



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Thomas J. Smith  
Acting Director

CFTC Letter No. 15-36  
Exemption  
March 9, 2015  
Division of Swap Dealer and Intermediary Oversight

**Re: Request to receive the relief provided in CFTC Staff Letter No. 14-49 for additional proprietary funds of “A” and a proprietary fund of “B”**

Dear :

This is in response to your letters, dated November 5, 2014, December, 8, 2014, and January 20, 2015, to the Division of Swap Dealer and Intermediary Oversight (the “Division”) of the U.S. Commodity Futures Trading Commission (the “Commission” or “CFTC”). You request, on behalf of “A”, that “A” receive the relief provided in CFTC Staff Letter No. 14-49 for additional proprietary funds (the “Additional “A” Proprietary Funds”) that are listed below.<sup>1</sup> Furthermore, you also request, on behalf of “B”, which is 50%-owned by “A”, the relief provided in CFTC Staff Letter No. 14-49 for a proprietary fund of “B”.

Based on the Letters, we understand the facts to be as follows.

**“A”**

“A” is the registered commodity pool operator (“CPO”) for the Additional “A” Proprietary Funds, which are the following:

1. “C”
2. “D”
3. “E”
4. “F”
5. “G”
6. “H”
7. “I”
8. “J”

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<sup>1</sup> CFTC Staff Letter No. 14-49 and other Commission staff letters cited herein are available on the Commission’s website, *www.cftc.gov*. Also, previously, “A” received relief with respect to certain additional “A” proprietary funds in CFTC Staff Letter 14-125.

“A” and “B”

Page 2

9. “K”
10. “L”
11. “M”
12. “N”
13. “O”

You state that the statements that you had made in connection with the Division’s issuance of CFTC Staff Letter No. 14-49 with respect to the “A” Proprietary Funds (as defined in CFTC Staff Letter No. 14-49) apply to the Additional “A” Proprietary Funds. Furthermore, you state that “A” will comply with the conditions for relief described in CFTC Staff Letter No. 14-49 with respect to the Additional “A” Proprietary Funds as well. Also, in the chart describing the ownership of each Additional “A” Proprietary Fund, as was the case for the “A” proprietary funds for which “A” received relief pursuant to CFTC Staff Letter No. 14-49 and No. 14-125, each such fund is wholly-owned only by current “A” principals, close relatives of such “A” principals, senior employees of “A”, or portfolio managers of the applicable “A” proprietary fund.

### **“B”**

“B” is the registered CPO for “P” (the ““P” Proprietary Fund”). In the chart describing the ownership of the “P” Proprietary Fund, the owners of “P” Proprietary Fund are current principals of “B”, their close relatives, and entities and trusts beneficially owned and controlled by current principals of “B” and their close relatives. Also, you state that the statements that you had made with respect to “B” and any future “P” Proprietary Funds (as defined in CFTC Staff Letter No. 14-49) in connection with the Division’s issuance of CFTC Staff Letter No. 14-49 still apply to “B” and the “P” Proprietary Fund. Furthermore, you state that “B” will comply with the conditions for relief described in CFTC Staff Letter No. 14-49 that are applicable to “A” with respect to the “P” Proprietary Fund.

### **Relief Granted**

Based on the representations made in the Letter, the Division believes that granting relief is neither contrary to the purpose of Commission regulations 4.7(b)(3) and 4.22(d) nor to public interest. Accordingly, pursuant to the authority delegated by Commission regulations 4.12(a) and 140.93, the Division hereby grants “A” relief from the requirement pursuant to Commission regulation 4.22(d) to have an independent public accountant audit the financial statements in the annual report for the Additional “A” Proprietary Funds, subject to the conditions for relief applicable to the “A” Proprietary Funds described in CFTC Staff Letter No. 14-49. Also, the Division grants “B” relief from the requirement pursuant to Commission regulation 4.22(d) to have an independent public accountant audit the financial statements in the annual report for the “P” Proprietary Fund, subject to the conditions for relief applicable to “A” with respect to the “A” Proprietary Funds described in CFTC Staff Letter No. 14-49.

The relief issued by this letter does not excuse persons relying on it from compliance with any other applicable requirements contained in the Commodity Exchange Act or in the

“A” and “B”

Page 3

Commission regulations issued thereunder. Further, this letter, and the relief contained herein, is based upon the representations made to the Division. Any different, changed or omitted material facts or circumstances might render this letter void. Finally, the Division retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the relief provided herein, in its discretion.

Should you have any questions, please do not hesitate to contact Amanda Olear, Associate Director, at 202-418-5283, or Chang Jung, Special Counsel, at 202-418-5202.

Very truly yours,

Thomas J. Smith  
Acting Director  
Division of Swap Dealer and  
Intermediary Oversight