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OFFICE OF THE SECRETARIAT

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Allan C. Lurry

COMMENT

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Mr. David Stawick  
Secretary Commodity Futures Trading Commission  
1155 21st Street, N.W.  
Washington, DC 20581

Received CFTC  
Records Section  
4/5/2010

**RE: RIN 3038-AC61 - Regulation of Retail Forex - Proposed Regulation 5.9**

Dear Mr. Stawick:

I reviewed the Federal Register, released January 20, 2010, to gain further insight of proposed regulations that would impact individuals, like myself, trading with RFEDs and FCMs. I like the new regulations that would require all involved in providing broker/dealer services to be registered. I also like proposed sections that will provide customer protection from failing and unscrupulous firms. This protection will boost confidence in the industry.

On the other hand, I have a serious concern regarding Proposed Regulation 5.9(a) – Security Deposits for Retail Forex Transactions. As an individual, I invested in training classes to prepare myself for a part time and possibly a full time career in trading the currency markets. The risk/reward scenario for every trade is in constant play for me. As a trader, risk is constantly analyzed for all my trades. Having access to a greater leverage makes my investment in training classes worth the time and effort. If the security deposit requirement is increased, the time and thousands of dollars invested in those classes will virtually be lost.

Last week, President Obama gave a speech introducing proposed bank regulations struck a nerve for me. In paraphrasing, Obama said that banks were taking risks that eventually the American taxpayer would have to cover. If the investment was good, banks profited big, with cheap money. If the investment was bad, banks lost and tax payers would have to cover the losses. As an individual, I make an investment and if it was good, I profited. If I make a bad investment, I lose. The difference between myself and the banks is that I can't ask the Federal Government to cover my losses.

I am thankful for the intention to protect individual customers like myself, but please do not increase the security deposit requirement as outlined in Proposed Regulation 5.9(a). As an individual trader, I fully understand the risks that I am exposed to. As a trader, the risk is always analyzed. For Proposed Regulation 5.9(b), may I suggest that it be written in such a way that "customers will not be held liable for trades that were not closed out at a zero balance"? This will encourage each RFED and FCM to incorporate procedures in their business process to ensure that losing positions are closed out to a zero balance. Mostly importantly it will effectively root out unscrupulous firms that take advantage of retail customers by not closing out losing positions.

Thanks for taking time to review my comments and suggestions regarding Proposed Regulation 5.9.

Sincerely,

Allan Lurry