

From: Lance Masterton

Sent: Friday, 27 January 2012 12:09 PM

To: Client Money

Subject: Cleint Money

Hello,

I'd like to introduce myself,

My name is Lance Masterton and I've been trading DMA CFD's for just under 5 years as a full time job and I fully understand the risks associated with DMA CFD providers using client monies to hedge open CFD positions in the physical market.

I have read Alan McGrath's email dated 26-01-2012 and strongly agree with his comments.

I'd also like to add my experiences in dealings with a Market Made (MM) operator. I opened an account with a MM operator (who's name I'll withhold but would happily give if it was needed) back 2 or 3 years ago when shorting was banned so I would still have the ability to short stocks. Because you are trading against MM operator on no less then 10 occasions when i was heavily short overnight and stocks were set to open way lower then the previous closing price their platform would simply not open on time for me and i was unable to cover my shorts until the stocks had had a chance to recover. Hence I would not profit as much as i should have.

The simple fact that they make money from your losses and are actively against you as a client is an absolute conflict of interest and an unacceptable term of trade for me being a successful trader.

I have spoken in depth to my DMA provider and even visited their office on a number of occasions to meet them and view their operations. I have absolute faith in the many people employed full time to manage the risk. I strongly agree with all the comments Alan made if this paper did lead to legislation.

Please do not hesitate to contact me if required.

Thanks for your time

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