10-001
COMMENT
CL-05663

From: Bob Pantano <fxbobp@yahoo.com>
Sent: Monday, March 1, 2010 9:15 PM
To: secretary <secretary@CFTC.gov>
Cc: Bob P <fxbobp@yahoo.com>
Subject: Regulation of Retail Forex

Sirs,

I, like many Americans, lost my job with the financial downturn. I have also been trading forex for several years & have stepped-up that activity with the loss of my job. Along with money management, this income is helping to pay the bills.

Unable to be sufficiently capitalized, I believe that the 10:1 rule would severly hinder my forex activity.

The NFA requirements regarding the removal of stop losses and FIFO has already moved me to open a UK-based account while keeping a US acct. The 10:1 may require all of my forex accounts to be transferred to the UK.

Multiplying these transfers to the UK on a larger scale, I can see this only hurting the US economy.

I am agreeable to a 50:1 leverage - as I already have that leverage to benefit from carry trades on two accounts that require the 2% (50:1) leverage.

I would rather propose

1. A leverage restriction for high capitalized accounts - eg trading volumes over $ 10mil

2. A leverage restriction on high-frequency trades, whether manual or robot-based.

3. If neccessary, a 50:1 leverage limit is acceptable for all other accounts.

As a side note, in my humble opinion, it is ironic that the largest market in the world (spot forex) does not have it's own regulatory body - as compared with the equities and futures markets. This body can focus exclusively on retail forex. It would regulate brokers to ensure fair practices (citing Refco), propose changes (as the NFA has done), perhaps even clarify the muddy area of tax treatment for forex. In turn, this would relieve these additional burdens from the CFTC and the NFA. It could start at the national level - with a goal of a worldwide body that oversees national or monetary bodies (eg the EMU)

Regards,
Bob Pantano
Individual forex trader