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COMMODITY FUTURES TRADING COMMISSION
2033 K Street, NW, Washington, DC 20581
(202) 254 - 8955
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DIVISION OF
TRADING AND MARKETS

February 16, 1993

Re: Request for CPO Registration
Relief for B

Dear :

This is in response to your letter to the Division of Trading and Markets ("Division") dated January 12, 1993, as supplemented by telephone conversations with Division staff, wherein you request that the Division not recommend that the Commission take any enforcement action against B for failure to register as a commodity pool operator ("CPO") in connection with his serving as a general partner of the Fund.

Based upon your letter, as supplemented, we understand the facts to be as follows. A and B will act as co-general partners of the Fund. The A's application to become registered as a CPO is pending as of the date of this letter. B is the sole officer, director and shareholder of A. B's application to become registered as an associated person ("AP) and to become listed as a principal of A also is pending as of the date of this letter.

Inasmuch as B will be a general partner of the Fund, he also will be serving as a CPO of the Fund and, absent relief, must register as a CPO. In support of the instant request, by letter dated February 1, 1993, A provided the Division with a written acknowledgment whereby it accepts joint and several liability for any violation of the Commodity Exchange Act (the "Act") or Commission regulations thereunder committed by B in connection with serving as a CPO of the Fund. Accordingly, in light of this acknowledgment and the fact that B anticipates becoming a registered AP of A the Division will not recommend that the Commission take any enforcement action against B for his failure to register as a CPO in connection with his serving as a general partner of the Fund. This position is, however, subject to the conditions that B will not, except in his capacity as an AP of A exercise discretion, supervision or control over or take part 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 other disposition of funds or property of the Fund. In addition, this position is conditioned upon A becoming

registered as a CPO and B becoming registered and listed as a principal of the CPO.

We note that A and B remain subject to the anti-fraud provisions of Section 4o of the Act, 7 U.S.C. §6o (1988), as amended by the Futures Trading Practices Act of 1992, Pub. L. No. 102-546, 106 Stat. 3590 (October 28, 1992), and to all otherwise applicable provisions of the Act and the Commission's regulations thereunder, e.g., the reporting requirements for traders set forth in Parts 15, 18 and 19 of the regulations and Rules 4.20 and 4.41, which apply to each person who comes within the CPO definition, regardless of registration status. Moreover, the position which we have taken herein is solely applicable to B in connection with his serving as a CPO of the Fund.

The position taken in this letter is based upon the representations that have been made to us and is subject to strict compliance therewith. Any different, changed or omitted facts or conditions might require us to reach a different conclusion. In this connection, we request that you notify us immediately in the event that the activities of the Fund or B change in any way from those as represented to us.

Further, this letter represents the position of the Division of Trading and Markets only. It does not necessarily represent the views of the Commission or any other office or division of the Commission.

If you have any questions concerning this correspondence please contact me or Mary Cademartori, an attorney on my staff, at (202) 254-8955.

Very truly yours,

Susan C. Ervin
Chief Counsel

cc: Daniel A. Driscoll, National Futures Association

MC/mc