From:	tom <tomsebox777@yahoo.com>
Sent:	Sunday, March 21, 2010 11:57 PM
To:	secretary <secretary@CFTC.gov>
Subject:	Regulation of Retail Forex--"No" to new 10:1 leverage proposal

CFTC/David Stawick,

Since the CFTC and the NFA continue to abuse their given authority I would like to say the following:

"To all of the Forex Dealer Members (FDM's) in America..........please drop your registration with the CFTC and drop your membership with the NFA. They obviously don't have American Retail Forex's best interests at heart. I recommend that the Retail Forex FDM's form your own self regulatory organization like the NFA did for their futures and commodities interests."

Why should forex even be regulated by futures and commodities agencies anyway??
They don't regulate stocks do they??? Of course not.

Thus far, the NFA's Board of Directors and its legal and compliance team (Thomas W. Sexton, Edward Dasso and Lauren Brinati) have tried their best to ruin the Retail Forex arena starting with 2009's NFA Compliance Rule 2-43b. Then in November 2009 they and the CFTC took away 400:1 leverage and reduced it to 100:1 leverage. Now they want to reduce leverage down to 10:1??? Have they proposed this for futures,futures options and all of their commodity products? Nope, they didn't.......did they??........so the next question is.......why the urgent need to reduce leverage again down to 10:1 since the 100:1 reduction in November 2009? What urgent matter happened in the last three months to bring about this 10:1 leverage proposal?

So in summary, let's take a look at the bad things the NFA and CFTC have done regulatory wise, to Retail Forex over the last year:

1-implemented NFA compliance rule 2-43b which took away the following:
  a.hedging ability*
  b.ticket based trading
  c.ability to place stops and limits on individual trades
  d. Mandated FIFO offsets thus lessoning the individuals ability to manage their account the way they want to

2-Took away 400:1 maximum leverage and reduced it to 100:1 in November of 2009.
3-Now the CFTC wants to reduce leverage down to 10:1 three months later.

*Concerning hedging this is what the NFA said to the CFTC to get it approved:

"The NFA is concerned that the customers employing this strategy do not understand either the lack of economic benefit or the financial costs involved....."

To the NFA and the CFTC, I say......."Start concentrating on real issues that need to be dealt with like dealing desk transparency, or centralized dealing systems or offering SIPC like asset protections to investors and traders of futures, options, commodities and forex like they do in the Stock market instead of trying to micro manage our own accounts and thinking you know what is best for us. You don't know what is best for us! Leave account tools alone and concentrate on the real issues that could be improved

upon.
Right now the NFA and CFTC motives are to be questioned as it looks like you are trying to protect the futures and commodities markets by destroying/hindering Retail Forex. When they (CFTC/NFA) are asked the reasons of why they have made these changes over the last year, their answers are very questionable at best and carry no validity.

So in summary, I ask all FDM's out there to opt out of your registrations and memberships with the CFTC and the NFA and form your own regulatory body.

Shame on the CFTC and the NFA for abusing their given and entrusted authority. At one time it seemed like a good idea to join the NFA and get a registration #. I don't agree with that practice anymore. Most traders and FDM's are better off without their superfluous regulatory oversight.

The CFTC and NFA have definitely gone too far in the last year with their micro managing objectives and at the same time have totally missed the mark on what they should be focusing on.

Public comment

RIN3038-AC61