COMMODITY FUTURES TRADING COMMISSION
2033 K Street, NW, Washington, DC 20581
(202) 254 - 8955
(202) 254 - 8010 Facsimile

94-7

DIVISION OF
TRADING AND MARKETS

December 27, 1993

Re: Request for CPO Registration Relief

Dear :

This is in response to your letter to the Division of Trading and Markets ("Division") dated November 15, 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 you or "A" for failure to register as commodity pool operators ("CPOs") in connection with serving as general partners of the "Fund".

Based upon your letter, as supplemented, we understand the facts to be as follows. You, "X" and "A" will act as general partners of the Fund. "X"'s application to become registered as a CPO is pending as of the date of this letter. You, "A" and "B", "A"'s wife, are the sole officers, directors and shareholders of "X". You and "A" have applied to become registered as associated persons ("APs") and to become listed as principals of "X", which applications are also pending as of the date of this letter. You are the Managing Director, Chief Financial Officer and Secretary of "X". "A" is the President of "X".

Inasmuch as you and "A" will be general partners of the Fund, you both will be serving as CPOs of the Fund and, absent relief, must register as CPOs. In support of the instant request, by letter dated December 2, 1993, "X" provided the Division with a written acknowledgment whereby it accepts joint and several liability for any violation of the Commodity Exchange Act (the "Act"), 7 U.S.C. §1 et seq. (1988 & Supp. IV 1992), or Commission regulations thereunder, committed by you and "A" in connection with serving as general partners and CPOs of the Fund. In addition, by letter dated December 2, 1993, you and "A" provided the Division with a written acknowledgment whereby you and "A" accept joint and several liability for any violation of the Act or Commission regulations committed thereunder in connection with "X"'s activities as managing general partner and CPO of the Fund.

In light of the foregoing, the Division will not recommend that the Commission take any enforcement action against you or "A" for failure to register as CPOs in connection with serving as general partners of the Fund. This position is, however, subject to the conditions that you and "A" will not, except in your capacities as APs of "X", 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 "X" becoming registered as a CPO and you and "A" becoming registered as APs and listed as principals of "X".

We note that you, "X" and "A" remain subject to the anti-fraud provisions of Section 4o of the Act, 7 U.S.C. §6o (1988 & Supp. IV 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 applicable to you and "A" solely in connection with your serving as CPOs of the Fund.

The position taken in this letter is based upon the representations that have been made to us and is subject to compliance with the conditions stated above. 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 you, "X" or "A" 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