

CFTC Letter No. 00-82**July 5, 2000****No-Action****Division of Trading & Markets**

Re: Section 4m(1): -- Request for CPO Registration No-Action Position for Co-General Partner of Investment Limited Partnership

Dear :

This is in response to your letter dated June 15, 2000 to the Division of Trading and Markets ("Division") of the Commodity Futures Trading Commission ("Commission"), as supplemented by your e-mails dated June 20, 2000 and June 30, 2000. By your correspondence, you request relief on behalf of "Management Company" from the requirement to register as a commodity pool operator ("CPO") under Section 4m(1) of the Commodity Exchange Act ("Act")¹ in connection with the Management Company serving as co-general partner of "Partnership".

Based upon the representations made in your correspondence, it appears that granting the requested relief would not be contrary to the public interest or the purposes of Section 4m(1) of the Act.

Accordingly, and consistent with the Division's prior practice in this area,² the Division will not recommend that the Commission commence any enforcement action under Section 4m(1) against the Management Company based solely upon its failure to register as a CPO, notwithstanding that it serves as co-general partner of the Partnership.

The Division's position is based upon your representations, among other things, that: (1) "X", the other general partner of the Partnership, is registered as a CPO; (2) "X" is the president and a ninety percent shareholder of the Management Company;³ (3) "X" is the managing general partner of the Partnership and, as such, will undertake all CPO responsibilities in connection with the Partnership, including performing all activities subject to regulation by the Commission; and (4) "X" and the Management Company acknowledged that they will be jointly and severally liable for any violations of the Act or the Commission's regulations committed by the other in connection with the operation of the Partnership.

This letter does not excuse the Management Company from compliance with any other applicable requirements contained in the Act or in the Commission's regulations issued thereunder. For example, the Management Company remains subject to all antifraud provisions of the Act and the Commission's regulations, to the reporting requirements for traders set forth in Parts 15, 18, and 19 of the regulations

and to all other provisions of Part 4.

This letter, and the no-action position issued herein, is based upon the representations that you have made to us. Any different, changed, or omitted material facts or circumstances might render these positions void. You must notify us immediately in the event that the operations or activities of the Management Company, "X", or the Partnership change in any material way from those represented to us. Further, this letter represents the position of the Division only. It does not necessarily reflect the views of the Commission or any other division or office of the Commission.

If you have any questions concerning this correspondence, please contact Matthew W. Lisle, an attorney on my staff, at (202) 418-5450.

Very truly yours,

John C. Lawton
Acting Director

1 7 U.S.C. § 6m(1) (1994).

2 *See, e.g.*, CFTC Staff Letter No. 99-30, [1998-1999 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶27,731 (July 14, 1999); CFTC Staff Letter No. 97-40, [1996-1998 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶27,075 (June 2, 1997).

3 The remaining 10% of the Management Company is owned by "Y", "X's" father.