



COMMODITY FUTURES TRADING COMMISSION

2033 K Street, NW, Washington, DC 20581

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94-75

DIVISION OF
TRADING AND MARKETS

June 23, 1994

Re: Request for Relief under Rule 4.7

Dear :

This is in response to your letter dated June 1, 1994 to the Division of Trading and Markets ("Division") of the Commodity Futures Trading Commission ("Commission"), as supplemented by telephone conversations with your associate, "I", wherein you request relief from Rule 4.7^{1/} on behalf of the general partners ("GPs") of (the "Partnership"), each of whom is registered as a commodity pool operator with the Commission^{2/} and has filed a notice under Rule 4.7 with respect to the operation of the Partnership.^{3/}

Based upon the representations you have made to us, as supplemented, we believe your request has merit. Accordingly, the Division will not recommend that the Commission take any enforcement action for failure to comply with Rule 4.7 against the GPs if they treat the "X" Family as a "qualified eligible participant" for the purpose of complying with Rule 4.7 and, notwithstanding the participation of the "X" Family, they invest more than ten percent of the Partnership's assets in Rule 4.7 exempt pools. This position is based upon, among others, your representations that: (1) the "X" Family is a family investment vehicle created by a QEP in the Partnership; (2) its limited partners are immediate family members of the QEP or trusts created for their benefit; and (3) its assets exceed \$5 million.

This letter does not excuse the GPs from compliance with any otherwise applicable requirements contained in the Commodity

^{1/} Commission rules referred to herein are found at 17 C.F.R. Ch. I (1993).

^{2/} Your letter identifies the GPs as follows: "A", "B", "C", "D", "E", "F", "G" and "H".

^{3/} Commission records indicate that the notice was filed on February 15, 1994.

Exchange Act (the "Act")^{4/} or the Commission's regulations issued thereunder. For example, they each remain subject to the antifraud provisions of Section 40 of the Act^{5/} and to the reporting requirements for traders set forth in Parts 15, 18 and 19 of the regulations. Moreover, this letter is applicable to the GPs solely in connection with their operation of the Partnership.

This letter is based upon the representations that you have made to us. Any different, changed or omitted facts or conditions might require us to reach a different conclusion. In this connection, we request that you notify us immediately in the event the operations and activities of the "X" Family change in any way from those as represented to us.

This letter represents the position of the Division of Trading and Markets only. It does not necessarily reflect the views of the Commission or any other office or division of the Commission. If you have any questions concerning this correspondence, please feel free to contact me or Barbara S. Gold, Assistant Chief Counsel, at (202) 254-8955.

Very truly yours,

Susan C. Ervin
Chief Counsel

^{4/} 7 U.S.C. § 1 et seq. (1988 & Supp. IV 1992).

^{5/} 7 U.S.C. § 60.