

From: Russell Anderson <russanderson@centurytel.net>
Sent: Tuesday, March 16, 2010 12:41 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I am a retail trader in FOREX and have been involved in investing for over 30 years. Forex trading now constitutes the majority of my livelihood. I find portions of the proposed legislation, such as the dealing desk regulations, quite commendable.

However, your proposed limitations on leverage will be devastating to the retail trader. They will in fact destroy any possibility of maintaining a retail trading account in Forex. As proposed, Section 5.9 - Security Deposits for Retail Forex Transactions, will only serve to achieve the following negative results:

- 1). The retail Forex industry in the US will be destroyed with an accompanying impact upon unemployment and the US talent base.
- 2). The US tax-base will be further eroded as yet another industry is forced offshore.

I oppose Section 5.9 of the proposed regulations for the following reasons:

- 1). In reading the Congressional Record, I find NO indication that Congress intended the CFTC to regulate leverage.
- 2). Unlike other leveraged investments where the potential for loss is infinite and you can lose far more than originally invested and suffer numerous margin calls, your exposure to loss in a Retail Forex account is limited to the free equity in your account less the initial margin requirement for the position. Therefore your risk in Forex is far less than when employing leverage in other forms of investment.
- 2). The NFA as a self policing industry entity has already responded to market realities by adjusting margin requirements.

In summary, I applaud the efforts to reign in unscrupulous dealers, brokers, individuals, etc. However, at the same time, Section 5.9 will spell the death of Retail Forex in the US. and I am therefore vehemently opposed to the implementation of any regulation limiting the leverage of Forex. If implemented, you are destroying the sole means of support for me and therefore for my family.

Thanks
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