

**From:** Hugh Kimura <hk@hughkimura.com>  
**Sent:** Tuesday, January 19, 2010 7:24 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

---

Dear Mr. Stawick,

I would like to express my opinion on the proposed regulation of the retail forex industry. I know you are busy and I respect your time so will keep this short.

First of all, I would like to say that I support the majority of the proposed regulations. Accountability and regulation of people who manage forex funds has been necessary for some time now and capitalization requirements for brokers will prevent another Refco FX incident.

However, I am opposed to the proposed regulation of the 10:1 margin requirements that brokers can offer (and any similar regulations) for the following four reasons:

1. It is my right to be able to decide how much leverage to use based on my experience and trading strategies. Different trading strategies require different parameters and as a professional, I should have the ability to choose.
2. I realize the CFTC's intent to try to protect retail traders from using excessive leverage but the truth is that even with no leverage (like in the stock market), traders who do not use proper money management will still lose money. It is like any other dangerous activity, I believe that proper disclosures should be in place, but we should be free to make our own personal decisions if to engage in that activity or not.
3. I have heard from many professional traders that if this rule does go into effect, they will move all their accounts to overseas brokerages. In fact, I have opened accounts overseas myself and will also move all my accounts overseas if the rule does go into place. This will take money away from American brokers, causing a loss of American jobs.
4. In addition, if retail traders start looking for overseas brokers, there is a greater risk for them to be scammed because of the lack of regulation in other countries. Also, not being citizens of those countries, we will have less of a say in the local regulations.

I would also like the restrictions on hedging, and FIFO removed from US brokers and allow them to set margin requirements to what they feel is appropriate. I wholeheartedly believe that retail forex trading represents one of the biggest opportunities available for the average person in this country to create a steady stream of income regardless of the economy and live the American Dream. Over regulating the forex industry is not the answer and while I applaud the measures you are taking to reduce fraud and unscrupulous individuals, I only ask that you give us the choice as to how to trade and make a living.

Regards,  
Hugh Kimura