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**MANAGED FUNDS ASSOCIATION**

U.S. COMMODITY FUTURE

September 22, 2006

VIA ELECTRONIC MAIL: [secretary@cftc.gov](mailto:secretary@cftc.gov)

Ms. Eileen Donovan  
Acting Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

COMMENT

Re: Advertising by Commodity Pool Operators, Commodity Trading  
Advisors, and the Principals Thereof

Dear Ms. Donovan:

Managed Funds Association ("MFA") is pleased to support the Commission's proposal to amend Regulation 4.41, which governs advertising by commodity pool operators ("CPOs"), commodity trading advisors ("CTAs"), and the principals thereof ("Proposed Rules"). MFA is the leading U.S.-based membership organization dedicated to serving the needs of professionals who advise, manage and operate commodity pools, as well as hedge funds, and funds of hedge funds. Our over 1,100 members manage a significant portion of the estimated \$1.5 trillion invested in these alternative investment vehicles globally. Among the MFA membership are CPOs and CTAs, whose market activities are supervised by the CFTC and the SROs authorized by the Commodity Exchange Act.

We support the Commission's Proposed Rules as we believe they help further the Commission's longstanding position that CPOs, CTAs and their principals may not advertise in a false, deceptive or misleading manner. We also believe the Proposed Rules modernize Commission rules by addressing electronic media, the internet and e-mail. One recommendation we believe important, however, is one which we understand the Committee on Futures Regulation of the New York City Bar Association raises regarding a revision of rule 4.41(c)(2) to state that advertisements directed at qualified eligible persons (as defined in Rule 4.7) are not subject to the specific requirements of rules 4.41(b) and (c). Qualified eligible persons possess the financial sophistication, knowledge and experience in financial matters to appreciate the risks of potential investment opportunities. We believe the regulatory burdens imposed by rules 4.41(b) and (c) will not achieve further benefits with respect to advertisements directed to qualified eligible persons. Thus, we support the Proposed Rules and would encourage the Commission adopting the above revision to rule 4.41(c)(2).

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MFA appreciates the opportunity to provide the Commission with comments on the Proposed Rules. If you have further questions concerning our letter, please do not hesitate to contact me at (202) 367-1140.

Respectfully submitted,

A handwritten signature in cursive script that reads "John G. Gaine".

John G. Gaine  
President