calls are never pretty. If clients use proper trading plans, liquidating positions would never happen except in sever moves in markets cause by disasters, government kayos and news reporting, so "Hedge/Risk Insurance" is required or broker/dealers must guarantee limit exits. Drastic move in the Forex market need to be covered to protect the financial stability without abuse from **all** parties, such as taking undue risk on the roll of the dice, if I make it great, if I lose the insurance pays for it is not permissible and this is a hot button, however that is why we are in the business and we pay geniuses large salaries to figure a protection strategy.

I hope there has been progress made since this web article has been published, if not shame shame on you. <http://www.sipc.org/media/release0.cfm> This old article confirmed investors need to be educated.

Thank you for the opportunity to respond, now if you would **only pay attention**.

Sincerely,
Mr.Sheepie 5628