

**CFTC Letter No. 02-54**

**April 24, 2002**

**Exemption**

**Division of Trading and Markets**

Dear Mr. X:

This is in response to your letter dated March 22, 2002 to the Division of Trading and Markets (“Division”) of the Commodity Futures Trading Commission (“CFTC”), as supplemented by additional information you submitted on March 30, 2002, requesting an extension of time in which to file the December 31, 2001 Annual Reports for X, Ltd., Y, LP and Z, LP (the “Funds”). The request was filed on behalf of XX, LLC, the commodity pool operator (“CPO”) for the Funds. You requested an extension until May 30, 2002 for the CPO to file the Funds’ 2001 Annual Reports.

Commission Rule 4.22(f)(1) allows extensions in the event a commodity pool operator cannot distribute an Annual Report for a pool that it operates within 90 days after the end of the pool’s fiscal year-end. A request for a Rule 4.22(f)(1) extension must include detailed supporting documentation to justify the need for the extension. A letter from the independent public accountant specifically addressing questions relating to the request must also accompany the request. 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 XX, LLC is registered as a commodity pool operator for the Funds but that the Funds have an offshore administrator. XX, LLC has been informed by ZZZZ and Company, P.C., the independent accountant selected to audit the Funds’ financial statements, that the audited financial statements will be delayed due to the accountant’s inability to obtain from the offshore administrators timely information needed to complete the audits. You have submitted a statement from the independent public accountant stating the reason for the delay and that nothing has come to the attention of the auditors that would lead them to believe that the CPO is not meeting the segregation or recordkeeping requirements of Part 4 of the Commission’s Rules.

Based upon the representations made in your letter, the Division believes that granting the request on behalf of XX, LLC is neither contrary to the purposes of Rule 4.22(f)(1) nor to the public interest. Accordingly, pursuant to the authority delegated by Rule 140.93(a)(1), X, LLC is hereby granted an extension until May 30, 2002 to file the 2001 Annual Reports for X, Ltd, Y, LP and Z, LP.

This letter applies solely with respect to the extension of time to file the Funds’ Annual Reports for the fiscal year ending December 31, 2001 and this in no way shall excuse XX, LLC, X, Ltd, Y, LP and Z, LP from compliance with any other applicable requirements contained in the Act or in the Commission’s regulations issued thereunder.

This letter, and the exemption granted herein, is based on the representations that have been made to the Division. Any different, changed or omitted facts or conditions might render the exemption void. You must notify the Division immediately in the event the operations of the CPOs or the Funds change in any material way from those represented to us.

If you have any questions regarding this letter, please contact me or Don Bass, a Futures Trading Specialist on my staff, at (202) 418-5462.

Very truly yours,

Kevin P. Walek  
Assistant Director  
(202) 418-5463

cc: Regina Thoele, Compliance  
National Futures Association