

From: Jason Yoon-Hendricks <jasyoohen@gmail.com>
Sent: Thursday, March 18, 2010 7:32 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Re: RIN 3038-AC61

Please consider carefully your proposed regulation of the retail forex market. Oversight is essential but development of any law or regulation needs to be fair, transparent, and open to public input. Rules conceived and imposed without due consideration and vetting inevitably become ineffective and stifling to otherwise healthy markets. At their worst, they can cause more damage to market participants than the problems they seek to address.

High leverage can, of course, be dangerous if used thoughtlessly as can smoking and drinking (for example). However, as history shows, education and oversight are far superior to outright prohibition. In the case of leverage (and the retail forex markets in general) outright restrictions will only force consumers to move money to overseas brokers. This will surely result in far worse outcomes. I, for one, feel WAY safer with my money ON shore and with an FSA-registered and supervised broker. Currently, the effectiveness of British regulatory oversight in this space is well below the US standard that your agency maintains. When I think of how many brokers pitching to US retail customers are based even farther afield (eg Russia), I suggest that you'll trade a small problem (leverage) for a far larger one (US citizens wiring funds into poorly regulated, off-shore shell corps...and what can follow).

The former problem can be controlled and has alternative solutions. The latter one yields controls (to overseas regulators, if at all), exposes consumers to far worse risks and also, effectively, shuts US brokers out of the space.

Please... guide, don't dominate. Your mandate is to protect market participants which includes helping to maintain healthy markets (not to limit their potential). Remember the doctor's oath: first, do no harm.

Thank you.

--Jason Yoon-Hendricks