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September 15, 1999

SECRETARIAT

Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
3 Lafayette Centre, 1155 21<sup>st</sup> St., NW  
Washington, DC 20581

**COMMENT**

Dear Ms. Webb:

I am writing this letter in regards to the NFA proposal to modify the way "rate of return" is calculated on notional funds. I feel the proposal is extremely dangerous. It would encourage CTA's to keep their accounts minimally funded in order to show "better" absolute returns. It also allows the CTA to adjust volatility by determining what level of funding the accounts needs to deliver a particular profile. This control of the "risk-reward" profile as reported in the proposed tables will make it impossible for the public to properly evaluate a CTA's performance. Additionally, encouraging CTA's to keep less cash on hand and have the balance notionally funded could be destabilizing to the futures market place. Margin calls will obviously be more frequent, and the additional step of ensuring that the customer delivers notional funds could open the door to customer defaults in an extreme market event.

Sincerely,



Michael Rothman  
Manager, Conger Asset Management LLC

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