

From: cn_kp <cn.kp.09@gmail.com>
Sent: Monday, March 22, 2010 3:36 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Sir:

Re: Public comment on RIN 3038-AC61

The government's intention to raise the approximate margin requirement tenfold for retail forex trading in the US is poorly thought out for consequences and economic freedom. It is another signal to markets that open competition, productive innovation in financial services, and economic growth are not goals of the Administration.

I am not an owner or employee of any brokerage or similar service provider. The government's prospective altering of a practice that has a proven track record of success as a mechanism for individuals for about 15 years, and for institutions for about 3 times as long, will deny investment / trading prospects to the vast majority of participants in the retail forex market, by reducing proportionate profitability drastically. Daily price movements, as a percent of gross unit contract value of a given currency are very small, hence originally lending itself to trading margins that were typically 1%, or sometimes less.

Apparently the government is more interested in responding to appeals from the National Futures Association, including campaign contributions, in order to effectively force some of the remaining depleted business onto exchanges, where they can make fees on transactions, rather than have investors pay no fees now. Further, the government apparently overlooks the suitability requirements for participants, as well as the individual requirement to learn how to trade and to manage risk. Perhaps the CFTC sees itself evolving into a quasi-parental type organization, whereby it tells the marketplace what the products, terms, and availability will be in order to show that it is "regulating". The problem is that we live in a world wide marketplace, and the industry would be decimated. It is unfortunate that this ruling would put thousands of employees, and hundreds of small businesses out of operation. It would deny millions of people the opportunity to make reasonable profits, in turn helping the economic recovery. No other country in the world is so gratuitously restrictive with its citizens regarding forex trading.

This ruling would deny freedom of choice and opportunity. The government further has no conspicuously productive plans to educate people in trading and risk management, which is where its efforts would be beneficially constructive. It is a shame that there is little or no balance as to consequences, and lack of positive outcome for the national business environment in your proposal. Your agency's mandate should be to promote clean and transparent regulations for the conduct of commerce, not restrictions which decimate a bonafide activity and industry for the sake of "looking tough on the finance industry" to Congress.

I hope you will re-evaluate your proposal and make productive moves instead of destructive ones.

Regards,

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