



Dear CFTC,

My name is Valentin Perez, and I am the co-founder of Studio. Studio.com is an online platform to help democratize access to creativity, by giving regular people access to the step-by-step creative processes of some of the brightest minds in their field. I am writing to petition the CFTC to permit election event contracts to be allowed to trade in the United States.

Like any business owner, I am deeply impacted by a wide variety of public policies. For example, a sudden hike in the tax rate might cost me or my company tens of thousands of dollars. Changes in immigration policy might impact my ability to attract and hire the top talent in the world. From a balance sheet perspective, these risks look like any other we might face. As a result, it would be beneficial to be able to purchase a financial product that would allow me to hedge and manage my risk, so that my financial well-being is more stable and less sensitive to changes in the winds of political fortune.

The structure of these contracts are well-suited to the interests of startups, small businesses and families. The position limits are well-within reason for hedging (I don't have any need to hedge a \$10 million risk), and the binary structure seems well-tailored for the nature of the risk (namely, a Democrat or a Republican taking power is a binary event, so a binary structure makes sense).

In addition, these contracts help business owners like myself make the best decision possible. The price of the contract maps directly to a probability of the Democrats retaining control of Congress, a split Congress, or the Republicans taking control. As a result, business decisions that rely in part on what federal policy will look like in a few years can now rely on hard data, instead of rough guesswork about what it will look like. Those small edges in business intelligence can yield great benefits years down the line.

Business owners are not the only people who benefit from the information encoded in the contract's pricing. An employee joining a startup, for instance, could use the embedded probabilities to decide whether or not to take more of their compensation in the form of equity or salary, since one party or another might have different intentions regarding the appropriate level of taxation on capital gains versus labor income.

These contracts would benefit me personally, and the country as a whole. I would thus humbly request that the CFTC allow them to trade in the United States.

Thank you,

Valentin Perez  
Co-Founder, Studio