

From: Matthew Decker <deckerms@gmail.com>
Sent: Wednesday, February 24, 2010 3:18 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

In response to 17 CFR Parts 1, 3, 4, et al.

Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries; Proposed Rule (<http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2010-456a.pdf>)

To Whom It May Concern:

My name is Matthew Decker and I am a retail Foreign Exchange (Forex) Trader. I am deeply concerned by your proposed regulation of the Retail Forex Markets. I would like to begin by exploring the purpose of the new regulations.

If government exists for any purpose other than to provide necessary services to the citizens who enable it, then I am curious as to what its purpose may be. Given the fact the CFTC exists to provide necessary services to the citizens of this country as they pertain to commodities and futures, I am curious as to what service is being provided in these new regulations. The CFTC is proposing sweeping regulation of a thriving industry without a defined purpose. Even in the summary provided by the CFTC with the proposed regulations, there is no stated purpose - there is no mention of providing a great service to the citizens who enable the CFTC through their elected leaders.

So I must ask, what is the purpose of the legislation?

I'm sure I will receive an answer to the extent of "consumer protection." Which then yields the question, what consumers are you trying to protect? I trade Forex. I chose to place my money in a market to which there are no guarantees - a market inherently full of risk. I did so of my own accord, with my own hard earned (and already once taxed) income. I did so because I see a bright future in Forex. But I also did so with a full dose of optimism and reality - understanding that money invested in markets is not a guarantee, rather it is far from it.

So one might then be inclined to say "well you understood the risk! Bravo! Not everyone does, so the CFTC needs to protect them!" Well I say, "good on ya!" Despite my existing knowledge of the risk inherent with Forex trading, my broker required my acknowledgement - multiple times - that I understand the risk involved. My acknowledgement that I am only using risk capital. My acknowledgement that I can lose my money at any point in time. So now tell me, what will this new regulation accomplish? Who will it protect? Is it really going to protect someone who already acknowledged the risk several times and yet voluntarily proceeded to trade Forex anyway?

It seems the CFTC is concerned with Forex "brokers" being under capitalised and over leveraging themselves, putting the consumer's money at risk. To alleviate this concern, after investigating multiple brokers, I placed my money with a reputable broker. This option already exists to anyone who would like to enter the market.

Your twofold solution for under capitalised brokers includes a requirement that consumers not be allowed to leverage their accounts beyond 10:1. This is my single greatest concern in this new piece of regulation. You seem to be concerned about the health of the brokers and yet you want to require me to deposit more money with my broker to continue trading the way I trade. This is extremely counter intuitive. If you are concerned with their health, you should not be requiring retail traders to place give more money to an institution you believe is not necessarily stable!

In addition to the counter intuitive nature of the new leverage requirement, I once again ask you, how does this protect the consumer? How does this serve the consumer, the brokers, or any other party involved? What is the true value-add?

If you enact these new regulations in their current form, you will be reducing my access to one of the greatest opportunities I've found in my lifetime. You will be crushing retail traders who are guilty of nothing more than playing by the rules to make their lives better. You will be reducing business opportunities for US brokers. Most importantly, if you enact these new regulations in their current form, you will do NOTHING to serve the group of people whom you were chartered to serve - the US Citizens.

So I ask you, with great concern, to please reconsider the regulations you have proposed. I do understand it is your duty to ensure the stability of the markets. I do understand the concern of the bad brokers out there, that may fail

to pay their share while acting as a counterparty. The only thing I ask of you, is to please understand the severe negative impact this regulation will have on the people like me - the citizens.

Respectfully,

Matthew Decker