From: John DeRyke <John@DeRyke.com>
Sent: Monday, March 8, 2010 4:25 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

RE: **RIN 3038-AC61**

Proposed Regulation 5.9 -- Security Deposits for Retail Forex Transactions

Requiring 10% security deposit will INCREASE my risk.

In this document you state "Given the risks that inhere in the trading of off-exchange forex contracts by retail customers, the only funds that should be invested in the off-exchange retail forex market are those that the investor can afford to lose" (II-8). With this change, retail customers will need 10 times the amount of funds in their accounts to satisfy the security deposit for a minimal market position. This may no longer be in the category of "funds...that the investor can afford to lose" if they want to trade this market. This is true for me. If I want to continue trading in this market I will have to borrow money from my Home Equity Line of Credit (only available lending to me at this time) to fund my account thereby adding my home to my risk whereas currently I'm funding my account with discretionary funds.

The CFTC is punishing retail customers and dealers.

My experience with several dealers I've been evaluating is that they go out of their way to emphasize "risk management" to their customers. To me, this is indicative of a reputable dealer since they want to keep me trading with them and have a long term relationship. They offer free on-line and sometimes live training classes that teach potential customers how to calculate and manage their risk. It is inappropriate for the CFTC to punish retail customers and dealers in an effort to be a nanny to customers that fail to take advantage of the abundantly available free resources to acquire the necessary knowledge to manage their accounts. The CFTC apparently considers retail customers to be too stupid to manage their risk. That kind of customer is just as likely to "wipe out" their account with even a 100% margin!

Another issue I have with this proposal is that you state "...the Commission considered current industry practices, as well as NFA's current leverage restrictions of 100 to 1 on major currencies and 25 to 1 on non-major currencies..." (II-8). So how did you come up with a 10% requirement? Is this a "we'll go one better than the NFA" attempt to "smack down" the retail customers and dealers!

My sarcasm aside, **I think this Proposed Regulation 5.9 will do great harm to the retail forex market**. Hopefully that's not the CFTC's underlying intent.

The nanny-state attitude, so prevalent in all levels of government nowadays is stifling the entrepreneurial opportunity and spirit of the citizens of this great country! It's anti-American and truly sad.

Respectfully,

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