

CUMBERLAND ASSOCIATES LLC

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September 9, 2004

Mr. Jonathan G. Katz
Secretary
U.S. Securities & Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549-0609

***Re: Release No. IA-2266 (File No. S7-30-04): Proposed Registration Under
the Advisers Act of Certain Hedge Fund Advisers***

Dear Mr. Katz:

Cumberland Associates LLC (“Cumberland”) is a New York limited liability company serving as the investment adviser to certain private investment partnerships, as well as various separately managed accounts. Cumberland began its investment advisory practice in 1970 with the formation of its flagship hedge fund and has since grown assets under management to over \$1.6 billion. Most of Cumberland’s assets under management are derived from limited partners of its private investment partnerships. Our investors consist of a broad range of high net worth individuals and institutions. Currently, Cumberland is not a registered investment adviser, relying on the exemption set forth in Section 203(b)(3) of the Investment Advisers Act of 1940. This letter represents the personal views of the management committee of Cumberland and not necessarily that of the clients of Cumberland or the investors in its hedge funds.

We write to you today in support of the following two aspects of Release No. IA-2266. Specifically, we agree with (1) the proposed amendment to Rule 205-3 grandfathering current investors who do not meet the “qualified client” requirement and (2) the proposed amendment to Rule 204-2 permitting the continued use of prior performance data absent the required books and records. We address each proposed amendment in further detail below.

We believe that allowing current investors who do not meet the “qualified client” requirements to remain investors in the subject funds avoids penalizing such investors due to a retroactive regulatory action enacted after their initial investment decision. In addition, we believe that this allowance will reduce the potential negative financial impact of registration to many hedge fund advisers.

We believe allowing investment advisers to continue to utilize performance data used prior to registration without the required books and records will greatly reduce the administrative burden and cost to hedge fund advisers required to register. In addition, we believe that this exception will avoid confusion to existing investors and will allow future investors access to the same information as provided to prior investors.

We thank you for the opportunity to comment.

Best regards,

The Management Committee of Cumberland Associates LLC