

## Memorandum of Interview of Edward Nordlinger

On Tuesday May 19, 2009, I interviewed by telephone Ed Nordlinger, who is listed as an SEC attorney on the 1992 Commission case against Avellino and Bienes. Nordlinger stated that he served as the Deputy Regional Director for the New York (and previously, Northeastern) Region of the SEC during the period of 1988 until 2005. He retired from the SEC in 2005 and now works as an arbitrator for FINRA. Nordlinger recollected that in 1992 he was in that position and would have had responsibility for the Commission investigation of Avellino and Bienes.

Nordlinger stated that he did not recall a great deal about the 1992 investigation, although he understood that the matter was settled and surmised that he would have reviewed a memorandum to the Commission recommending the settlement.

He indicated that one of the Commission's goals in any investigation is to make the investors whole, and that may have been the reason the investigation focused on locating the funds invested with Avellino and Bienes after the action was brought. He, however, stated that he did not believe that merely locating the funds would be sufficient to determining whether a Ponzi scheme had occurred, and that more evidence would be necessary to investigate that matter.

Nordlinger stated that he was aware of Madoff during that time period and knew that Madoff was recognized as being very knowledgeable about investing and trading. He recalled that when a new Commissioner (which he believed was Norman Johnson) first began as a Commissioner, Nordlinger accompanied the new Commissioner to Bernie Madoff's office so that Johnson could learn about the "over the counter market." He recalled the head of the New York office also accompanying him and the new Commissioner to meet with Madoff. (Johnson served as SEC Commissioner from 1996 until 2000.)

Nordlinger did not recall anything further about the 1992 investigation and was not aware that an examination was conducted of Madoff after the investigation.

Nordlinger may be reached at

Personal Privacy

H. David Kotz