

CFTC Letter No. 00-74**June 8, 2000****Exemption****Division of Trading & Markets**

Dear:

This is in response to your letter dated May 22, 2000, which was received on May 23, 2000, in which you request on behalf of XX, an exemption from the requirements of Rules 4.22(c) and (d) that the commodity pool operator ("CPO") distribute and file a certified Annual Report for the pool's cessation as of February 29, 2000. Instead, you propose to provide participants with an unaudited monthly report for January, 2000 and February, 2000 that otherwise comply with Rule 4.22(c). This information will be sent to the participants of the pool, in addition to the final audited Annual Report for the period ending December 31, 1999.

In support of your request, in your letter dated May 22, 2000, you state that Y ("the Fund") was organized in 1996 and began operating on October 1, 1996. As of February 29, 2000, there were eleven members of the Fund, with total partners' capital of approximately \$989,051.80. During 2000, there have not been any new partners admitted to the fund, nor were there any additional investments or withdrawals to the Fund, other than those made pursuant to the distribution of assets for the cessation of trading. Additionally, no changes were made to the brokerage account of the Fund or to the Fund's accountant and no incentive fees were paid to the General Partner in 2000. You have submitted consent waiver statements in support of this exemption from each of the eleven participants.

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 or of the pool's cessation, whichever is earlier. 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 letters, the Division believes that granting the request to XX for its Y 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, XX is hereby granted relief from the certification requirement of Rule 4.22(d) for the Fund's fiscal year ending at the pool's cessation on February 29, 2000.

The relief granted in this letter is conditioned on the distribution of an unaudited monthly report for January, 2000 and February, 2000 to the pool's participants and that otherwise comply with 4.22(c) and (d). Moreover, this letter applies solely to the exemption from compliance with the certification requirement of Section 4.22(d) for the Annual Report to be filed 90 days from pool's cessation on February 29, 2000 and this in no way shall excuse XX or Y from compliance with any other applicable

requirements contained in the Act or in the Commission's regulations issued thereunder.

This letter, and the relief contained herein, is based upon the representations provided to us. Any different, changed or omitted material facts or circumstances might render this letter void. You must notify us immediately in the event that the operations or activities of the Company change in any material respect from those represented to us.

If you have any questions concerning this letter, please contact me at (202) 418-5463 or Melissa Pedri at (202) 418-5485, the legal intern who has dealt directly with this matter.

Sincerely,

Kevin P. Walek
Assistant Director

cc: Anthony Gialanella
National Futures Association