

From: no-reply@erulemaking.net
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To: secretary <secretary@CFTC.gov>
Subject: Public Submission for 2010-00456
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Public Comments on Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries:=====

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Dear CFTC:

Please do not adopt the 10 to 1 leverage rule for retail foreign exchange.

--This will make it harder for me to diversify my balance across different brokers.

--This will make it harder for me to diversify my risk across multiple trades.

--This will either force traders into more illiquid forex futures or unregulated overseas brokers.

--New traders will lose more money just to learn the ropes.

--Forex futures aren't subject to this rule. why is that?

--Why is FINRA and the CFTC trying to enact regulation that oversteps the NFA? How much experience do you have making retail forex regulations like this, really? So far, recent CFTC regulation has been sensible, making spot forex more like futures, but this rule doesn't make sense.

--This regulation wouldn't protect against fraud in the least.

--The only parties that benefit are big forex banks, who wouldn't be subject to the 10 to 1 leverage rule. And the CFTC of course benefits, taking a small cut of every futures transaction.

--why do you have to go and change everything for the 8 million strong retail forex market? ?U.S. banks and firms are the ones who are over-leveraged, so why pick on small retail traders, which comprise 2% of the entire forex market? ?Don't retail traders still play a useful role?

--Finally: ?Leverage doesn't equal risk. Say I had 20 open trades, and risked an aggregate of 2% total among the 20 positions. This rule means I'd have to put up 4x more money. STP orders manage risk, not leverage, so what's the use of this rule? It doesn't even make sense. Duh.

--Where did the 10 to 1 and 4 to 1 number even come from?

Big U.S. banks are the ones over-leveraged by a factor of 7. If you're trying to make a one-world currency, just do that, and stay out of the "over-regulation" market. ?Reduced volatility will eventually make traders move to greener markets.

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Sincerely,
?Ted L. Peterson