



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

April 24, 2008

Kevin P. McEnery, Esq.
Wilmer Cutler Pickering Hale and Dorr LLP
1875 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

**Re: In the Matter of Gabelli Funds LLC, Administrative Proceeding File No. 3-13019—
Waiver Request under Regulation A and Rule 505 of Regulation D**

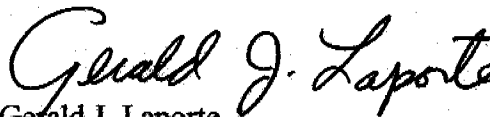
Dear Mr. McEnery:

This is in response to your letter dated today, written on behalf of Gabelli Funds LLC ("Gabelli Funds") and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 ("Securities Act"). You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 of Regulation D that may have arisen by virtue of the order entered today by the Securities and Exchange Commission under Section 203(e) of the Investment Advisers Act of 1940 ("Advisers Act") in In the Matter of Gabelli Funds LLC, Advisers Act Release No. 2727 (the "Order"). The Order also was entered under Section 203(k) of the Advisers Act and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Investment Company Act"). It censured Gabelli Funds, ordered Gabelli Funds to cease and desist from committing or causing any violations and future violations of Sections 206(2) of the Advisers Act, Section 17(d) of the Investment Company Act and Investment Company Act Rule 17d-1, and from aiding and abetting or causing any violations and future violations of Section 12(d)(1)(B)(i) of the Investment Company Act. It further ordered Gabelli Funds to comply with certain undertakings and pay disgorgement of \$11,000,000 and a civil money penalty of \$5,000,000.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order. We also have assumed that Gabelli Funds will comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order. Accordingly, pursuant to delegated authority, and without determining whether or not any such disqualification arose by virtue of entry of the Order, Gabelli Funds is granted relief from any disqualification from exemptions otherwise available under Regulation A and Rule 505 of Regulation D that may have arisen as a result of entry of the Order.

Very truly yours,


Gerald J. Laporte
Chief, Office of Small Business Policy

Kevin P. McEnery

April 24, 2008

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Gerald J. Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E., 3rd Floor
Washington, D.C. 20549-3628

Re: In re Certain Mutual Fund Trading Practices (NY-7220)

Dear Mr. Laporte:

This letter is submitted on behalf of our client, Gabelli Funds, LLC ("Gabelli Funds"), the settling respondent in administrative proceedings arising out of the above-captioned investigation. Gabelli Funds hereby requests, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D of the Securities and Exchange Commission (the "Commission") promulgated under the Securities Act of 1933 (the "Securities Act"), waivers of any disqualifications from relying on exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to Gabelli Funds and any of the issuers described below as a result of the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 203(2) and 203(k) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (the "Order"), which is also described below. Gabelli Funds requests that these waivers be granted effective upon the entry of the Order. It is our understanding that the Division of Enforcement does not object to the grant of the requested waivers.

BACKGROUND

The Staff of the Division of Enforcement engaged in settlement discussions with Gabelli Funds in connection with the administrative proceedings arising out of the above-captioned investigation, which were brought pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Company Act"). As a result of these discussions, Gabelli Funds submitted an Offer of Settlement of Gabelli Funds LLC (the "Offer") that was presented by the Staff to the Commission.

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In the Offer, solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or to which the Commission is a party, Gabelli Funds agreed to consent to the entry of the Order, without admitting or denying the findings contained therein (other than those relating to the jurisdiction of the Commission, which are admitted). In the Order, which was entered today, the Commission made findings that Gabelli Funds, an investment adviser to mutual funds, permitted a hedge fund investment manager based in the United Kingdom to market time a mutual fund managed by Gabelli Funds during a three-year period. The Order further found that, six months after the market timing started, Gabelli Funds allowed the hedge fund manager to increase its market-timing capacity in that mutual fund in exchange for the manager's investment in a hedge fund advised by a Gabelli Funds affiliate. In addition, the Order found that Gabelli Funds financially benefited from the market timing in that it earned advisory fees from the U.K. manager's investment in the timed mutual fund and from the U.K. manager's investment in the affiliated hedge fund. Finally, the Order found that, as a result of the conduct described therein, Gabelli Funds, an affiliated person of the timed mutual fund, willfully: committed a non-scienter violation of Advisers Act Section 206(2); violated Company Act Section 17(d) and Company Act Rule 17d-1; and aided and abetted and caused repeated violations by the timed mutual fund of Company Act Section 12(d)(1)(B)(i).

Based on these findings, the Commission in its Order censured Gabelli Funds, ordered it to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act, Section 17(d) of the Company Act and Company Act Rule 17d-1, and aiding and abetting or causing any violations and any future violations of Section 12(d)(1)(B)(i) of the Company Act, ordered it to comply with the undertakings listed in the Order, and ordered it to pay disgorgement of \$11,000,000 and to pay a civil money penalty of \$5,000,000.

DISCUSSION

Gabelli Funds understands that the entry of the Order may disqualify it and certain issuers from relying on the exemptions under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act from the registration requirements of the Securities Act, insofar as the Order causes Gabelli Funds to be subject to an order of the Commission entered pursuant to Section 203(e) of the Advisers Act. Gabelli Funds is concerned that, should it be deemed to be a general partner, promoter, 10 percent or more beneficial owner of the equity securities, or underwriter of the securities, of an "issuer" (a "related issuer") for purposes of Securities Act Rule 262(b)(3), such related issuer would be prohibited from relying upon these offering exemptions. The Commission has the authority to waive the Regulations A and D exemption disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. See 17 C.F.R. §§ 230.262 and 230.505(b)(2)(iii)(C).

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Gabelli Funds requests that the Commission waive any disqualifying effects that the Order may have under Regulation A and Rule 505 of Regulation D with respect to Gabelli Funds or related issuers on the following grounds:

1. Gabelli Funds's conduct addressed in the Order does not pertain to Regulation A or D.
2. The disqualification of issuers with which Gabelli Funds is associated in one of the capacities listed above from relying on the exemptions under Regulations A and Rule 505 of Regulation D would be unduly and disproportionately severe given the nature of the violations addressed in the Order and the extent to which disqualification may affect the business operations of such related issuers by impairing their ability to issue securities pursuant to these exemptions to raise new capital or for other purposes. In addition, the disqualification of related issuers from the regulatory exemptions may place Gabelli Funds or those issuers at a competitive disadvantage with respect to third parties that might seek to invest in securities that rely on the regulatory exemptions.
3. The disqualification of related issuers from the exemptions under Regulation A and Rule 505 of Regulation D also would be unduly and disproportionately severe, given that: (a) the Order relates to activity that will be addressed in the administrative proceedings; and (b) Gabelli Funds must pay a significant civil money penalty pursuant to the Order, along with disgorgement.

In light of the grounds for relief discussed above, we believe that disqualifications are not necessary, in the public interest, or for the protection of investors, and that Gabelli Funds has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission to waive, effective upon the entry of the Order, the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to Gabelli Funds and related issuers as a result of the entry of the Order.¹

¹ We note in support of this request that the Commission has granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D in the past for similar reasons. *See, e.g.,* Sybaris Clubs Int'l, Inc., S.E.C. No-Action Letter (pub. avail. July 1, 1996); The Cooper Companies, Inc., S.E.C. No-Action Letter (pub. avail. Dec. 20, 1994); Michigan Nat'l Corp., S.E.C. No-Action Letter (pub. avail. Dec. 17, 1993); General Electric Co., S.E.C. No-Action Letter (pub. avail. May 24, 1988); *see also* Prudential Securities Inc., S.E.C. No-Action Letter (pub. avail. July 10, 2003); Credit Suisse First Boston Corporation, S.E.C. No-Action Letter (pub. avail. Jan. 29, 2002); Dain Rauscher, Incorporated, S.E.C. No-Action Letter (pub. avail. Sept 27, 2001); Legg Mason Wood Walker, Incorporated, S.E.C. No-Action

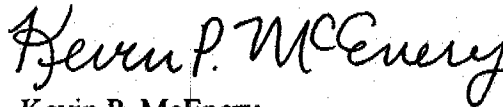
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If you have any questions regarding this request, please contact me at the above-listed number.

Sincerely,



Kevin P. McEnery

Letter (pub. avail. June 11, 2001); Prudential Securities Inc., S.E.C. No-Action Letter (pub. avail. Jan 29, 2001).