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Sent: Friday, March 5, 2010 12:28 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

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To Whom This May Concern:

It is very unfortunate but I have to admit that I believe that this legislation definitely has a chance to pass. Anytime regulators get their teeth into something that they can spin to make it seem as though they have the public's interest at heart they may not be willing to let go of it. A great example is the health care bill that Congress will mandate on US citizens but will not participate in themselves because they have the absolute highest level of healthcare now for life if they are elected to 2 terms.

This is no different. The brokers and traders are screaming about it because everyone is against it but I am not sure what is good for the industry is really what is at the root of any decision. It would virtually end the retail Forex market in the US because traders would need more than 10 times the amount they currently have in their accounts to achieve the same thing. If regulators want to close the market just be straight about it and tell everyone that is honestly what is going on. Consequently many traders will move their accounts to the foreign offices of the brokers they are using which may or may not be a safe place to have money depending upon the broker and the location. Not to mention all of the jobs lost when the industry closes that will end up overseas. US based brokers will obviously have to cut or eliminate staff at a time when we should really be thinking about adding to or minimally maintaining the jobs we currently have.

The result of this legislation will likely be that the people that it was purported to protect will end up much more at risk than they were before because we do not know how closely regulated the Forex brokers are in countries outside of the US. There would likely be fewer regulations in other countries making it almost impossible for a trader to get any kind of remedy for the financial abuse that they will almost certainly face. It is also very possible that the regulators would realize their mistake at some point and ban US traders from investing in overseas Forex accounts like they have in other markets.

If the customers/individual traders in the Forex market are actually the ones that the legislation is designed to protect and they are loudly and clearly saying "No, we do not want it, this one goes too far", why would Big Brother believe that they have some special insight and are more knowledgeable than the people that are trading in the market on a regular basis? Trading in the Forex market is an individual's choice, for the time being, nobody has to trade. This legislation will end that choice and press us into alternatives which are actually very scary.