

From: Rob Darsow <darsowr@yahoo.com>
Sent: Wednesday, March 17, 2010 7:15 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sirs:

I have been informed to some small degree about your directive RIN 3038-AC61, wherein you wish to regulate the leverage allowable by retail forex desks/brokers to a 10:1 margin.

In no small degree, this seems to contradict the mission of the CFTC as well as hurt the overall industry at an entry level.

First, if your mission has not changed since your introduction, you are supposed to be creating an equal playing field for all desks/brokers; however, installing this rule will stop any U.S.-based intermediary from offering an equal leverage as a foreign one. If there is a situation that screams 'anti-competitive', this would appear to be it.

On a different scale, this also hurts the government. If U.S.-based traders choose to seek out the best leverage rates overseas, they will likely seek out the best tax advantages to having such an account overseas, meaning that revenue for our government will be lost, which is another savage alarm being sounded in this economy.

If we are only concerned about the few that do not know how to manage their forex holdings and lose money quickly due to the leverage issue, we ought to shut down the Ponzi scheme that is the stock market as well. Forex trading is mostly transparent for any individual who grasps that s/he is not a marker mover and must respond to the larger moves of the market as a small fish in a big sea. Perhaps a better way to serve this would be a license to trade, obtainable by a simple test over the internet guaranteeing that an individual has enough understanding to grasp the risk inherent.

Your efforts to keep markets safe are appreciated, but this legislation would be akin to killing the cow to guarantee the milk does not cause indigestion in a lactose-intolerant consumer.

Best Regards,

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