

From: John Davis <jdavis@optilink.us>
Sent: Wednesday, February 10, 2010 5:46 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sir:

I certainly oppose the proposed radical increase in effective margin requirements for forex trading accounts.

Citizens of the United States should be free to contract with brokers on any reasonable basis, without unnecessary government intervention. The recent problems in the financial markets had absolutely nothing to do with small traders, who are the ones who will be affected by this proposed heavy-handed regulation. Large traders, investment banks and hedge funds, will be unaffected.

I am in favor of reasonable regulation of all markets, to maintain order and fairness. Up to this point the CFTC has been reasonable in regulation of forex trading accounts. However, an arbitrary ten-fold increase in effective margin is an unjustified imposition on individual freedom to contract, and has no justification by reasonable regulatory concern. It seems to be "regulation for the sake of regulation."

The currency markets have been no more volatile in recent months than they have always been. When volatility increases, margin requirements can be raised gradually to account for the increased risk, and relaxed when the markets settle. There is no need to take the risky step of "hammering" the market with a capricious, unresearched straitjacket of this magnitude.

I urge you to back off from your present seeming panic, and reconsider this proposed change. If you feel margins are too low, increase them gradually, in small increases, and relax them when the need subsides.

The freedom of the marketplace is nothing to be taken lightly. If our economic system is to recover, it will be accomplished by large numbers of small businesspersons and traders, given reasonable breathing room by our government overseers.

Please withdraw this proposed change, for the moment, and think the matter through.

Sincerely,

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