

CFTC Letter No. 00-12**January 31, 2000****Exemption****Division of Trading & Markets**

Dear X:

This is in response to your letter dated December 31, 1999, in which you state that, your clients, Y ("the fund") requests an exemption from the requirements of a certified audit for the period ending December 31, 1999.

You state that the fund issued audited financial statements for the periods ending December 31, 1997 and 1998, which were enclosed. The fund has one general partner, Z, and two limited partners (the P and S of the owner of the general partner). The fund has never traded futures or options contracts. The fund's only investments have been W and ceased trading in November, 1999. You state that you are requesting this exemption to save the partners of the fund the cost of the audit. You enclosed the Statement from the CPO (Z) affirming that partners bear the cost of the audit; each partners' signed request for an exemption; partner capital contributions and withdrawals since inception; most recent statement to investors; November 30, 1999 Financial Statement, which was sent to investors; and CPO statement of compliance with Rules 4.22(c)(1)-(5).

Rule 4.22(c) requires each registered CPO to file a certified Annual Report with the Commission and distribute copies to the pool participants within 90 calendar days of the end of the pool's fiscal year, or after the permanent cessation of trading, whichever is earlier. Under Rule 4.22(d), the financial statements in the annual report must be presented and computed in accordance with generally accepted accounting principles consistently applied and must be certified by an independent public accountant. The principal purpose of financial reporting required by Rule 4.22 is to ensure that pool participants receive accurate, fair and timely information on the overall trading performance and financial condition of the pool.

Based on your representations and pursuant to authority delegated by regulation 140.93(a)(1), Z, is hereby exempted from the requirement in Rule 4.22(c) that a certified annual report for the year ending December 31, 1999, be distributed to each participant in the pool and to the Commission. This exemption is granted with the further provisos that Z files an unaudited Annual Report for Y for the year ending December 31, 1999, with the Commission and with National Futures Association and that it complies with all other requirements of Rule 4.22.

If you have any questions, please contact me at (202) 418-5463 or Bill Yowell at (202) 418-5454.

Sincerely,

Kevin Walek

Assistant Director

cc: Anthony Gialanella

National Futures Association