

**From:** Peter J. Howard <peterjhoward@jerichocapital.com>  
**Sent:** Saturday, March 13, 2010 1:07 PM  
**To:** secretary <secretary@CFTC.gov>  
**Cc:** cftcfeedback@fxdd.com  
**Subject:** Regulation of Retail Forex

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Attn. David Stawick, Secretary  
CFTC (Commodities Futures Trading Commission)  
1155 21<sup>st</sup>. Street, N.W., Washington, DC 20581  
USA

Re: **RIN 3038-AC61**

Dear David Stawick,

We and all our associates are **completely against** the proposed legislation that would impose a reduction in leveraging on our FX trading in the USA. Does the CFTC even know anymore what the retail market is for FX trading and how it is defined and what it entails? The retail customer/investor is not comprised only of retired online hobby traders/gamblers, and it is not the likes of many customers of, for example, the commercialized, mainstream "Forex.com" borderline shady universe and similar TV commercials. The retail market INDEED consists of professional traders using/depending on sophisticated systems and software, all who contribute to our economy and who make a living from FX trading. These "retail" traders often have customers/investors of their own managing millions of USD. By our industry norm, retail FX are accounts being up to ca. USD 20 Million **each**, institutional trading/clients being over and above USD 20 Million. If retail customers could be restricted to use only 10:1 leverage, this means that institutional trading floors at our banks and financial institutions re: Wall Street (the ones who completely failed Americans already once before) would still be allowed to use 100:1 leverage in their back office using client deposited money, often and primarily for their own gains?!

No sound economist is his right mind and with any real world experience or any international exposure would even consider such a proposal, never mind any individual who has any REAL idea of how FX systems and EAs and HFT operate, systems that already execute stringent internal risk management techniques using the industry standard of 100:1. The new regulation would also mean that all presently successful systems and EA software/strategies would have to be completely re-programmed/re-written thus increasing developmental costs in addition to the potential of reducing FX trading activities tenfold, which is in affect what would happen.

Is your ailing/crumbling USD and disastrous/embarrassing American economy at this time not evidence enough that more socialist impositions do not work in a free market society whether we like it or not? I ask myself, what will it take then? Is it children with AADD or rebellious teenagers who are running your country at this time?

In our day and age, it is a matter of a few clicks to move our FX operations **and funds** to platforms outside of CFTC jurisdiction and this is EXACTLY what will result if the proposed new regulation is imposed on North American traders. We all know the FX market is ca. USD 3 Trillion large on any given day; the substantial profits made in this market on a retail level in North America will simply dissipate in a matter of months and would then be enjoyed in/by countries like Malta, Switzerland and other more suitable zones.

This new regulation if imposed would take away our/my livelihood in North America and will it destroy the careers of many other astute and hard working North American day traders and

software developers as well, not to mention all the staff at brokerage houses across the country who would in time also be laid off tenfold!

Personally, at my age and in my circumstance, there would literally be no point in me living/working in North America anymore unless I want to flip burgers at your infamous McDonald's restaurants or stock shelves at your beautiful Wal-Mart stores for the rest of my life making minimum wage! If this regulation is actually passed, we will indeed and literally take all our money, our trading, and our company outside the socialist grips of whatever the hell is going in the USA right now.

Sincerely, a proud Canadian and FX trader/fund manager.

**Peter J. Howard**  
**Principal**



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