

**CPO ALERT: NATIONAL FUTURES ASSOCIATION REQUIRES CERTAIN CPO MEMBERS TO SUBMIT INFORMATION REGARDING POOL LIQUIDATIONS, REDEMPTION RESTRICTIONS AND MADOFF-RELATED INVESTMENTS**

Commodity pool operators that have suspended redemptions or liquidated a pool since July 1, 2008 may be required to provide notice of those facts to the National Futures Association. In addition, NFA member CPOs operating pools with exposure to Bernard L. Madoff Investment Securities LLC (or a Madoff affiliate) must provide certain information to the NFA.

Notification regarding pool liquidations and redemption restrictions must be made via a filing through the NFA website ([www.nfa.futures.org](http://www.nfa.futures.org)). Notification regarding investments in a Madoff entity must be made by sending an email to [CPOInfo-Madoff@nfa.futures.org](mailto:CPOInfo-Madoff@nfa.futures.org). The initial compliance deadline for these notifications is **Friday, January 16, 2009**. *Failure to comply with these requirements could result in disciplinary action by the NFA.*

The redemption suspension and fund liquidation reporting requirements apply with respect to pools operated by NFA-member CPOs pursuant to CFTC Rule 4.7 or CFTC Rules 4.21-4.25. The CPO must make a notice filing with the NFA *whether or not* the CPO has suspended or otherwise restricted the ability of investors to make redemptions since July 1, 2008. CPOs must also provide the NFA with the names of pools liquidated since that date. CPOs will be under a continuing obligation to report redemption suspensions until at least April 1, 2009. These notice requirements do not apply to pools operated by a CPO pursuant to CFTC Rules 4.13(a)(3) and 4.13(a)(4), the exemptive rules upon which many hedge fund managers rely.

Any NFA-member CPO that has invested a pool's assets with a Madoff affiliate must email to the NFA the name of each such pool and the amount of each investment made with the Madoff affiliate.

\*\*\*\*\*

If you have any questions regarding this memorandum, please contact Rita M. Molesworth (212-728-8727, [rmolesworth@willkie.com](mailto:rmolesworth@willkie.com)), Gabriel Acri (212-728-8833, [gacri@willkie.com](mailto:gacri@willkie.com)), or the attorney with whom you regularly work.

Willkie Farr & Gallagher LLP is headquartered at 787 Seventh Avenue, New York, NY 10019-6099. Our telephone number is (212) 728-8000 and our facsimile number is (212) 728-8111. Our website is located at [www.willkie.com](http://www.willkie.com).

January 13, 2009

Copyright © 2009 by Willkie Farr & Gallagher LLP.

All Rights Reserved. This memorandum may not be reproduced or disseminated in any form without the express permission of Willkie Farr & Gallagher LLP. This memorandum is provided for news and information purposes only and does not constitute legal advice or an invitation to an attorney-client relationship. While every effort has been made to ensure the accuracy of the information contained herein, Willkie Farr & Gallagher LLP does not guarantee such accuracy and cannot be held liable for any errors in or any reliance upon this information. Under New York's Code of Professional Responsibility, this material may constitute attorney advertising. Prior results do not guarantee a similar outcome.