

Calande, Pauline E.

From: Enforcement Senior Counsel
Sent: Monday, November 21, 2005 4:01 PM
To: Enforcement Staff Attorney
Subject: RE: madoff financial in west palm beach, florida

Let's discuss when you return.

-----Original Message-----

From: Enforcement Staff Attorney
Sent: Friday, November 18, 2005 1:20 PM
To: Enforcement Senior Counsel
Subject: FW: madoff financial in west palm beach, florida

Enforcement Senior Counsel

I did a little research on this one but I couldn't find anything on Madoff Financial. If you're interested in looking at this one...it involves a hedge fund. I was going to look into it more when I had some free time.

Thanks,

Enforcement Staff Attorney

Staff Attorney
Division of Enforcement

-----Original Message-----

From: Nomen Nescio Personal Privacy
Sent: Saturday, October 01, 2005 10:10 AM
To: ENFORCEMENT
Subject: madoff financial in west palm beach, florida

Dear SEC,

I was a former client of one of Madoff Financial's "hedge fund." Madoff company is located in Palm Beach, Florida with offices in Manhattan. I am unfortunately also a client of KL Financial and lost money because of their collapse. Because of obvious privacy reasons, I do not wish to reveal my identity.

I am deeply concerned that Madoff is running a very sophisticated fraudulent pyramid scheme much like KL and recent Bayou. I came to this conclusion shortly after I joined Madoff as a client in 1999. When I tried to get a better understanding of their operation and get some financial data, they refused. Their response to me was "If you don't like your returns, then get out." After a short period of time, I decided to withdrawal all my money (over \$5 million). I only wish I would have done the same with KL.

I know that Madoff also has a broker dealer which they run all their trades. Although I cannot point to anything concrete, their returns of 12% to 18% annually for last 20 years or so tells me something is wrong there. Believe it or not, I don't think they had a losing year. I also know first hand that they "guarantee" a certain percentage annual return for some clients who put in more than \$100 million. I know at least 3 people in Palm Beach who have actually borrowed money great sums of money to put into Madoff because of this "guarantee".

I know that Madoff company is very secretive about their operations and they refuse to disclose anything. If my suspicions are true, then they are running a highly sophisticated schemem on a massive scale. And they have been doing it for a long time. I suspect that their scheme has not collapsed because they control the amount of redemptions. I only hope I am wrong but given the recent blow ups around the country, more and more I think about Madoff's operation, more and more it seems fishy.

I know I have not provided too many concrete facts but I only wish I had them. If you can

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look into their operation, perhaps it will reveal a greater truth.

Thank you kindly for your time.

Concerned Investor