

BLM Update

5/3/2005 10:46:47 AM

From: Lamore, Peter

To: Nee, John [Personal Privacy] Ostrow, William D. [Personal Privacy]

Hi John,

I know that you mentioned that Barclays may be conducting prime brokerage services for some of the funds and I think that you may be correct. I came across multiple transactions in the firm's operating account with large dollar amounts that involved Barclays and I asked Bernie about them [there were no transactions with Lehman, Goldman, Merrill etc.] After going to consult with his staff, he stated that Barclays clears for the brokers in London delivery in the U.S. and paying them.

Additionally, in the same operating account, I came across some weird descriptions that I asked Bernie to explain O/B Mellon Pit/ (\$8.459M credit to the account), O/B Mellon Pit/ (\$10.775M credit), O/B No Name Given (\$5.548M credit) He stated that these transactions were also related to the Barclays clearing.

Another weird description for some very large transactions is John/LDN. After consulting with his staff again, Bernie stated that this is John Bonventre who works in the cage deals with clearing and settlement issues. [John B is actually listed as operations on the directory that we were given.] As William mentioned yesterday, the LDN description leads me to believe that he is connected with the London office and Barclays...

I specifically asked Bernie if the London office manages money for outside investors. Bernie said it is my money.

Pete

