From: John E. Cosgrove <jecosgro@gmail.com>
Sent: Tuesday, January 19, 2010 6:45 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Hello Mr. Stawick,

As you are no doubt aware, the current Federal Register of January 13, 2010 entitled "Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries" would enforce a 10% margin requirement on retail forex traders. I am fully opposed to the CFTC implementing a new margin requirement on retail forex traders, whatever that percentage requirement may be. From pages 36-37 of the Register, the CFTC gives a reason for this new requirement:

"The Commission's proposed regulation regarding security deposits is intended both to mitigate the risk to which customers are exposed and to provide some capital to cover customer funds held by a failing firm (albeit without the bankruptcy preference applicable to funds held in segregation for exchange-traded contracts)."

I believe the current proposal is akin to the FDA requiring all restaurants serve coffee at room temperature, as to mitigate the risk to which customers are exposed to the possibility of burning themselves, as well as provide a defense for the restaurant owner in court if a customer accidentally receives hot coffee, burns themselves, and decides to sue. The comparison seems ridiculous, but that is precisely what the CFTC implementing a retail forex margin requirement would be: ridiculous. The CFTC should implement new mandatory disclosure statements if it feels current statements are not good enough, but any more limitations than that on retail forex traders would be downright babysitting.

I also stand by the reasoning and opinion of the Forex Dealers Coalition found at this link: http://blogs.fxstreet.com/francesc/files/2010/01/competitiveness_summary.pdf

Sincerely,
John E. Cosgrove