

MEMORANDUM

December 13, 2006

TO: File S7-11-06

FROM: Robert Burns, Chief Counsel
Office of the Chief Accountant

RE: Meeting with Managed Funds Association

On November 28, 2006, Conrad Hewitt and Robert Burns from the Office of the Chief Accountant met with John Gaine and Lisa McGreevy of the Managed Funds Association (MFA). Among the topics discussed was the September 18, 2006 comment letter MFA submitted in response to the Commission's concept release on management's reports on internal control over financial reporting. In particular, MFA discussed its request, which was embodied in that comment letter, that public commodity pools be exempt from certain of the requirements of section 404 of the Sarbanes-Oxley Act. Following that meeting, Jennifer Han from MFA and Robert Burns exchanged e-mails, which are attached to this memorandum.

Burns, Robert E.

From: Han, Jennifer [jennifer@mfainfo.org]
Sent: Tuesday, December 12, 2006 10:14 AM
To: Burns, Robert E.
Cc: McGreevy, Lisa; Gaine, Jack
Subject: RE: MFA SOX 404 letter

Bob,

Thank you for meeting with us and taking the time to review our letter. We appreciate your thoughts and guidance on the SOX 404 matter.

We look forward to the Commission's issuance of proposed guidance and plan to provide comments. We will make sure to send you a copy.

Kind Regards,
Jennifer Han

From: Burns, Robert E. [mailto:BurnsR@SEC.GOV]
Sent: Tuesday, December 12, 2006 9:43 AM
To: Han, Jennifer
Subject: RE: MFA SOX 404 letter

Jennifer,

Thank you for sending me a copy of the letter discussing the reasons that MFA believes public commodity pools should be exempt from certain of the requirements of section 404 of the Sarbanes-Oxley Act of 2002. Mr. Hewitt and I also appreciate that Ms. McGreevy and Mr. Gaine took the time on November 28th to visit with us to discuss this and related issues.

We have read your letter and discussed it with other offices and divisions within the Commission. On balance, we believe that consideration of an exemption from 404 may be premature. As you may know, the Commission is scheduled on Wednesday of this week to consider the issuance of proposed guidance on how managements may comply with their reporting requirements under section 404, and the PCAOB is scheduled next week to consider the issuance of proposed revisions to the auditing literature in this area. We encourage you to review any proposed guidance and amendments, and to provide the Commission and the PCAOB with your comments on how the Board and the Commission might revise the proposals to better able commodity pools to comply with section 404.

Again, thank you for providing us with your prior letter. We look forward to reading your comments on the proposals.

Sincerely,

Bob Burns
Chief Counsel
Office of the Chief Accountant

From: Han, Jennifer [mailto:jennifer@mfainfo.org]
Sent: Tuesday, November 28, 2006 6:00 PM
To: Burns, Robert E.
Cc: McGreevy, Lisa
Subject: MFA SOX 404 letter

12/13/2006

Robert,

Lisa provided me your contact information and suggested that I talk to you about SOX 404. I'm sorry I couldn't make the meeting today, but I would like to discuss and hear your thoughts on this matter. I've attached the letter that we submitted to the SEC in September, and will give you a call tomorrow.

Thanks!

Kind Regards,

Jennifer Han

Legal Counsel

Managed Funds Association

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[The contents of this e-mail are confidential and may be subject to attorney-client privilege. Please do not forward this e-mail to non-MFA members. If you received this e-mail in error, please delete it.]

12/13/2006