



COMMODITY FUTURES TRADING COMMISSION

2033 K Street, NW, Washington, DC 20581

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94-8

DIVISION OF
TRADING AND MARKETS

November 8, 1993

Re: Request for Relief from CPO Registration

Dear :

This is in response to your letter dated July 29, 1993, as supplemented by telephone conversations with Division staff, in which you request relief from commodity pool operator ("CPO") registration on behalf of the "X", a general partner of the Fund, in connection with the operation of the Fund.

Based upon the representations made in your letter, as supplemented, we understand the pertinent facts to be as follows. "A" and "X" (collectively the "General Partners") are the only general partners of the Fund. "A" is a registered CPO. "A"'s wife and his two adult children own sixty, twenty and twenty percent, respectively, of the issued and outstanding shares of common stock of "X". "A", his wife and the two children are the directors of "X".^{1/} You represent that none of "A", his wife or the two adult children is subject to a statutory disqualification pursuant to Sections 8a(2) or 8a(3) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 8a(2) or 8a(3) (1988 & Supp. 1992).

"A" is in charge of all activities of the Fund, including communicating with existing and prospective participants, making trading decisions for the Fund and signing all documents and letters in connection with the affairs of the Fund. "X" has no involvement whatsoever in the operation of the Fund. In connection with your request, by letter dated September 24, 1993, "A" provided the Division with a written acknowledgment whereby he accepts joint and several liability for any violation of the Act or the Commission regulations thereunder committed by "X" in connection with its serving as a CPO of the Fund.

Based upon the foregoing, including your representations that "A" is solely in charge of the Fund's activities and that "X" has no involvement therein, the Division has determined that it will not recommend that the Commission take any enforcement action against "X" if "X" does not register as a CPO of the Fund.

^{1/} "A" is the president and treasurer of "X" and his wife is the vice president and secretary.

This position is subject to the condition that "X" will not exercise discretion, supervision or control over or take part in: (i) the solicitation, acceptance or receipt of funds or property to be used for purchasing interests in the Fund or (ii) the investment, use or other disposition of funds or property of the Fund.

This letter is based on the representations provided to us and is subject to the condition stated above. Any different, changed or omitted facts or circumstances might require us to reach a different conclusion. In this connection, we request that you notify us immediately in the event the operations or activities of "X" or "A" change in any way from those as represented to us.

We note that this letter relieves "X" from CPO registration in connection with serving as a general partner of the Fund and does not excuse it from compliance with any applicable requirements contained in the Act, or in the Commission's regulations issued thereunder. For example, "X" remains subject to the antifraud provisions of Section 40 of the Act, 7 U.S.C. § 60, to the reporting requirements for traders set forth in Parts 15, 18 and 19 of the Commission's regulations,^{2/} and to the operational requirements of Rule 4.20 and the advertising prohibitions of Rule 4.41.

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

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

Very truly yours,

Susan C. Ervin
Chief Counsel

^{2/} Commission rules referred to herein are found at 17 C.F.R. Ch. I (1993).