

CFTC Letter No. 00-100**November 1, 2000****Interpretation****Division of Trading & Markets**

Re: Rule 4.10(d)(1): Request that a Limited Partnership Comprised of Family Members Not be Considered a Commodity Pool

Dear :

This is in response to your letter dated October 10, 2000, to the Division of Trading and Markets ("Division") of the Commodity Futures Trading Commission ("Commission"), as supplemented by facsimile correspondence dated October 18, 2000. By this correspondence, you request, on behalf of "X" confirmation that "Y" is not a commodity pool within the meaning and intent of Rule 4.10(d)(1)¹ and, therefore, that "X" is not required to be registered as a commodity pool operator ("CPO").

Based upon your representations, we understand the relevant facts to be as follows. "Y" is a Virginia limited partnership that invests the assets of the members of the "A" family. "X" is the general partner of "Y". The limited partners of "Y" consist of the immediate family of "B",² the President and sole shareholder of "X". "Y" is the sole investment partnership that trades commodity interests for which "X" serves as a general partner.

With respect to your request for confirmation that "Y" is not a commodity pool, based on your representations and consistent with our prior practice in this area,³ the Division confirms that "Y" is not a commodity pool within the meaning and intent of Rule 4.10(d)(1) and, consequently, "X" is not a CPO thereof. Accordingly, "X" is not required to be registered as a CPO.

This letter does not excuse "X" from compliance with any other applicable requirements contained in the Commodity Exchange Act⁴ ("Act") or in the Commission's regulations issued thereunder. For example, "X" remains subject to all of the antifraud provisions of Section 4b of the Act⁵ and the reporting requirements for traders set forth in Parts 15, 18, and 19 of the Commission's regulations. Moreover, this letter is applicable to "X" solely in connection with its operation of "Y".

The interpretations provided herein are based upon the representations that have been made to us. Any different, changed, or omitted facts or conditions might require us to reach a different conclusion. In this regard, you must notify the Division immediately in the event the operations or activities of "X" or "Y",

including its partnership composition, change in any material way from those represented to us. Further, the interpretations provided herein represent the position of this Division only and do not necessarily reflect the views of the Commission or any other division or office of the Commission.

If you have any questions concerning this correspondence, please contact Michael A. Piracci, an attorney on my staff, at (202) 418-5430.

Very truly yours,

John C. Lawton
Acting Director

1 17 C.F.R. § 4.10(d)(1). Commission rules referred to herein are found at 17 C.F.R. Ch.1 (2000).

2 In particular, the limited partners are “B’s” mother, brother, sister, wife, and three daughters.

3 *See, e.g.*, CFTC Interpretative Letter No. 96-24, [1994-1996 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26,653 (March 4, 1996); *see also* CFTC Interpretative Letter No. 97-29, [1996-1998 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 27,039 (March 21, 1997); CFTC Interpretative Letter No. 95-35, [1994-1996 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26, 376 (November 23, 1994).

4 7 U.S.C. §§ 1 *et seq.* (1994).

5 7 U.S.C. § 6b (1994).