

**From:** bob <family@rdesisto.com>  
**Sent:** Wednesday, February 17, 2010 3:28 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail FOREX  
**Attach:** CFTC proposed RIN 3038.doc

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Bob DeSisto

## *CFTC proposed Regulation of Retail FOREX -- RIN 3038-AC61*

Most people understand the need for and support the regulatory process.

For example, traffic laws promote driving safety and building codes protect people by enforcing standards for safety. Most people would argue that traffic laws are not there to prevent driving or building codes to prevent building.

The CFTC is there to enforce laws passed by Congress and to ensure fair and orderly operation of the markets. Its job is not to eliminate a market or to favor one market over another or to mandate who can or cannot participate in a market (unless mandated by law). **This, however, is exactly what the proposed new regulations will accomplish.**

Some of the recent changes mandated by the NFA were not only unnecessary but also harmful to the retail FOREX market. It was especially harmful to brokers who had to scramble to retool software and to new traders exposed to higher risk. It also drove many traders out of the country to non-US brokers.

The CFTC proposal will expand this process of hurting United States retail FOREX. Beginning retail traders who could trade risking 1% of their accounts per trade will now be forced to risk 10% of their accounts per trade in order to see the same profit potential on a trade. The lower 'risk of ruin' using higher leverage gives traders time to learn the skills necessary to trade successfully. Correct money management, especially for inexperienced traders, is easier with higher leverage.

I will simply not be able to earn a living using NFA/CFTC regulated brokers. If I want to stay in the FOREX market, I'll be forced to face additional risk because I will be driven from a poorly regulated U.S. market.

With the 10:1 leverage proposal, the trickle of U.S. capital to out-of-country brokers will expand into a flood.

When I first began trading retail FOREX, I looked for NFA/CFTC regulated retail FOREX brokers. If these new regulations are implemented, these will be retail FOREX brokers I will avoid.

Sincerely,

Robert A. DeSisto  
Austin, Texas