

**Memorandum  
Interview of  
Enforcement  
Attorney #2**

Former Enforcement Staff  
Attorney #2

Memorandum of Interview of

On August 7, 2009, H. David Kotz and Christopher Wilson interviewed former SEC staff attorney [redacted] telephonically.

[redacted] stated that she graduated [redacted]. She indicated that she started [redacted]

Personal Privacy

[redacted] related that in [redacted], she joined the SEC's Los Angeles Office (PRO) as a staff attorney. She noted that Cliff Hyatt was her Branch Chief, Kelly Bowers was her Assistant Director and Valerie Caproni was the Director of the PRO.

[redacted] recalled the MUI regarding the display rule violations was opened right when she started employment in PRO. She did recall that the MUI had to do with limit display orders, but not that it specifically involved Madoff. She recalled having a conversation with HQ ENF's [redacted] while sitting in Kelly Bowers' office. She believed Cliff Hyatt left right after she started and she thinks she worked on the MUI with Kelly Bowers. She had a vague recollection of the enforcement referral, but did not recall what the violations were that were in the enforcement referral. She believes based on the documents, she would have reviewed the enforcement referral. She stated [redacted]

[redacted] also recalled there was an enforcement investigation into [redacted] but it was not for display rule violations. She did not generally recall why the MUI was closed. But based on the documents she reviewed, she believed they concluded that the display rule violations were no longer an issue because the technical systems problems were being corrected by the firms. She stated that [redacted] was in compliance. She further believes that the concern was greater on the part of [redacted] being in non-compliance. She had a vague recollection of writing a memo to Steve Cutler about the [redacted] referral. She also remembered interacting with Kelly Bowers while she was writing the memo and before it was sent to Cutler.

She did not dispute the information contained in the documents she reviewed.

She thought attorney [redacted] may have been working on referral, but then left and the referral was given to her when she started.

She knew Madoff as market maker because she worked on the NASDAQ 21A report, but did not believe that any one mentioned Madoff's influence or prominence in connection with the investigation.

H. David Kotz

Christopher Wilson