

From: Steven R Young <StevenRYoung@cox.net>
Sent: Monday, March 8, 2010 10:09 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sirs,

I would like to hereby express my deep concern with the intentions of CFTC to limit the maximal leverage for retail Forex brokers from the current 1:100 to 1:10. In my opinion, the following scenario is likely in that event:

1. The maximal leverage requirement will be increased for all US-regulated brokers from the current 1:100 to 1:10. This will clearly demonstrate a complete dismissal of a regular Forex trader's interests if they happen to be conflicting with the interests of the "big wallets" - banks and non-retail futures brokers. We do not wish to be "protected" till we go broke just to make them even richer.
2. US-based retail Forex brokers will sure be unwilling to lose their business completely. They've already got burned with the recent self-imposed regulations of the NFA (which is not even a government agency, although many traders are made to believe it is) and now clearly realize the 1:10 leverage will be the last nail into their coffin. These retail brokers will therefore start moving their businesses to other countries and servicing US customers from there, successful examples of which already exist: Dukascopy in Switzerland (which has recently introduced MT4 in addition to their custom platform), ATCBrokers and FXCM in the UK, FXDD in Malta, FXPro in Cyprus etc.
3. The US government in response will do everything possible to prevent US traders from enjoying the benefits of being serviced in other countries by making overseas transactions to personal bank accounts even more controlled and restricted.
4. Those traders who make a living from their trading will then have no other choice but to set up offshore companies for themselves through the Internet (contrary to a popular belief, this doesn't cost much - one can get an offshore company with an overseas bank account for as low as \$1,500).
5. As all (or most) trading accounts will be on the companies' names, the US government may heavily lose on the income tax they collect from US Forex traders. Thus, trying to harm the average Joe trader and make the banks and futures brokers richer at his expense, the government is harming themselves in the end.

Since recently, America (which I really love) has been turning from a land of opportunities to a land of restrictions. Very sad to see this, indeed.

If you wish to continue to destroy America as a land of opportunity, please feel free to "protect" the groups that fund the lobby efforts *for* this proposal and then watch in wonder as the "invisible hand" of the market responds and results in America becomes insignificant in its Forex global power.

Yours sincerely,
Steven Young