

CFTC Letter No. 01-10**February 22, 2001****No-Action****Division of Trading & Markets****Re: Section 4m(1) – Request for Relief from Registration for a Co-Commodity Pool Operator**

Dear :

This is in response to your letter dated December 19, 2000, as supplemented by your e-mail dated January 19, 2001, in which you request that the Division of Trading and Markets ("Division") of the Commodity Futures Trading Commission ("Commission") grant relief from registration as a commodity pool operator ("CPO") to "X" in connection with its serving as a general partner of the "Fund".

Based upon your representations, we understand the relevant facts to be as follows. The Fund is a private investment limited partnership that has two general partners, "X" and "Y". "A" is the managing member of both "X" and "Y" and is registered as an associated person of "Y". "Y" is the Managing General Partner of the Fund and is registered as a CPO. Although "X" is a general partner of the Fund, "X" will not exercise discretion, supervision or control over, or participate in: (1) the solicitation, acceptance, or receipt of funds or property to be used for purchasing interests in the Fund; or (2) the investment, use, or disposition of funds or property of the Fund. Rather, "X" will serve as the Administrative General Partner, and its involvement with the Fund will be limited to back office and administrative activities for the Fund. You further represent that neither "X" nor any of its officers, directors, or other principals are subject to statutory disqualification under Section 8a(2) or 8a(3) of the Commodity Exchange Act (the "Act").^[1] Additionally, as part of your request, you provided an acknowledgement dated December 20, 2000, whereby "X" and "Y" each accepted joint and several liability with the other for any violation of the Act or Commission rules issued thereunder, involving or resulting from the activities of "Y" and "X" as general partners and CPOs of the Fund.

Based upon the foregoing, and consistent with prior positions taken by the Division in this area, the Division will not recommend that the Commission take any enforcement action under Section 4m(1) of the Act^[2] against "X" for failing to register as a CPO in connection with its serving as general partner of the Fund.^[3] The relief issued by this letter does not excuse "X" from compliance with any otherwise applicable requirements contained in the Act or the Commission's rules issued thereunder. For example, "X" remains subject to all antifraud provisions of the Act and the Commission's rules issued thereunder, the reporting requirements for traders set forth in Parts 15, 18, and 19 of the Commission's rules and to all other applicable provisions of Part 4.^[4] Moreover, this letter is applicable to "X" solely in connection with its serving as a general partner of the Fund.

This letter, and the relief issued herein, is based upon the representations that have been made to us. Any different, changed, or omitted facts or conditions might render this letter void. In this regard, you must notify the Division immediately in the event the operations or activities of the Fund, "Y", or "X" change

in any material way from those represented to us. Further, this letter represents the position of this Division only and 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 Michael A. Piracci, an attorney on my staff, at (202) 418-5430.

Very truly yours,

John C. Lawton
Acting Director

^[1] 7 U.S.C. §§ 12a(2) and 12a(3).

^[2] 7 U.S.C. § 6m(1).

^[3] See CFTC Interpretative Letter No. 95-24, [1994-1996 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26,351 (March 13, 1995); CFTC Interpretative Letter No. 95-14, [1994-1996 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26,341 (February 15, 1995).

^[4] Commission rules referred to herein are found at 17 C.F.R. Ch. 1 (2000).