ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

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

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01-01-08 AND ENDING 12-31-08

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER: Louis Capital Markets, LP

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

500 Fifth Avenue, Suite 2010
No. and Street
New York New York 10110
City State Zip Code

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

William C. Holub 212-651-3167
Area Code Telephone No.

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP
Name if individual state last, first, middle name
Two World Financial Center New York New York 10281-1414
Address City State Zip Code

CHECK ONE:

Certified Public Accountant
Public Accountant
Accountant not resident in United States or any of its possessions.

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).
Sec 1410 (3-91)
AFFIRMATION

I, William C. Holub, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition and supplemental schedules pertaining to Louis Capital Markets LP as of December 31, 2008, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

Signature

Date 3/30/09

Chief Financial Officer

Title

Notary Public

3/30/09

Cheryl Jeffries
Notary Public - State of New York
NO. 01JE6184395
Qualified in Nassau County
My Commission Expires 10/23/2010
This report contains (check all applicable boxes):

(x) Independent Auditors’ Report. ....................................................... 2
(x) (a) Facing Page. ........................................................................... 2
(x) (b) Statement of Financial Condition. ........................................... 2
( ) (c) Statement of Income. ........................................................... 2
( ) (d) Statement of Cash Flows. ....................................................... 2
( ) (e) Statement of Changes in Stockholder’s Equity. ....................... 2
( ) (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable). ................................................................. 2
(x) Notes to Financial Statements. ..................................................... 3
(x) (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934. .................. 3
( ) (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 .................. 3
( ) (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 .................. 3
( ) (j) A Reconciliation, Including Appropriate Explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 and the Computation for Determination of Reserve Requirements Under Rule 15c3-3 (not required). .................. 3
( ) (k) A Reconciliation between the Audited and Unaudited Statement of Financial Condition with Respect to Methods of Consolidation (not required). .................. 3
(x) (l) An Affirmation. .................................................................... 3
( ) (m) A Copy of the SIPC Supplemental Report (not required). ....... 3
(x) (n) A Report Describing any Material Inadequacies Found to Exist or Found to have Existed Since the Date of the Previous Audit (Supplemental Report on Internal Control). .................. 3
(x) (o) Schedule of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Commodity Exchanges Pursuant to Section 4d(2) Under the Commodity Exchange Act ............................................. 3
(x) (p) Schedule of Secured Amounts and Funds Held in Separate Accounts For Foreign Futures and Foreign Options Customers Pursuant to Regulation 30.7 Under the Commodity Exchange Act ............................................. 3
INDEPENDENT AUDITORS’ REPORT

To the Partners of
Louis Capital Markets, LP

We have audited the accompanying statement of financial condition of Louis Capital Markets, LP (the “Partnership”) as of December 31, 2008, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.16 under the Commodity Exchange Act. This financial statement is the responsibility of the Partnership’s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statement presents fairly, in all material respects, the financial position of Louis Capital Markets, LP at December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic statement of financial condition taken as a whole. The supplemental schedules on pages 7 and 8 are presented for purposes of additional analysis and are not a required part of the basic statement of financial condition, but are supplementary information required by regulations under the Commodity Exchange Act. These schedules are the responsibility of the Partnership’s management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statement and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statement taken as a whole.

Deloitte & Touche LLP
February 25, 2009

Member of
Deloitte Touche Tohmatsu
LOUIS CAPITAL MARKETS, LP

STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2008
(Amounts in thousands)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH</td>
<td>$ 9,686</td>
</tr>
<tr>
<td>RECEIVABLE FROM CLEARING BROKER — Including clearing deposit of $1,000</td>
<td>4,983</td>
</tr>
<tr>
<td>COMMISSIONS RECEIVABLE, net of allowance of $68</td>
<td>1,611</td>
</tr>
<tr>
<td>SECURITIES OWNED — At fair value</td>
<td>2</td>
</tr>
<tr>
<td>PROPERTY AND EQUIPMENT — Net</td>
<td>1,036</td>
</tr>
<tr>
<td>DUE FROM AFFILIATES</td>
<td>240</td>
</tr>
<tr>
<td>OTHER ASSETS</td>
<td>918</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$18,476</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND PARTNERS’ CAPITAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 4,708</td>
</tr>
<tr>
<td>Due to affiliates</td>
<td>14</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,722</td>
</tr>
<tr>
<td>PARTNERS’ CAPITAL</td>
<td>13,754</td>
</tr>
<tr>
<td><strong>Total Liabilities and Partners’ Capital</strong></td>
<td><strong>$18,476</strong></td>
</tr>
</tbody>
</table>

See notes to the statement of financial condition.
LOUIS CAPITAL MARKETS, LP

NOTES TO STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2008
(Amounts in thousands)

1. NATURE OF OPERATIONS

Louis Capital Markets, LP (the "Partnership") is a limited partnership formed on May 13, 2003. The Partnership is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Partnership is also a member of the National Futures Association (NFA) and an introducing broker registered with the Commodities Futures Trading Commission (CFTC). The Partnership commenced operations on December 31, 2003 when Louis Capital Markets, LLC contributed all of its net assets in exchange for its partners’ interest in the Partnership.

The Partnership is engaged in retailing corporate equity securities over-the-counter and executing listed option trades on an agency and principal basis primarily to institutional investors. The Partnership also provides research to its institutional client base.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The Partnership prepares its accounts under accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Commissions Receivable — The Partnership carries commission receivables at cost less an allowance for doubtful accounts. On a periodic basis, the Partnership evaluates its commission receivables and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. Accounts are written off as uncollectible at the discretion of management. As of December 31, 2008 the Partnership has provided an allowance of $68.

Securities Owned — Securities owned which consist of shares of stock are carried at fair value with changes in fair value recognized in earnings each period.

Property and Equipment — Property and equipment is stated at cost less accumulated depreciation and amortization. The Partnership provides for depreciation and amortization on a straight-line basis over the estimated useful life of assets as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment and software</td>
<td>3 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5-7 years</td>
</tr>
<tr>
<td>Automobile</td>
<td>3 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of useful life or lease term</td>
</tr>
</tbody>
</table>
3. PROPERTY AND EQUIPMENT

At December 31, 2008, property and equipment consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment and software</td>
<td>$881</td>
</tr>
<tr>
<td>Office equipment</td>
<td>284</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>367</td>
</tr>
<tr>
<td>Automobile</td>
<td>26</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>286</td>
</tr>
</tbody>
</table>

Less accumulated depreciation and amortization

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,844</td>
</tr>
<tr>
<td></td>
<td>$808</td>
</tr>
</tbody>
</table>

Included in office equipment, computer equipment, and furniture and fixtures at December 31, 2008 is $131 relating to assets recorded under capital leases. Included in accumulated depreciation and amortization at December 31, 2008 is $81 of accumulated amortization relating to assets recorded under capital leases.

4. NET CAPITAL REQUIREMENTS

The Partnership is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or dividends paid if the resulting net capital ratio would exceed 10 to 1. The Partnership is also subject to the CFTC’s minimum financial requirements which require that the Partnership maintain net capital, as defined for securities brokers and dealers, equal to or in excess of the greater of $45 or the amount of net capital required by the SEC Rule 15c3-1. At December 31, 2008, the Partnership’s net capital was approximately $10,720 which was approximately $10,405 in excess of its minimum requirement of approximately $315.

Proprietary accounts held at the clearing broker ("PAIB Assets") are considered allowable assets in the net capital computation pursuant to an agreement between the Partnership and the clearing broker which requires, among other things, the clearing broker to perform a computation for PAIB Assets similar to the customer reserve computation set forth in Rule 15c3-3 under the 1934 Act.

5. EXEMPTION FROM RULE 15C3-3

The Partnership is exempt from the SEC Rule 15c3-3 pursuant to the exemptive provision under subparagraph (k)(2)(ii) and, therefore, is not required to maintain a “Special Reserve Bank Account for the Exclusive Benefit of Customers”.

6. DUE TO AFFILIATE

In 2004, the Partnership entered into a Foreign Correspondent Agreement with an affiliate located in London, England. As of December 31, 2008, the Partnership had a receivable of approximately $34 from its affiliate.

In 2007, the Partnership entered into a Foreign Correspondent Agreement with an affiliate located in Hong Kong, Japan. As of December 31, 2008, the Partnership owed approximately $14 to its affiliate.
In 2007, with amendment in 2008, the Partnership entered into an Administrative Service Agreement with another affiliate whereby it provides administrative support and use of office space and equipment in exchange for a fee. As of December 31, 2008, the Partnership had a receivable of approximately $182 from its affiliate.

As of December 31, 2008, the Partnership is owed $24 from other affiliates related to paying bills on their behalf.

7. CONCENTRATION OF RISK

Off-Balance Sheet Risk — Pursuant to its clearance agreement, the Partnership introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. Therefore, all of the money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions, as defined in the clearance agreement, the Partnership has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Partnership. In accordance with industry practice and regulatory requirements, the Partnership and the clearing broker monitor collateral on the securities transactions introduced by the Partnership. In addition, the receivables from the clearing broker are pursuant to this clearance agreement and the Partnership must maintain at least $1 million in cash and securities at all times with the clearing broker.

In the normal course of business, the Partnership’s customer activities involve the execution and settlement of securities transactions. These activities may expose the Partnership to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Partnership has to purchase or sell the financial instrument underlying the contract at a loss.

Credit Risk — The Partnership maintains its cash balances in various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to $100 per institution. The General Partner regularly monitors the financial condition of these institutions in order to keep the potential risk to a minimum.

8. PROFIT SHARING PLAN

In December 2005, the Partnership initiated a Profit Sharing Plan covering all employees with certain eligibility requirements. The Partnership deposits three percent of each employee’s earnings up to the maximum pension contribution allowed by the Internal Revenue Service in that year. Contributions vest based upon the requirements as set forth in the Profit Sharing Plan and are deposited in the employee’s 401(k) plan. The Partnership made a matching contribution of approximately $118 for the year ended December 31, 2008.
9. COMMITMENT AND CONTINGENCIES

Operating Lease — In December 2005, the Partnership moved to a new office space and entered into a new lease agreement that expires in February 2013. In accordance with SFAS No. 13, “Accounting for Leases”, rent is charged to operations by amortizing minimum lease over the term of the lease using the straight-line method. Future approximate minimum lease payments at December 31, 2008 are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$317</td>
</tr>
<tr>
<td>2010</td>
<td>325</td>
</tr>
<tr>
<td>2011</td>
<td>333</td>
</tr>
<tr>
<td>2012</td>
<td>341</td>
</tr>
<tr>
<td>Thereafter</td>
<td>58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,374</strong></td>
</tr>
</tbody>
</table>

Required Tax Distributions — As required by the limited partnership agreement, the Partnership is required to make a tax distribution in an amount no less than an amount determined by multiplying the net income of the Partnership by the highest combined applicable individual federal, state and local tax rates. For the year ended December 31, 2008 this amount approximates $9.2 million. Amounts paid during the year were made in accordance with this requirement.

10. SUBSEQUENT EVENT

On January 14, 2009 the Partnership made a capital distribution of $5.1 million.

* * * * * *
LOUIS CAPITAL MARKETS, LP

SUPPLEMENTARY INFORMATION
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION AND REGULATION 1.17 OF THE COMMODITY FUTURES TRADING COMMISSION
DECEMBER 31, 2008
(Amounts in thousands)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET CAPITAL:</td>
<td></td>
</tr>
<tr>
<td>Partners’ capital</td>
<td>$13,754</td>
</tr>
<tr>
<td>Less nonallowable assets</td>
<td></td>
</tr>
<tr>
<td>Commissions receivable</td>
<td>838</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,036</td>
</tr>
<tr>
<td>Due from affiliate</td>
<td>240</td>
</tr>
<tr>
<td>Other assets</td>
<td>918</td>
</tr>
<tr>
<td>Adjusted assets</td>
<td>3,032</td>
</tr>
<tr>
<td>NET CAPITAL BEFORE HAIRCUTS</td>
<td>10,722</td>
</tr>
<tr>
<td>HAIRCUTS — Foreign currency and other securities</td>
<td>2</td>
</tr>
<tr>
<td>NET CAPITAL</td>
<td>$10,720</td>
</tr>
<tr>
<td>AGGREGATE INDEBTEDNESS</td>
<td>$4,722</td>
</tr>
<tr>
<td>COMPUTED MINIMUM NET CAPITAL REQUIRED -</td>
<td></td>
</tr>
<tr>
<td>(6.67% of aggregate indebtedness)</td>
<td>$315</td>
</tr>
<tr>
<td>MINIMUM NET CAPITAL REQUIRED</td>
<td></td>
</tr>
<tr>
<td>(Under SEC Rule 15c3-1 and under CFTC Regulation 1.17)</td>
<td>$100</td>
</tr>
<tr>
<td>EXCESS NET CAPITAL</td>
<td>$10,405</td>
</tr>
<tr>
<td>PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</td>
<td>$4,722</td>
</tr>
</tbody>
</table>

Note: There were no material differences between the above computation and the Partnership’s corresponding unaudited FOCUS Report filed on January 27, 2009.
LOUIS CAPITAL MARKETS, LP

SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES PURSUANT TO SECTION 4d(2)
UNDER THE COMMODITY EXCHANGE ACT AND SCHEDULE OF SECURED AMOUNTS AND FUNDS
HELD IN SEPARATE ACCOUNTS FOR FOREIGN FUTURES AND FOREIGN OPTION CUSTOMERS
PURSUANT TO REGULATION 30.7 UNDER THE COMMODITY EXCHANGE ACT
DECEMBER 31, 2008

As Louis Capital Markets, LP does not carry customer accounts for trading on U.S. Commodity
Exchanges or Foreign Commodity Exchanges, Louis Capital Markets, LP neither computes
nor segregates funds pursuant to section 4d(2) or Regulation 30.7 under the Commodity Exchange Act.
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY
RULE 17A-5 OF THE SECURITIES AND EXCHANGE COMMISSION AND
REGULATION 1.16 OF THE COMMODITY FUTURES TRADING COMMISSION

To The Partners of
Louis Capital Markets, LP

In planning and performing our audit of the financial statement of Louis Capital Markets, LP (the
"Partnership") as of December 31, 2008 (on which we issued our report dated February 25, 2009 and such
report expressed an unqualified opinion on the financial statement), in accordance with auditing standards
generally accepted in the United States of America, we considered the Partnership's internal control over
financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of
expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the
effectiveness of the Partnership's internal control. Accordingly, we do not express an opinion on the
effectiveness of the Partnership's internal control.

Also, as required by Rule 17a-5(g) of the Securities and Exchange Commission (the "SEC"), we have
made a study of the practices and procedures followed by the Partnership, including consideration of
control activities for safeguarding securities. This study included tests of compliance with such practices
and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in making the
periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the reserve
required by Rule 15c3-3(e). We did not review the practices and procedures followed by the Partnership
in making the quarterly securities examinations, counts, verifications, and comparisons, and the
recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt
payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the
Federal Reserve System, because the Partnership does not carry securities accounts for customers or
perform custodial functions relating to customer securities.

In addition, as required by Regulation 1.16 of the Commodity Futures Trading Commission (the CFTC),
we have made a study of the practices and procedures followed by the Partnership including consideration
of control activities for safeguarding customer and firm assets. This study included tests of such practices
and procedures that we considered relevant to the objectives stated in Regulation 1.16, in making the
periodic computations of minimum financial requirements pursuant to Regulation 1.17. We did not
review the practices and procedures followed by the Partnership in making the daily computations of the
segregation requirements of Section 4d(a)(2) of the Commodity Exchange Act and the regulations
thereunder, and the segregation of funds based on such computations or in making the daily computations
of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 of the
CFTC, because the Partnership does not carry securities accounts for customers or perform custodial
functions relating to customer securities.

The management of the Partnership is responsible for establishing and maintaining internal control and
the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility,
estimates and judgments by management are required to assess the expected benefits and related costs of
controls and of the practices and procedures referred to in the preceding paragraphs and to assess whether
those practices and procedures can be expected to achieve the SEC’s and the CFTC’s above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Partnership has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management’s authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) and Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first, second, and third paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities and certain regulated commodity customer and firm assets that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second and third paragraphs of this report are considered by the SEC and CFTC to be adequate for their purposes in accordance with the Securities Exchange Act of 1934, the Commodity Exchange Act, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Partnership’s practices and procedures, as described in the second and third paragraphs of this report, were adequate at December 31, 2008, to meet the SEC’s and CFTC’s objectives.

This report is intended solely for the information and use of management, the SEC, the CFTC, Financial Industry Regulatory Authority, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 or Regulation 1.16 of the CFTC in their regulation of registered broker-dealers and futures commission merchants, and is not intended to be and should not be used by anyone other than these specified parties.

February 25, 2009