

From: Lawrence Celin <greentrader@xoxy.net>
Sent: Tuesday, March 16, 2010 1:09 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Gentlemen:

I'm sure that you have received lengthy comments about many aspects of this proposed rulemaking. I only wish to add my support for two main points which I am sure others have made already more forcefully than I.

1) Additional rules that create a fair playing field and eliminate fraud are most welcome in the retail Forex marketplace. Many of your proposals appear to be well thought out and likely to have their intended effect. I support those parts of the proposal.

2) However, I believe that section 9 (a) is unlikely to be effective and will most likely have the opposite effect from what was intended. The NFA has already implemented leverage requirements that are reasonable, and (albeit with some grumbling) have been accepted. Traders can live with them. Reducing the leverage further to 10:1 maximum will, in my opinion cause a flood of account relocations to the UK, Cyprus, Switzerland, or other domains where people remain able to trade in a manner that they feel is essential to their success. As that happens, most, or even all, Forex dealers operating under the U.S. rules will be forced to close due to lack of clients. That is what I foresee happening, and what I share with you today. You will be left with no dealers to regulate, and I hardly think that it is in the best interests of the bulk of traders to be forced offshore into other jurisdictions.

Just so that you may know I offer an impartial opinion for your benefit, I add that I am personally totally unaffected by the proposed rules -- once the NFA decided that they knew better than I how to protect my trading profits, and eliminated the possibility of hedging in the U.S. through their FIFO rule, my accounts departed the U.S. for an offshore location where I am still able to hedge and protect profits.

In considering regulation, both present and future, I would recommend that the CFTC include specific consideration of the fact that people will do what is necessary to preserve their economic freedoms, and to earn an income in the manner that they believe best suits their own interests.

Both section 9 (a) and the NFA FIFO rule serve to eliminate basic freedoms to manage one's own assets, in my opinion, and therefore can never be considered successful rulemaking. Saying that the CFTC "knows better than you do what is good for you" is not a sufficient reason for eliminating our essential freedoms to decide and manage ourselves.

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