From: Walker, Martin <MWalker@OMM.com>
Sent: Thursday, March 18, 2010 2:10 PM
To: secretary <secretary@CFTC.gov>
Subject: "Regulation of Retail Forex"

Hi,

I am a retail forex trader. I have some objections to the proposed regulation changes.

First of all, I would like to say that there are some good things in the proposal, such as prosecuting solicitation fraud, and monitoring the banks/brokers reserve accounts.

My main objections are in regards to the leverage change:

1) Capital will leave the country to offshore accounts. This will negate the main objective of the CFTC in gaining jurisdiction. It will also create a loss of jobs since many accounts and brokers/bankers will leave. But perhaps most importantly, it will be much harder for the IRS to monitor and collect taxes. Once money leaves the country, it usually doesn't come back. It is best to keep the money within the country.

2) Reducing the leverage to 10:1 will not protect consumers from losing. Losers will always be losers regardless of leverage. If the leverage is limited, losing traders will still trade too high a percentage of their overall account, and result in the account going to zero.

3) I think the most obvious point missed in this proposal is that forex is traded in hundredths of a penny. 1 point (pip) is a change 4 decimal spaces out. So, by using 100:1 leverage, it actually makes it in terms of cents, which is very similar to the stock market. So 100:1 in forex is similar to 1:1 in the stock market. Reducing forex to 10:1 is like reducing the stock market to 1:1/10. This is equivalent to allowing people to only trade $1 for every $10 in their account. Could you imagine what would happen to the stock market and overall capital in this country, as well as business financing? I think by seeing it in these terms, we can realize how destructive this proposal is.

Thanks,
Martin Walker