

RE: Meeting with Berine

5/27/2005 9:06:04 AM

From: Lamore, Peter

Personal Privacy

To: Ostrow, William D.

I'll give it a shot.

From: Ostrow, William D.

Sent: Friday, May 27, 2005 9:04 AM

To: Lamore, Peter

Subject: RE: Meeting with Berine

I think that just means that the model looks at lets say the price of one particular stock 200 times throughout the day (actually, I believe the model runs 200 different tests on each stock). We want to drill down deeper and know the (if, then type statements). Meaning IF that stocks hits a certain price during the day, THEN buy X amount of that stock. What are the parameters that the system looks at (i.e. correlation, delta, etc.) that make the model work. We basically want to know the 200 different data points that the system looks at. If he does not want to give us that info, then we can ask for him to tell us in general terms the methodology behind the model.

William Ostrow

Staff Accountant

U.S. Securities and Exchange Commission

Northeast Regional Office

3 World Financial Center - Room 4300

New York, New York 10281-1022

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From: Lamore, Peter

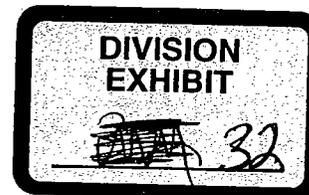
Sent: Friday, May 27, 2005 8:51 AM

To: Ostrow, William D.

Subject: RE: Meeting with Berine

Hey,

The Trading Directive provides the parameters of the model including 200 data points... Are we looking for more information than that?



From: Ostrow, William D.
Sent: Friday, May 27, 2005 8:39 AM
To: Lamore, Peter
Subject: RE: Meeting with Berine

Ok. I think that if we put in writing a request for correspondence, he will either come up with some or maybe he will sign off on the request list N/A. Even as you hand the request to him you can say if some of the questions don't apply, you can just write N/A on it and give us a copy. Questions like Barclays or the UK office might not apply according to Bernie.

William Ostrow

Staff Accountant

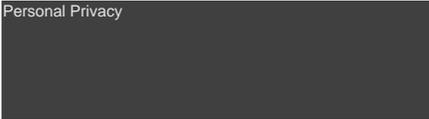
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From: Lamore, Peter
Sent: Friday, May 27, 2005 8:35 AM
To: Ostrow, William D.
Subject: RE: Meeting with Berine

Ok, I'll write this request. I asked him again about correspondence and he said there was none (of course). I am currently trying to match the Trading Authorization Directives with the Account Information (separate docs) and I don't think we have everything. I'll address any missing docs as well.

From: Ostrow, William D.
Sent: Friday, May 27, 2005 8:31 AM
To: Lamore, Peter
Subject: FW: Meeting with Berine

Maybe we should put in motion a written request for:

1. Customer statements and confirmations in an electronic format for all 14/15 entities from January 2004 through April 2005. (once we eyeball the statements we can then select specific accounts to request the trading activity for specific days)
2. All correspondence (i.e. Facsimiles, e-mail, instant messages) between the firm and any of the 14/15 entities for the period of January 2004 through April 2005.
3. What markets in London is Bernie using? How does the security settle? (It would not be DTC or NSCC)
4. Provide a description of the algorithm used for the 14/15 entities. What are the underlying assumptions? What factors feed into the model? Do any order entry systems feed into the model?
5. What is Barclay's role in facilitating the transactions of the 14/15 entities? Any other roles?
6. What role does the UK office play in the 14/15 entities?

Maybe verbally you can ask again if he has any of the correspondence that he sent to Washington a year and a half ago. You could probably verbally ask question # 3 above. Hopefully we can get some of the answers to the above questions today or early Tuesday so we can paint a picture for the people in Washington and our office. John had mentioned what you said about the Trading Authorization Directive notes at the bottom Affiliated With Madoff Securities International Limited

William Ostrow

Staff Accountant

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From: Nee, John
Sent: Thursday, May 26, 2005 4:19 PM
To: Lamore, Peter
Cc: Ostrow, William D.
Subject: RE: Meeting with Berine

Thanks Pete. In talking to William I asked him to find out more about the actual execution and clearance of the trades (executing brokers? London exchange? Prime broker used (I think they use Barclay's _ show him the article; role of UK affiliate (in e-mails they seem to be involved with Barclay's.) And what are the parameters, or at least the factors that his model uses?

I'm out tomorrow. I'll talk to you Tuesday.

Have a good weekend.

John

From: Lamore, Peter
Sent: Thursday, May 26, 2005 3:08 PM
To: Nee, John
Cc: Ostrow, William D.
Subject: Meeting with Berine

Hey John,

Attached is a rough-draft write-up for the meeting that William and I conducted yesterday with Bernie. I am still waiting to receive the agreements between Madoff and the funds.

Pete