10-001
COMMENT
CL-08243

From: Matt LaCoss <matt@tmglending.com>
Sent: Wednesday, March 17, 2010 5:57 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To: CFTC
RE: RIN 3038-AC61
Date: 3/17/10

To Whom It May Concern:

With respect to proposed new regulations regarding FOREX trading conducted through US brokers/dealers, I strongly oppose the proposed change of moving the already low leverage allowance of 100:1 to 10:1. Below are the reasons for my disagreement of the proposed regulations.

Should the 10 to 1 leverage rule proposed by the CFTC be adopted:

• Funded accounts currently in the U.S. system can be expected to go offshore.

• Forex fraud may worsen, not improve. Unregulated dealers from around the world will thrive, while operating without requirements for capital adequacy, risk management models, marketing ethics, dealing practices or even returning of customers funds.

• The United States may cost itself millions of dollars in trade revenue.

• Thousands of white collar jobs that require an advanced education and range from software developers to accountants to foreign exchange dealers may be eliminated, or move out of the United States.

The previous regulations imposed in 2009 moving leverage from 400:1 to 100:1 and the "first in first out" trade exit rule were terrible moves. In a supposed effort to protect traders from loss, both regulations put traders at a much higher level of risk and exposure to loss. The first in, first out trade exiting rule is by far the most ill advised regulation to impose on traders costing traders significant profits thus forcing them to move their account(s) overseas to foreign brokers. The newly proposed regulations of 10:1 leverage would only further push traders and brokers/dealers to move trading and operations overseas.

Regards,

Matt LaCoss
Washington State