

1 APPEARANCES:

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3 On behalf of the Securities and Exchange Commission:

4 HEIDI STEIBER, Investigator

5 Securities and Exchange Commission

6 100 F Street, N.E.

7 Washington, D.C. 20549

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10 On behalf of the witness:

11 GREGORY STAHL, PRO SE

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C O N T E N T S

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STAHL

6 Investments.

7 So state your name and explain who you are and where you
8 work.

9 MR. STAHL: I am Greg Stahl. I head up our
10 alternatives investments area at SEI Investments. So that
11 includes the management of about \$2 billion, a little less
12 than that, in hedge fund of fund assets.

13 MS. STEIBER: Okay. So do you run a fund of funds?
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15 MR. STAHL: Yes. The SEI Opportunity I and II
16 funds, which are Cayman offshore fund of funds with an
17 institutional client base.

18 MS. STEIBER: And at one time did you consider an
19 investment with Madoff?

20 MR. STAHL: Yeah. We've had two contacts with
21 Madoff feeders over the last five years.

22 MS. STEIBER: What feeders were they? And you mean
23 feeder funds. Correct?

24 MR. STAHL: Yeah. Feeder funds, yeah. In 2005, we
25 looked at the Tremont Broad Street feeder. And then as

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1 recently as -- I have to check the notes here -- looks like
2 August of 2008, we were in contact with the Maxim feeder.

3 MS. STEIBER: So were you involved in both of these
4 contacts with the feeder funds?

5 MR. STAHL: The first one I was, and the second I
6 wasn't but my analyst was.

7 MS. STEIBER: So with as much detail as you can
8 remember, could you discuss what occurred in 2005?

STAHL

18 And -- but the level of consistency exhibited by
19 the strategy relative to other strategies we knew that did
20 similar things was much, much better. And as a matter of
21 fact, that was a strategy that worked very well from sort of
22 the '99 to -- '98/'99 -- and this is not necessarily in the
23 feeder fund case, but in the case of other people we knew who
24 did the same strategy. From '98/'99 to 2003, it was a great
25 strategy.

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1 But after 2003, 2004 proved to be a tricky year,
2 and 2005 was a difficult year for most people that were doing
3 it.

4 MS. STEIBER: why?

5 MR. STAHL: well, I guess the thing that caught our
6 attention -- I'd say the volatility levels in the market had
7 fallen off so dramatically. It was just a more difficult
8 trading environment.

9 MS. STEIBER: Okay.

10 MR. STAHL: And in the -- you know, and the
11 benchmark, you know -- well, let's put it the naive, you
12 know, strategy has been around forever. There's actually a
13 mutual fund that pursues a very similar sort of strategy in
14 the less -- tension to less lever (phonetic) kind of context,
15 the Gateway fund, which we've tracked for years and sort of
16 use it as a -- as a benchmark for that kind of trading.

17 And we could see, you know, years -- or in the
18 (inaudible) that was presented to us, there was some
19 correlation with returns produced and the Gateway returns.
20 But as the Gateway returns fell off, returns in this strategy

