

KYNIKOS ASSOCIATES LP

20 WEST 55TH STREET, 8TH FLOOR
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September 29, 2008

Andrew J. Donohue, Esq., Director
Division of Investment Management

Erik R. Sirri, Director
Division of Trading and Markets

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Data Relating to Short Sales by Kynikos Associates LP

Dear Messrs. Donohue and Sirri:

On September 18, 2008, the Securities and Exchange Commission (the "SEC" or the "Commission") issued an Emergency Order (SEC Release No. 34-58591), as amended by SEC Release No. 34-58591A (September 21, 2008) (the "Order"), pursuant to which the Commission ordered "[e]very institutional investment manager that exercises investment discretion with respect to accounts holding section 13(f) securities and that has filed or was required to file a Form 13F for the calendar quarter ended June 30, 2008 ... [to] file a report on Form SH with the Commission." Pursuant to the Order, the first Form SH must be filed on September 29, 2008 to report certain short positions in Section 13(f) securities effected during the period beginning on September 22, 2008 and ending on September 28, 2008 (the "Required SH Information").

Kynikos Associates LP ("Kynikos") is an investment manager that exercises investment discretion over accounts holding principally short positions. Kynikos is registered with the Commission as an investment adviser pursuant to the Investment Advisers Act (the "Act"). The aggregate fair market value of long positions in Section 13(f) securities over which Kynikos exercised investment discretion never equaled or exceeded \$100 million at any time that would have required a Form 13F filing for the calendar quarter ended June 30, 2008. Consequently, Kynikos neither filed nor was

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required to file a Form 13F for the calendar quarter ended June 30, 2008.¹ Accordingly, Kynikos is not subject to the Order.

Although Kynikos is not required to file a Form SH with the Commission pursuant to the Order, Kynikos is willing to provide, on a confidential basis, and at the Commission's request, the SH Information required of 13F filers, out of Kynikos's desire to abide by the order's spirit and to allow the SEC to view otherwise confidential information for purposes of carrying out its market surveillance function. As a registered Investment Adviser, Kynikos creates and maintains the records required by the Act and the Commission's rules thereunder. Such records are available for review by the Commission at any time, and can be provided to the Commission's staff upon request, pursuant to the Commission's examination authority.

Should the SEC request the Required SH Information from Kynikos, Kynikos requests confidential treatment under the Freedom of Information Act and Rules 80(b)(4), 80(b)(8) and 83(c)(4) of the Commission's Rules of Practice,² because the Required SH Information with respect to Kynikos would be provided in recognition of the Commission's oversight authority and contains trade secrets, information of a confidential business nature and confidential commercial and financial information. Disclosure of such information would reveal Kynikos' long-term positions in securities as well as its trading strategies, which would prejudice the interests of Kynikos and investors in the investment funds and accounts managed by Kynikos.

Please direct any comments, inquiries or requests regarding the foregoing, to:

Brian F. Nichols
Managing Director, Chief Financial Officer
Kynikos Associates LP
20 West 55th Street
New York, NY 10019
Telephone: (212) 649-0250

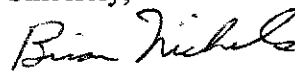
¹ See 15 U.S.C. 78m(f); 17 C.F.R. § 240.13f-1(a)(1).

² 17 C.F.R. §§ 200.80(b)(4), 80(b)(8) and 200.83(c)(4).

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Please acknowledge receipt of this letter by date-stamping and returning the enclosed copy of this letter to the undersigned in the self-addressed and stamped envelope provided.

Sincerely,



Brian F. Nichols
Managing Director, Chief Financial Officer

cc: The Honorable Christopher Cox, Chairman
The Honorable Kathleen L. Casey, Commissioner
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Troy A. Paredes, Commissioner
John W. White, Director, Division of Corporation Finance
Florence Harmon, Esq., Acting Secretary