

CFTC Letter No. 99-39**August 31, 1999****Exemption****Division of Trading & Markets**

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Dear X:

This is in response to your letter mailed May 20, 1999, in which you requested an exemption from filing December 31, 1999, year end audit and reporting requirements for XX (the "Partnership"), Y, (the "General Partner") and Z, (the "Managing General Partner"). You further stated that due to the small number of limited partners and the net asset value of the Partnership at April 17, 1999, in relation to the time and expense of providing an annual certified audit, and due to each partner agreeing to waive the audit requirement, you request an exemption from an audit for 1999.

In support of your request, in your aforementioned letter, you state that: the Partnership was organized in 1988 and has liquidated its operations as of April 17, 1999; as of April 17, 1999, total partner's capital was approximately \$372,600, of which the General Partner owned approximately one-half; there are W limited partners in the Partnership as of the April 27, 1999; since the Partnership has been a closed-end Partnership, there have been no additions; there were no withdrawals made during 1999; unaudited monthly account statements required under Regulation 4.22 of the Act were distributed for each period during 1999; signed consents waiving the annual certified audit report from each limited partner in the Partnership have been obtained; the limited partners are responsible for the cost of the certified audit; compliance with all prior certification requirements under Regulation 4.22 of the Act have been made; unaudited financial statements for the period January 1, 1999 to April 17, 1999, have been compiled and meet all requirements under Regulation 4.22 of the Act other than certification. Copies of these financial statements have been distributed to all limited partners.

Under regulation 4.22 (c)(17 C.F.R. §4.22(c), each CPO registered under the Commodity Exchange Act must distribute an annual report to each participant in each pool that it operates, and must file two copies of the Report with the Commission within 90 calendar days after the end of the pool's fiscal year or after the permanent cessation of trading, whichever is earlier. Under regulation 4.22 (d) (17 C.F.R. § 4.22(D)(17 C.F.R. § (d)(1998)), 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.

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