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COMMITTEE ON FUTURES
& DERIVATIVES REGULATION

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11/15/06

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November 9, 2006

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Ms. Eileen Donovan
Acting Secretary
Commodity Futures Trading Commission
1155 21st Street, N. W.
Washington, D. C. 20581

RECEIVED

Re: Electronic Filing of Part 4 Exemptions

COMMENT

The Committee on Futures Regulation (the "Committee") of the New York City Bar Association (the "Association") is pleased to provide comments on the proposal of the Commodity Futures Trading Commission to supersede on a prospective basis Advisory 18-96 and requesting comments specifically on whether there are any conflicts between the criteria and relief in that Advisory and Commission Regulation 4.13(a)(4), 71. F. R. 60456, October 13, 2006 (the "Proposal").

The Association is an organization of over 22,000 lawyers. Most of its members practice in the New York City area. However, the Association also has members in nearly every state and over 50 countries. The Committee consists of attorneys knowledgeable in the regulation of futures contracts and other derivative instruments and it has a history of publishing reports analyzing regulatory issues critical to the futures industry and related activities, including those affecting commodity pool operators and commodity trading advisors. The Committee appreciates the opportunity to comment on the Proposal.

Although as the Proposal notes, most of the provisions of Advisory 18-96 have been superseded by regulation, we believe that there is still a benefit in retaining Advisory 18-96 in certain situations. Regulation 4.13(a)(4) requires that a legend be provided to investors related to the absence of commodity pool operator registration and certain obligations required of registered pool operators. The Advisory does not contain such requirements. Practitioners who advise offshore hedge fund offerings believe that it is unnecessary and potentially confusing to investors to explain why the sponsor is not registered with a commodity regulatory agency in the United States. Accordingly, we believe that no harm is done by retaining Advisory 18-96 and permitting those funds that prefer that approach to elect it.

Please contact us if you have questions or if there is any assistance we can provide in connection with the Proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael Sackheim". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Michael Sackheim,
Chairman

New York City Bar Association
Committee on Futures & Derivatives Regulation
Michael Sackheim, Chair
David Form, Secretary

Tammy Botsford
Christopher Bowen
Louis Fox Burke
Jan Paul Bruynes*
Maria Chiodi
Ian Cuillerier
Craig Stephen Deardorff*
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Conrad G. Bahlke
Robert F. Klein
Cindy W. Ma
Rita Molesworth*
Stephen Jay Obie¶
Edmund R. Schroeder
Steven F. Selig
Lore C. Steinhauser¶

* Members of Subcommittee that drafted this comment letter.

** Chair of Subcommittee that drafted this comment letter.

¶ These Adjunct Members did not participant in this comment letter.