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August 16, 2004

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Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: File No. S7-30-04

Dear Secretary Katz,

I am writing to you in response to the call for comments regarding the recent SEC proposals for oversight of hedge funds.

I would like to begin by relating briefly my experience as a manager of several funds during the past thirty-five years. In the mid-1960's, I went to work for A.W. Jones & Company, which at the time was one of approximately a dozen hedge funds in the U.S. In those days, hedge funds did not solicit retail customers and most funds operated a straightforward long/short strategy. Today, in the partnership which we manage, we continue to follow those practices.

At present, with thousands of funds and hundreds of billions of dollars involved, certain regulatory changes are called for. My concern (and that of a number of other fund managers) is that some of the proposals seem to threaten the current business model of funds such as ours.

Hedge funds in their present form are extremely efficient in delivering money and entrepreneurial effort to the economy. That is the great attribute of the model, just as the same private placement models are efficient in the petroleum industry, the real estate industry, et cetera.

Federal Reserve Chairman Greenspan seems to be on our side, and as I read his comments, I believe that his perspective is that hedge funds provide counter-liquidity which is important in any market environment; specifically we buy when others are selling and we sell when others are buying. That becomes increasingly important in leveraged environments.

My suggestion is that the Corporate Finance Division of the SEC put in place three procedures which hedge funds must follow:

1. Tighten the standards for "accredited investors" to be consistent with those under the Investment Advisors Act.

2. Stipulate that hedge funds' offering documents should explain their strategy, their performance, the nature of risk they undertake and the type of documents they will make available.

3. After the private placement, hedge funds must file a Schedule F (most funds file it now) identifying ourselves as hedge funds and certifying that all investors in the fund meet the standard for qualified investors under the Investment Advisors Act.

Such procedures would give the SEC a source of data for the names and addresses of the funds and would require us to warrant that we are adhering to certain standards.

Our fund has been in operation for 29 years. We have compounded our investors assets at about 17% per year over that period. We have never run afoul of any securities law. We certainly believe that we are providing a valuable service to our clients and hope that we will continue to do so with a minimum of administrative tasks. We want to be good citizens, to contribute to the energy of the United States, and to fulfill the role which our limited partners want us to fulfill as managers of their capital.

Thank you for taking the time to read this. If it would be of assistance, I would be most happy to talk with you by telephone or personal visit at any time.

Cordially,

A. Alex Porter

cc: Hon. William Donaldson
Hon. Cynthia Glassman
Hon. Harvey Goldschmid
Hon. Paul Atkins
Hon. Roel Campos
Mr. Paul Roye
Ms. Cynthia Fornelli