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Sent: Saturday, January 23, 2010 9:58 PM
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Subject: Regulation of Retail Forex

I oppose intended regulatory changes on forex leverage (RIN 3038-AC61).

It has the effect of grossly favoring large institutional traders over traders who live on Main St.

It does so by requiring forex traders to have ten times more risk capital than currently at play.

Of course, large institutions that borrow freely from TARP and the Fed will have no problem with RIN 3038-AC61.

After all, the Government, which is to say Main St., will subsidize the large institutions' trading, until Main St. changes the Government, probably not because of this straw alone; but certainly it weighs in with the rest of the load that will break the camel's back.

The existing 100:1 rate came into being for good reason -- currencies seldom lose more than a fraction of a percent in a trading session.

Reducing leverage simply increases margin requirements by the same factor. In other words if I want to make a "standard lot" (\$100,000) trade, I now put \$1,000 at risk. That would increase to \$10,000 at risk with RIN 3038-AC61.

De Facto your proposal would make trading prohibitive for most of Main St.

You can regulate trading, but you have no Constitutional authority suddenly to make it too expensive for most American now engaged in it.

The skills we have acquired with much learning, practice, and risk would suddenly become effectively worthless.

If so, I will file suit against you under my 7th Amendment Right (In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.)

Yes, Government has weaseled its way around this Right, but a plain reading shows the Right intends to give the People a means of controlling Government, and dates in the common law from before the Magna Carta.

Alienating The People of this Right will combine with other abuses, to force, either by state legislation or direct democracy, a Constitutional Convention to restore our Rights.

As newly elected Senator Brown trumpeted, "It's not the Kennedy seat; it's the People's seat!"

If you really want to serve the retail investor, look into machine trading by Goldman Sachs, et al., who have suddenly and suspiciously vastly increased their forex profits, quite possibly by milking their electronic equities trading for information to guide their forex trading, even before the latest split-second equities moves hit the big board.

The correlation between equities and forex during NYSE trading is above 90%.

Your proposed changes will hurt the retail trader while enhancing the dominance of Goldman Sachs, et al.

I expect a personal response from you. You work for "We the People" and stand accountable for the time I've taken to write this. You must take the time to answer it with more than a form letter.

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