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TRADING AUTHORIZATION DIRECTIVE

Issued by: Account Name: KINGGATE GLOBAL FUND LIMITED

Account #: [REDACTED]

This Trading Authorization Directive establishes the terms and conditions under which Bernard L. Madoff Investment Securities LLC (BLMIS) will execute the client's Split-Strike Forward Conversion Strategy orders. The information contained herein pertaining to the order generation and execution parameters of the MA2.06 model is the proprietary intellectual property of BLMIS. The use or reproduction of this information or document for any other purpose is strictly prohibited.

Bernard L. Madoff (individual), acting as agent for the above referenced account, has not been granted, nor shall he exercise, any investment discretion as to the selection of securities or other property purchased or sold by or for the account. Bernard L. Madoff (individual) will determine only the time at which a specified order shall be executed. The purchase or sale of securities is limited as to issue and quantity, and shall include only executions that are consistent with the output results of BLMIS order generation and execution system software model MA2.06.

The core order/execution parameters of model MA2.06 are as follows:

- Orders generated shall be for no less than thirty-five (35) U.S. Equities, all of which must be resident within the highest fifty(50) percentile, based on market capitalization, of the Standard and Poor's 100 Index at the time of order entry.
- The sum total of the combined market capitalization of the equities to be executed must be in excess of seventy-five percent (75%) of the total market capitalization, as measured by Standard and Poor's, of the entire Standard and Poor's 100 Index.
- Each equity security shall be dollar weighted proportionately within the portfolio to the market capitalization of that particular issue in the Standard and Poor's 100 Index at the time of order entry.
- The resulting portfolio, when measured against the Standard and Poor's 100 Index, shall reflect an overall correlation of .95 to 1. These calculations, using a historical price data feed shall include a minimum of 200 data points that occur within a period of not less than twenty (20) trading days within the trailing thirty (30) day period.
- The portfolio, once executed, will be monitored for correlation variance using time interval pricing feeds. Random time intervals not to exceed 120 seconds shall be

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MADOFF_EXHIBITS-03882

used as pricing data points for correlation variance calculations. The acceptable variance from the benchmark correlation shall not exceed five percent (5%).

- If the monitoring method set forth above indicates a condition where the variance has exceeded a 5 percent (5%) tolerance, price data point feeds will be advanced to real time (overriding time interval pricing) for a period not greater than 3000 seconds. If the correlation variance still exceeds stated tolerance, orders to reverse positions will be generated.

Upon establishment of equity positions that satisfy the parameters set forth above, an attempt to establish broad based index option positions shall be made in accordance with the following conditions:

- The purchase of broad based index put options shall be limited to the S&P 100 Index, as calculated and disseminated by Standard and Poor's Corporation. The order size of contracts shall correspond to the total dollar value of the executed underlying equity position. The time to expiration of the contract shall not exceed 60 days from the date of the order. If within the 60 day period there are multiple monthly expirations available, the order priority shall be based on liquidity.
- Strike price of the put option shall be less (but not greater than 1.5% less) than the value of the S&P 100 Index at the point the equity orders are completed. If within the 1.5% index band, there are multiple strike prices available, the order priority shall be based on liquidity. The resulting put option position established shall be long "out of the money."
- The sale of broad based call option contracts shall be limited to the S&P 100 Index, as calculated and disseminated by Standard and Poor's Corporation. The order size of contracts shall correspond to the total dollar value of the executed underlying equity position. The time to expiration of the contract shall not exceed 60 days from the date of the order. If within the 60 day period there are multiple monthly expirations available, the order priority shall be based on liquidity.
- Strike price of the call option shall be greater (not to exceed 2.0 % greater) than the value of the S&P 100 Index at the point the equity orders are completed. If within the 2.0% index band, there are multiple strike prices available, the order priority shall be based on liquidity. The resulting call option position established shall be short "out of the money".
- If the previously stated condition exists that would generate orders to reverse equity positions, an attempt to reverse index option positions shall be made.

The dollar amount of the total order(s) to be calculated by the order generation system (as predefined by each client) and the resultant prorata allocation of executions, if necessary, are predicated on the total dollar amount of order(s) from all clients at the

time the system model defines the necessary parameters are in place to attempt implementation of the strategy.

Equity transactions executed for the account will be average price, riskless principal transactions. Option transactions executed for the account will be transacted as agent. A commission equivalent of four cents (\$.04) per share will be charged on equity transactions. A commission of one dollar (\$1.00) per contract will be charged on option transactions. The commission and commission equivalents stated above will be BLMIS' only compensation. There will be no other fees or expenses incurred by the account.

Agreed to by: _____


Bernard L. Madoff Investment Securities LLC