

Ms. Marcia E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

Ms. Asquith:

The FINRA discussion on Regulatory Notice 09-06, the proposed retail Forex (foreign exchange currency trading market) regulation includes:

“... if an investor wishes to purchase \$1million worth of a foreign currency offered with a 100 to 1 leverage, the investor would only need a good faith deposit of \$10,000. If the investor deposits only the minimum funds required, and if the value of the foreign currency contract dropped by 1 percent (to \$990,000), the account equity would be depleted entirely and the investor's position would be closed out. The investor would lose the entire \$10,000 deposit.”

This example does not represent the majority of trades by even a minority of traders. Anyone familiar with the Forex market knows and understands this. Such an example is self-serving to the proposed regulation, far from realistic, and out of all proportion. At the very least, this example demonstrates the utter lack of knowledge about the Forex market by the people proposing this rule.

Retail Forex traders fully understand the benefits and pitfalls of high leverage. Anyone who enters the Forex market not knowing what they are doing, as would be the case with ANY market they could enter, will most likely cause themselves harm.

Furthermore, if such a regulation is put in place, it will force Forex investors to move to offshore brokers, destroying the US-based brokers. This regulation would also terminate the many jobs those brokers provide.

It's no different than someone jumping into a race car who doesn't know how to drive at high speeds. You then mandate that all race car drivers race at low speeds to protect those who don't know what they are doing. In doing this you will have destroyed the entire car racing industry for the sake of those relatively few who don't use common sense. The exact same can be said of the Forex market if such a regulation is mandated.

No one can rule or legislate common sense. Attempts to do so have never been 100% successful, and often caused even more serious problems.

Please withdraw this proposed rule. It would harm, not protect, Forex traders. It would clearly be destructive of the entire US-based Forex industry. And it would cause even more jobs to be lost in the US, while moving those jobs offshore.

As you have requested, I will not send a hard copy of this email.

Please contact me with any questions.

Regards,

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