

CFTC Letter No. 01-01**January 17, 2001****Exemption****Division of Trading & Markets**

Dear:

This is in response to your letter dated November 3, 2000, and your subsequent correspondence dated January 3, 2001, 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 fiscal year ending December 31, 2000.

In support of your request you state, among other things, that the Fund, Y ("Y") commenced trading June 1, 1998 and closed July 31, 2000. The Fund had a total of ten (10) participants upon closing. The NAV as of July 31, 2000 was \$176,162.66. All participants have received their final distribution. You state that in light of the fact that the participants received an audited financial statement for 1999 and have received monthly NAV reports from the CPO's accountants, it is not cost efficient to prepare another audited report. You have submitted consent waiver statements in support of this exemption from each of the ten participants. You have also submitted a non-certified annual report for the period ended July 31, 2000. Therefore, you are requesting exemption from filing an audited financial report for 2000.

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), the Fund is hereby granted relief from the distribution and certification requirements of Rules 4.22(c) and (d) for the pool's fiscal year ending December 31, 2000.

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. 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: Jane Pfieffer, Compliance
National Futures Association