

CFTC Letter No. 99-15**March 29, 1999****Exemption****Division of Trading & Markets**

Dear X:

This is in response to your letter dated February 17, 1999, and your subsequent submissions received on March 25 and 26, 1999, by facsimile, in response to the Division of Trading and Markets ("Division") letter dated March 24, 1999, and subsequent telephone conversation requesting additional information related to your request. You request on behalf of Y and Z, an exemption from the requirements of Rules 4.22(c) that the commodity pool operator ("CPO") distribute and file a certified Annual Report for the pool's fiscal year ending December 31, 1998.

You request, on behalf Y and Z, an exemption from the requirements of Rules 4.22(c) that the CPO distribute and file a certified Annual Report for the pool's fiscal year ending December 31, 1998. In support of your request, in your letter dated February 17, 1999, you state that on December 15, 1998, an initial deposit was received from the original Limited Partner, and subsequently, on December 31, 1998, subscription agreements and cash deposits from the limited partners and the general partners' contribution were received. Other than cash transactions, no other activity occurred during 1998. As submitted by facsimile, you indicated that W is the depository where the funds are held and there are five (5) participants in the pool. Since Y had not commenced trading activities, XX requested relief from Rule 4.22(c) for the year ended December 31, 1998.

Rules 4.22(c) and (d) require each registered CPO file a certified 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. The principal purpose of financial reporting required by Rules 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. Based upon the representations made in your letters, the Division believes that granting the request on behalf of Y and Z 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) but subject to the conditions set forth below, Y and Z is hereby granted relief from the certification requirement of Rule 4.22(d) for the pool's fiscal year ending December 31, 1998.

The relief granted in this letter is conditioned on [1] the distribution of an unaudited annual report for 1998 that otherwise complies with 4.22(c) and (d), [2] the future filing on behalf of Y and Z be a certified Annual Report for the period December 15, 1998

through December 31, 1999 in accordance with Rules 4.22(c) and (d). Moreover, this letter applies solely with respect to the exemption from compliance with the certification requirement of Section 4.22(d) for the fiscal year ending December 31, 1998 and this in no way shall excuse XX, or Y and Z, from compliance with any other applicable requirements contained in the Act or in the Commission's regulations issued thereunder, including but not limited to the requirements of Sections 4.22(a) and (b) regarding the distribution of quarterly or monthly Account Statements of the pool.

This letter, and the relief contained herein, is based upon the representations provided to us. Any different, changed or omitted material facts or circumstances might render this letter void. You must notify us immediately in the event that the operations or activities of T change in any material respect from those represented to us.

If you have any questions concerning this letter, please contact me at (202) 418-5463 or Z. Patricia Ross, Futures Trading Specialist, at (202) 418-5469.

Sincerely,
Kevin P. Walek
Assistant Director

cc: Anthony Gialanella

National Futures Association