

CFTC Letter No. 00-36**March 6, 2000****Exemption****Division of Trading & Markets**

Dear :

On February 29, 2000, the Division of Trading and Markets received your correspondence dated February 28, 2000, requesting exemptive relief from Commodity Futures Trading Commission ("CFTC") Rule 4.22. The request is filed by XXX, the commodity pool operator ("CPO") for Y (the "Fund").

Based upon the representations made in your correspondence, we understand the relevant facts to be as follows. The Fund commenced operations on June 1, 1998. As of December 31, 1999, there were two investors. All of the other investors redeemed their interests. The Net Asset Value of the pool as of January 31, 2000 was \$471,852.00. You state that these two investors would have to bear the cost of a certified audit which would negatively affect their share value. You have submitted statements in support of this exemption from each of the two participants. You have also submitted a non-certified annual report for the period ended December 31, 1999.

Rules 4.22(c) and (d) require 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. 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 upon the representations made in your letter, the Division believes that granting the request on behalf of the Fund is neither contrary to the purposes of Rule 4.22 nor to the public interest. Accordingly, pursuant to the authority delegated by Rule 140.93(a)(1) but subject to the conditions set forth below, the Fund is hereby granted relief from the certification requirement of Rule 4.22(d) for the pool's fiscal year ending December 31, 1999.

The relief granted in this letter is conditioned on the distribution of an unaudited annual report for 1999 that otherwise complies with 4.22(c) and (d). Moreover, this letter applies solely with respect to the exemption from compliance with the certification requirement of Section 4.22(d) for the fiscal year ending December 31, 1999 and this in no way shall excuse XXX or Y, from compliance with any other applicable requirements contained in the Act or in the Commission's regulations issued thereunder, including but not limited to the requirements of Sections 4.22(a) and (b) regarding the distribution of quarterly or monthly Account Statements of the pool.

This letter is based on the representation you have made to us. Any different, changed or omitted facts or conditions might cause us to reach a different conclusion. This letter represents the position of the Division of Trading and Markets only. It does not necessarily reflect the views of the Commission or any other office or division of the Commission. If you have any questions regarding this letter, please contact me or Z. Patricia Ross, Futures Trading Specialist on my staff, at (202) 418-5469.

Very
truly
yours,

Kevin P.
Walek
Assistant
Director

cc: Anthony Gialanella, Compliance
National Futures Association