

From: Robert Cook <ttradr@yahoo.com>
Sent: Wednesday, March 17, 2010 5:23 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sir or Madam:

I am writing this to you in hopes that the following proposal RIN3038-AC61 by the CFTC (Commodity Futures Trading Commission) can be rescinded and/or modified and keep the retail forex traders account leverage at it's current level of 100:1, as was modified and changed and adopted by the NFA (National Futures Association) on November 30, 2009.

This proposal is very counter-productive and will hurt not only individual retail traders like myself, who count on the forex market as a source of income for providing for my family, but it will also mean the loss of many well paying jobs at retail forex brokers across the USA. As you are aware, it is very difficult if not

impossible to find a decent job that provides a family livable wage in todays economy.

Currently in the US firms are able to offer clients 100:1 leverage, which is already lower than what is available in other parts of the world. At this time US customers are very satisfied with security deposit levels which currently reside at either 1% or 4% (by pair traded) of a contracts notional value. Although the CFTC may believe that lowering leverage from 100:1 may be better for clients, I do not believe they have fully considered the ramifications of this action.

It is largely anticipated that in the event leverage in the US is reduced from 100:1 to 10:1 most US accounts will migrate to the United Kingdom. Individual traders have voiced publically that they are unwilling to post higher levels of margin to trade within the United States. Specifically many have shared that as long as well regulated, financially similar, trading venues exist internationally; staying in the US will not make sense with

a 10% security deposit. Therefore, if the objective of the CFTC is to protect US investors with their new proposal and this occurs, they may actually be making matters worse. If US clients are encouraged to move their accounts abroad on to pursue higher leverage, the CFTC will then no longer have jurisdiction over the

companies handling those accounts and the point will become moot.

If this were to occur these US firms would likely seek out new forms of revenue in order to supplement falling profit margins. They would likely do so through various fees and/or by additional commissions through wider trading spreads. This too will not be good for the US retail trader or the RFED's which directly and indirectly create numerous employment opportunities.

I would greatly appreciate you looking into this matter, and help rescind it. Thank you for your time and efforts.

Best regards,

Robert Cook

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