

CFTC Letter No. 02-41

April 10, 2002

Exemption

Division of Trading and Markets

Dear:

On April 3, 2002, the Division of Trading and Markets discussed with you and your colleagues the facts associated with your request for exemptive relief from the requirement of Commodity Futures Trading Commission ("Commission") Rules 4.22(c) and (d) that the commodity pool operator ("CPO") distribute and file a certified Annual Report for the pool's fiscal year ending December 31, 2001. The rule requires the filing of an Annual Report on behalf of X, LLC, the CPO for Y (the "Pool").

Rule 4.22(c) requires each registered CPO to file an Annual Report with the Commission and distribute copies to the pool participants within 90 calendar days of the end of the pool's fiscal year. Rule 4.22(d) requires that the financial statements in the Annual Report must be prepared in accordance with generally accepted accounting principles and certified by an independent public accountant. The principal purpose of financial reporting required by Rule 4.22 is to ensure that pool participants receive accurate, fair and timely information on the overall trading performance and financial condition of the pool.

In support of your request, you state among other things, that since July 25, 2001, X has been the general partner of Y, replacing Z, LLC currently called ZZ. As of July 25, 2001, the Pool was comprised of one (1) participant, YY, whose investors included the general partner and, relatives and close friends of the general partner. The Pool is in liquidation and does not currently trade or plan to do any trading in futures or options on futures. You represent that the Pool operates pursuant to a Rule 4.7 exemption. You request relief from filing a financial report for 2001 and have submitted statements in support of an exemption from filing a financial statement from each of the participants.

In light of your representations, in particular the "proprietary" relationship among the Pool's participants, the Division believes that granting the request on behalf of the Pool is neither contrary to the purposes of Rule 4.22 nor to the public interest. Accordingly, pursuant to the authority delegated by Rule 140.93(a)(1), the Pool is hereby granted relief from the requirement of Rule 4.22(c) for the Pool's fiscal year ending December 31, 2001.

This letter applies solely with respect to the exemption from compliance with the requirements of Rule 4.22(c) requested herein for the Pool's Annual Report for 2001 and this letter in no way shall excuse the general partner or the Pool from compliance with any other applicable requirements contained in the Act or in the Commission's regulations issued thereunder.

This letter is based on the representation you have made to us. Any different, changed or omitted facts or

conditions might cause us to reach a different conclusion. If you have any questions regarding this letter, please contact me, or Donald Bass, Futures Trading Specialist on my staff, at (202) 418-5462.

Very truly yours,

Kevin P. Walek
Assistant Director

cc: Regina Thoele, Compliance
National Futures Association