



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
3 WORLD FINANCIAL CENTER, ROOM 4300
NEW YORK, NEW YORK 10281

WRITER'S DIRECT DIAL LINE
Personal Privacy

February 1, 2006

VIA FAX TO (914) 925-4043
AND FIRST CLASS MAIL

James G. McCormick, Esq.
General Counsel
Tremont Partners, Inc.
555 Theodore Fremd Avenue
Rye, NY 10580

Re: **Certain Hedge Fund Trading Practices (NY-07563-A)**

Dear Mr. McCormick:

The staff of the Securities and Exchange Commission is conducting an informal investigation in the matter identified above. The staff believes that Tremont Partners, Inc. may have documents and information that would assist the staff in its inquiry. Accordingly, the staff requests that Tremont Partners, Inc. and any of its present or former parents, subsidiaries, affiliates, special purpose entities, variable interest entities, off-balance sheet entities, predecessors, successors, officers, directors, employees, agents, accountants, attorneys, general partners, limited partners, and partnerships of any of the foregoing (collectively, "Tremont") produce the documents listed in the enclosed Exhibit A.

With the understanding that the production of documents is voluntary, please forward the requested documents to my attention at the above address by **February 22, 2006**. If any document responsive to this request is withheld because of a claim of attorney-client privilege, work product protection, or some other evidentiary privilege, please identify (where applicable) for each such document: (a) the attorney(s) and the client(s) involved; (b) all persons or entities to whom the document was sent or who otherwise received it; (c) all persons or entities to whom the substance of the document, in whole or in part, was communicated; (d) the date of the document; and (e) the subject matter of the document.

This investigation is a non-public, fact-finding inquiry. We are trying to determine whether there have been any violations of the federal securities laws. The investigation and this request do not mean that we have concluded that Tremont or anyone else has broken the law. Also, the inquiry does not mean that we have a negative opinion of any person, entity or security.

Please note that, in any matter in which enforcement action is ultimately deemed to be warranted, the Division of Enforcement will not recommend any settlement to the Commission unless the party wishing to settle certifies, under penalty of perjury, that all documents responsive to Commission subpoenas and formal and informal document requests in this matter have been produced.

Information provided is subject to the Commission's routine uses. A list of those uses and other important information is contained in SEC Form 1661, a copy of which is enclosed. If you have any questions concerning this matter, please contact me at Personal Privacy or Meaghan Cheung at (212) 336-0050.

Very truly yours,

Personal Privacy

Simona K. Suh
Senior Attorney, Division of Enforcement

Enclosures: Exhibit A; SEC Form 1661

Exhibit A
Tremont Partners, Inc.
February 1, 2006

Certain Hedge Fund Trading Practices (NY-07563-A)

A. Definitions

Unless otherwise stated, the terms set forth below are defined as follows:

1. "Documents" shall be synonymous in meaning and equal in scope to the usage of this term in Federal Rule of Civil Procedure 34(a), including, without limitation, electronic or computerized compilations. A draft or non-identical copy is a separate document within the meaning of this term.
2. "Person" means any natural person or any business, legal or governmental entity or association.
3. The connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the document request all responses and production of documents that might otherwise be construed to be outside of its scope.
4. "All" shall mean each and every.
5. "Any" shall be construed as "any and all."
6. "Concerning" and "relating to" shall mean directly or indirectly, in whole or in part, concerning, relating to, referring to, describing, evidencing or constituting.
7. "Tremont" shall mean Tremont Partners, Inc., and any of its present or former parents, subsidiaries, affiliates, special purpose entities, variable interest entities, off-balance sheet entities, predecessors, successors, officers, directors, employees, agents, accountants, attorneys, general partners, limited partners, and partnerships of any of the foregoing, wherever located worldwide, including, without limitation, Tremont Capital Management, Inc., American Masters Broad Market Prime Fund, L.P., American Masters Broad Market Fund, L.P., Tremont (Bermuda) Limited, American Masters Broad Market Fund II, and Tremont Broad Market Fund LDC.
8. "BLM" shall mean Bernard L. Madoff Investment Securities LLC and any of its present or former parents, subsidiaries, affiliates, special purpose entities, variable interest entities, off-balance sheet entities, predecessors, successors, officers, directors, employees, agents, accountants, attorneys, general partners, limited partners, and partnerships of any of the foregoing, wherever located worldwide, including, without limitation, Bernard L. Madoff and Madoff Securities International Limited.

9. The "Relevant Period" shall mean January 1, 2000, through and including the present date of this request.

B. Documents Requested

Please produce the following documents:

1. Documents sufficient to identify all accounts that Tremont maintained at BLM during the Relevant Period, including account numbers and account owners' names, addresses, and telephone numbers.
2. For each account identified in response to Request 1 above:
 - (a) all account opening documents;
 - (b) all trading authorizations that were in effect or were generated during the Relevant Period;
 - (c) all agreements concerning the trading in the account that were in effect or were generated during the Relevant Period;
 - (d) documents sufficient to identify all persons who, during the Relevant Period, had the authority to exercise full or partial trading discretion over the account (including the discretion to determine the price or timing of certain transactions), including their names, addresses, telephone numbers and the scope of each such person's authority;
 - (e) documents sufficient to identify all persons who, during the Relevant Period, had custody of the assets held in the account, including their names, addresses, and telephone numbers;
 - (f) documents sufficient to identify the total assets held in the account as of the first and last day of each calendar month of the Relevant Period;
 - (g) all correspondence concerning the account generated during the Relevant Period, including email;
 - (h) all account statements for the account for the time period from January 1, 2004 and through the present date of this request;
 - (i) all trade confirmations for the account for the time period from January 1, 2004 and through the present date of this request.
3. For each account identified in response to Request 1 above, all documents generated during the Relevant Period that contain descriptions of the investment strategy or strategies implemented in the account, including, without limitation, private placement memoranda and other offering materials, marketing materials, brochures, fliers, presentations, annual or other periodic reports, press releases, newsletters, and letters to investors.

4. For each account identified in response to Request 1 above, all documents generated during the Relevant Period that contain descriptions of the returns generated by the investment strategy or strategies implemented in the account, including, without limitation, private placement memoranda and other offering materials; marketing materials, brochures, fliers, presentations, annual or other periodic reports, press releases, newsletters, and letters to investors.
5. For each account identified in response to Request 1 above, all reports or opinions generated during the Relevant Period by independent accounting or auditing firms concerning the account owner, including, without limitation, reports on annual audits and interim reviews.
6. To the extent not covered by Requests 1-5 above, all documents generated during the Relevant Period concerning any agreements, including any contemplated agreements, whether formal or informal, and whether written or oral, between Tremont and BLM, including, without limitation, memoranda, contracts, notes or minutes of meetings, and correspondence, including email.
7. To the extent not covered by Requests 1-6 above, all documents generated during the Relevant Period concerning BLM, including, without limitation, memoranda, contracts, notes or minutes of meetings, and correspondence, including email.
8. Documents sufficient to identify all persons to which Tremont served as a manager or a co-manager during the Relevant Period, including all agreements concerning Tremont's role as a manager or co-manager that were in effect or were generated during the Relevant Period.
9. All documents concerning all actual, proposed or contemplated alterations, modifications or destruction of any document responsive to Requests 1 through 8 above, including, without limitation, pursuant to any court order or Tremont policy, practice or procedure related to the maintenance, preservation, modification, recycling or destruction of documents.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**Supplemental Information for Regulated Entities* Directed to Supply Information
Other Than Pursuant to a Commission Subpoena**

A. Freedom of Information Act

The Freedom of Information Act, 5 U.S.C. 552 (the "FOIA"), generally provides for disclosure of information to the public. Rule 83 of the Commission's Rules on Information and Requests, 17 CFR 200.83, provides a procedure by which a person can make a written request that information submitted to the Commission not be disclosed under the FOIA. That rule states that no determination as to the validity of such a request will be made until a request for disclosure of the information under the FOIA is received. Accordingly, no response to a request that information not be disclosed under the FOIA is necessary or will be given until a request for disclosure under the FOIA is received. If you desire an acknowledgement of receipt of your written request that information not be disclosed under the FOIA, please provide a duplicate request, together with a stamped, self-addressed envelope.

B. Authority for Solicitation of the Information

1. *Mandatory Information.* All records of registered broker-dealers, transfer agents and other entities identified in Section 17(a)(1) of the Securities Exchange Act of 1934, and investment advisors, including but not limited to required records, must be made available for examination by representatives of the Commission. See Sections 17(a) and (b) of the Securities Exchange Act of 1934 and rules thereunder and Section 204 of the Investment Adviser Act of 1940 and rules thereunder. Records required to be maintained and preserved pursuant to Section 31 of the Investment Company Act of 1940 and the rules thereunder must be made available for examination by representatives of the Commission.
2. *Other Information.* The production of information other than the records and documents described in paragraph B.1 above is voluntary.

C. Effect of Not Supplying Information

1. *Mandatory Information.*
 - (a) A willful failure to permit inspection by authorized Commission personnel of the records and documents described in paragraph B.1 may result in legal proceedings the penalty for which, upon conviction, is a fine of not more than \$1,000,000 or imprisonment for not more than 10 years, or both. When the person failing to permit inspection is a person other than a natural person, a fine not exceeding \$2,500,000 may be imposed.
 - (b) Failure to produce the records and documents described in paragraph B.1 for inspection, and/or aiding or abetting someone in such failure may have the following consequences: (i) regulated persons may be censured or their registration and/or exchange or association status may be suspended, revoked, or subject to various other sanctions; (ii) members of national securities exchanges may be censured, suspended or expelled from membership; and (iii) members of a registered securities association may be censured, suspended or expelled from membership in a registered association, or subject to various other sanctions. Employees of and persons associated with the foregoing may be suspended or barred from association with regulated entities and/or they may be censured or subject to various other sanctions.
 - (c) If there is a failure to permit inspection of the records and documents described in paragraph B.1, the Commission may seek an injunction against, among other things, continuing to fail to permit an inspection. The continuance of such failure thereafter may result in civil and/or criminal sanctions for contempt of court.

* The term "Regulated Entities" means entities subject to registration with, and/or regulation and inspection by, the Commission, including: national securities exchanges; brokers or dealers; municipal securities dealers; national securities associations; investment advisers; investment companies; transfer agents; and clearing agencies.

2. *Other Information.* There are no direct sanctions and thus no direct effects for failure to provide all or any part of the information requested to be supplied on a voluntary basis.

D. False Statements and Documents

Section 1001 of Title 18 of the United States Code provides as follows:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

E. Submissions and Settlements

Rule 5(c) of the Commission's Rules on Informal and Other Procedures, 17 CFR 202.5(c), states:

Persons who become involved in . . . investigations may, on their own initiative, submit a written statement to the Commission setting forth their interests and position in regard to the subject matter of the investigation. Upon request, the staff, in its discretion, may advise such persons of the general nature of the investigation, including the indicated violations as they pertain to them, and the amount of time that may be available for preparing and submitting a statement prior to the presentation of a staff recommendation to the Commission for the commencement of an administrative or injunction proceeding. Submissions by interested persons should be forwarded to the appropriate Division Director, Regional Director, or District Administrator with a copy to the staff members conducting the investigation and should be clearly referenced to the specific investigation to which they relate. In the event a recommendation for the commencement of an enforcement proceeding is presented by the staff, any submissions by interested persons will be forwarded to the Commission in conjunction with the staff memorandum.

The staff of the Commission routinely seeks to introduce submissions made pursuant to Rule 5(c) as evidence in Commission enforcement proceedings, when the staff deems appropriate.

Rule 5(f) of the Commission's Rules on Informal and Other Procedures, 17 CFR 202.5(f), states:

In the course of the Commission's investigations, civil lawsuits, and administrative proceedings, the staff, with appropriate authorization, may discuss with persons involved the disposition of such matters by consent, by settlement, or in some other manner. It is the policy of the Commission, however, that the disposition of any such matter may not, expressly or impliedly, extend to any criminal charges that have been, or may be, brought against any such person or any recommendation with respect thereto. Accordingly, any person involved in an enforcement matter before the Commission who consents, or agrees to consent, to any judgment or order does so solely for the purpose of resolving the claims against him in that investigative, civil, or administrative matter and not for the purpose of resolving any criminal charges that have been, or might be, brought against him. This policy reflects the fact that neither the Commission nor its staff has the authority or responsibility for instituting, conducting, settling, or otherwise disposing of criminal proceedings. That authority and responsibility are vested in the Attorney General and representatives of the Department of Justice.

F. Principal Uses of Information

The Commission's principal purpose in soliciting the information is to gather facts in order to determine whether any person has violated, is violating, or is about to violate any provision of the federal securities laws or rules for which the Commission has enforcement authority, such as rules of securities exchanges and the rules of the Municipal Securities Rulemaking Board. Facts developed may, however, constitute violations of other laws or rules. Information provided may be used in Commission and other agency enforcement proceedings. Unless the Commission or its staff explicitly agrees to the contrary in writing, you should not assume that the Commission or its staff acquiesces in, accedes to, or concurs or agrees with, any position, condition, request, reservation of right, understanding, or any other statement that purports, or may be deemed, to be or to reflect a limitation upon the Commission's receipt, use, disposition, transfer, or retention, in accordance with applicable law, of information provided.

G. Routine Uses of Information

The Commission often makes its files available to other governmental agencies, particularly United States Attorneys and state prosecutors. There is a likelihood that information supplied by you will be made available to such agencies where appropriate. Whether or not the Commission makes its files available to other governmental agencies is, in general, a confidential matter between the Commission and such other governmental agencies.

Set forth below is a list of the routine uses which may be made of the information furnished.

1. To coordinate law enforcement activities between the SEC and other federal, state, local or foreign law enforcement agencies, securities self-regulatory organizations, and foreign securities authorities.
2. By SEC personnel for purposes of investigating possible violations of, or to conduct investigations authorized by, the federal securities laws.
3. Where there is an indication of a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule or order issued pursuant thereto, the relevant records in the system of records may be referred to the appropriate agency, whether federal, state, or local, a foreign governmental authority or foreign securities authority, or a securities self-regulatory organization charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute or rule, regulation or order issued pursuant thereto.
4. In any proceeding where the federal securities laws are in issue or in which the Commission, or past or present members of its staff, is a party or otherwise involved in an official capacity.
5. To a federal, state, local or foreign governmental authority or foreign securities authority maintaining civil, criminal or other relevant enforcement information or other pertinent information, such as current licenses, if necessary to obtain information relevant to an agency decision concerning the hiring or retention of an employee, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant or other benefit.
6. To a federal, state, local or foreign governmental authority or foreign securities authority, in response to its request, in connection with the hiring or retention of an employee; the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter.
7. In connection with proceedings by the Commission pursuant to Rule 102(e) of its Rules of Practice, 17 CFR 201.102(e).
8. When considered appropriate, records in this system may be disclosed to a bar association, the American Institute of Certified Public Accountants, a state accountancy board or other federal, state, local or foreign licensing or oversight authority, foreign securities authority, or professional association or self-regulatory authority performing similar functions, for possible disciplinary or other action.
9. In connection with investigations or disciplinary proceedings by a state securities regulatory authority, a foreign securities authority, or by a self-regulatory organization involving one or more of its members.
10. As a data source for management information for production of summary descriptive statistics and analytical studies in support of the function for which the records are collected and maintained or for related personnel management functions or manpower studies, and to respond to general requests for statistical information (without personal identification of individuals) under the Freedom of Information Act or to locate specific individuals for personnel research or other personnel management functions.
11. In connection with their regulatory and enforcement responsibilities mandated by the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), or state or foreign laws regulating securities or other related matters, records may be disclosed to national securities associations that are registered with the Commission, the Municipal Securities Rulemaking Board, the Securities Investor Protection Corporation, the federal banking authorities, including but not limited to, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, state securities

regulatory or law enforcement agencies or organizations, or regulatory law enforcement agencies of a foreign government, or foreign securities authority.

12. To any trustee, receiver, master, special counsel, or other individual or entity that is appointed by a court of competent jurisdiction or as a result of an agreement between the parties in connection with litigation or administrative proceedings involving allegations of violations of the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)) or the Commission's Rules of Practice, 17 CFR 201.100-900, or otherwise, where such trustee, receiver, master, special counsel or other individual or entity is specifically designated to perform particular functions with respect to, or as a result of, the pending action or proceeding or in connection with the administration and enforcement by the Commission of the federal securities laws or the Commission's Rules of Practice.

13. To any persons during the course of any inquiry or investigation conducted by the Commission's staff, or in connection with civil litigation, if the staff has reason to believe that the person to whom the record is disclosed may have further information about the matters related therein, and those matters appeared to be relevant at the time to the subject matter of the inquiry.

14. To any person with whom the Commission contracts to reproduce, by typing, photocopy or other means, any record within this system for use by the Commission and its staff in connection with their official duties or to any person who is utilized by the Commission to perform clerical or stenographic functions relating to the official business of the Commission.

15. Inclusion in reports published by the Commission pursuant to authority granted in the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)).

16. To members of advisory committees that are created by the Commission or by the Congress to render advice and recommendations to the Commission or to the Congress, to be used solely in connection with their official designated functions.

17. To any person who is or has agreed to be subject to the Commission's Rules of Conduct, 17 CFR 200.735-1 to 735-18, and who assists in the investigation by the Commission of possible violations of federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), in the preparation or conduct of enforcement actions brought by the Commission for such violations, or otherwise in connection with the Commission's enforcement or regulatory functions under the federal securities laws.

18. Disclosure may be made to a Congressional office from the record of an individual in response to an inquiry from the Congressional office made at the request of that individual.

19. To respond to inquiries from Members of Congress, the press and the public which relate to specific matters that the Commission has investigated and to matters under the Commission's jurisdiction.

20. To prepare and publish information relating to violations of the federal securities laws as provided in 15 U.S.C. 78u(a), as amended.

21. To respond to subpoenas in any litigation or other proceeding.

22. To a trustee in bankruptcy.

23. To any governmental agency, governmental or private collection agent, consumer reporting agency or commercial reporting agency, governmental or private employer of a debtor, or any other person, for collection, including collection by administrative offset, federal salary offset, tax refund offset, or administrative wage garnishment, of amounts owed as a result of Commission civil or administrative proceedings.

Small Business Owners: The SEC always welcomes comments on how it can better assist small businesses. If you have comments about the SEC's enforcement of the securities laws, please contact the Office of Chief Counsel in the SEC's Division of Enforcement at 202-942-4530 or the SEC's Small Business Ombudsman at 202-942-2950. If you would prefer to comment to someone outside of the SEC, you can contact the Small Business Regulatory Enforcement Ombudsman at <http://www.sba.gov/ombudsman> or toll free at 888-REG-FAIR. The Ombudsman's office receives comments from small businesses and annually evaluates federal agency enforcement activities for their responsiveness to the special needs of small business.

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U.S. SECURITIES
AND EXCHANGE
COMMISSION

"We are the firestorm's aftermath."
William O. Douglas
SEC Chairman, 1939-1961

DIVISION OF ENFORCEMENT

FACSIMILE TRANSMISSION

Date: 2/1/06 Time:

TO: James McCormick

Telephone Number: 914-925-1140 Facsimile Number: 914-925-4043

FROM: Simona Suck

Telephone Number: [Redacted] Facsimile Number: [Redacted]

TOTAL NUMBER OF PAGES: 11

REMARKS:



U.S. SECURITIES AND EXCHANGE COMMISSION

"We are the investor's advocate."
William O. Douglas
SEC Chairman, 1957-1969

DIVISION OF ENFORCEMENT

FACSIMILE TRANSMISSION

Date: *2/1/06* Time:

TO: *JAMES McCORMICK*

Telephone Number: *914-925-1140* Facsimile Number: *914-925-4043*

FROM: *Simona Suh*

Telephone Number

Personal Privacy

Facsimile Number:

Personal Privacy

TOTAL NUMBER OF PAGES: *11*

REMARKS:

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If you did not receive a complete fax, please call the above number.
The main fax number for the Division of Enforcement is 202-942-9637.