DIVISION OF TRADING AND MARKETS

COMMODITY FUTURES TRADING COMMISSION

2033 K STREET, N.W., WASHINGTON, D.C. 20581 (202) 254-8955 (202) 254-3534 FACSIMILE

November 19, 1990

Re:	

Dear

This is in response to your letter dated August 7, 1990, as supplemented by telephone conversations with Division staff, in which you request our views on the application of the Disclosure Document requirements of Rule 4.21(a) and (e) 1/ to , a registered commodity pool operator ("CPO"), in connection with its operation of the Fund .

Based upon the representations made in your letter, as supplemented, we understand the facts to be as follows:

The Fund's sole limited partner is

The Fund will never have any other limited partner. In connection with the initial subscription by complied with CFTC Reg. \$4.21. On an ongoing basis, is notified in advance of all changes in the Fund's advisory arrangements and of other material changes and is sent monthly and annual reports in accordance with CFTC has disclosure documents Reg. \$4.22. for all of the current advisors and will receive such documents (and updates thereof) for all new advisors. In addition, the recordkeeping requirements of CFTC Reg. \$4.23 are complied with in respect of the Fund.

^{1/} Commission rules referred to herein are found at 17 C.F.R. Ch. I (1990).

From time to time intends to make additional subscriptions to the Fund.

Rule 4.21(a) provides in pertinent part that:

No commodity pool operator registered or required to be registered under the Act may, directly or indirectly, solicit, accept or receive funds, securities or other property from a prospective participant in a pool that it operates or that it intends to operate unless, on or before the date it engages in that activity, the commodity pool operator delivers or causes to be delivered to the prospective participant a Disclosure Document for the pool. (Emphasis added.)

Rule 4.21(e) prohibits a CPO from using a Disclosure Document dated more than six months from the date of its use to solicit prospective participants.

The Disclosure Document requirement of Rule 4.21(a) is intended to ensure that persons contemplating becoming investors in a CPO's pool are fully informed of all material facts before committing their funds. 2/ The updating requirement of Rule 4.21(e) is intended to ensure that prospective investors receive current information. 3/ With respect to , you have represented that it has received a Rule 4.21(a) Disclosure Document prior to becoming a participant in the Fund, notice of all material changes to the information contained in that Disclosure Document as required by Rule 4.21(b), and the periodic and annual audited reports required by Rule 4.22.

Based upon your representations that has been apprised of all material facts from the date of its solicitation to become a participant in the Fund to the present, and assuming that these representations remain true and correct, the Division will not recommend that the Commission take any enforcement action against if it accepts additional subscriptions to the Fund from without first delivering the Disclosure Document required by Rules 4.21(a) and (e).

The position taken by this letter is based upon the representations that you have made to us. Any different, changed or omitted facts or conditions might require us to reach a different

^{2/ 44} Fed. Reg. 1918, 1920 (January 8, 1979).

^{3/ 46} Fed. Reg. 26004, 26010 (May 8, 1981).

conclusion. In this regard, we request that you notify us in the event that 'operation of the Fund, including its compliance with Rules 4.21(b) and 4.22, changes in any way from that as represented to us.

This position relates only to Rules 4.21(a) and (e) and does not excuse from compliance with any other applicable requirements contained in the Commodity Exchange Act (the "Act") or the Commission's regulations thereunder. For example, it remains subject to the anti-fraud provisions of Section 40 of the Act, 4/ to the reporting requirements for traders set forth in Parts 15, 18 and 19 of the Commission's regulations, and to all other provisions of Rule 4.21. Finally, this position is that of the Division of Trading and Markets only. It does not necessarily represent the views of the Commission or any other office or division of the Commission.

truly yours,

Andrea M. Corcoran

Director