

**RE: BLM production**

**From:** Lamore, Peter  
**To:** Suh, Simona



1/17/2006 10:10:32 AM

No problem. Sounds good.

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**From:** Suh, Simona**Sent:** Tuesday, January 17, 2006 10:07 AM**To:** Lamore, Peter**Subject:** RE: BLM production

Peter, thank you for the hedge fund docs. I will be looking at the Madoff documents today and tomorrow – I expect to be done by the end of the day tomorrow.

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**From:** Lamore, Peter**Sent:** Saturday, January 14, 2006 9:45 AM**To:** Suh, Simona**Subject:** RE: BLM production

Hi Simona,

Good to hear the BLM docs have arrived. I'm very interested to take a look at them and the write-ups. On Tuesday, I will forward to you my notes from our conversation with Bernie regarding "no options trading." [I haven't had a chance to fully review the performance numbers vs. the trading activity, but I will work on that next week.] From the FFG docs that you copied for me, it seems like there is quite a bit of marketing for the SSC strategy since there are offices globally (why would so much marketing be necessary if his numbers are so good?) Also, it was interesting to see there is a 100K minimum investment in some cases (high net worth/retail investors which should not be necessary if his numbers are so good).

I'm currently finishing up a hedge fund guide for the Enforcement staff to use when analyzing hedge fund illegal activity (quite timely?). Some of the docs I'm reviewing may be helpful for us and I will give you a copy of them next week. Anyway, I am planning to submit the guide to Enforcement Assistant  
Regional Director on Tuesday for his review. On Wednesday morning, I am interviewing a JPM trader to wrap up my current exam. So, I should be able to focus on the BLM case Wednesday afternoon or Thursday morning. My next exam is scheduled to kick-off on February 2nd, but I made it clear to my administrative supervisor and the exam supervisor (2 different people) that I will be splitting time between the exam and the BLM case. Both were ok with that.

Enjoy the long weekend!

Peter

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**From:** Suh, Simona**Sent:** Fri 1/13/2006 5:07 PM**To:** Lamore, Peter**Subject:** BLM production

Just got it. It's not a lot, so I should be done reviewing it pretty quickly. Most of it is a disk with account statements and trade confirms. I took a very quick look: Bernie did now produce (1) statements for the second FSL equity account and for the options accounts and sub-account (the ones he withheld from you); (2) options trading agreements. So, it looks like he is telling us now that he is, in fact, trading options. The write-ups on the strategy and the list of customers look very similar to the ones he gave you, but I need to take a closer look at

them to know for sure if there are any discrepancies. What's annoying is that he clearly created special write-ups in response to our request, instead of producing existing documents. The write-ups are helpful, but he should also be producing everything existing... Oh well – we'll see if we need to pursue this issue.

I will send another email with more detailed observations to you and Meaghan in a day or two. (Meaghan is away until next week.) Then we can regroup and decide whether it's time to call anybody in for on-the-record testimony or at least for an interview.

Doria has suggested that we talk to somebody in the Office of Economic Analysis about Bernie's trading. To be honest, I am not entirely sure what questions we would want to ask them – so if you have any thoughts on what they can do for us, let me know.

If you have time at some point during the next week or so (no rush at all), could you go over your notes from the exam and find places where you made notes of conversations about Bernie no longer trading options? Again, this is totally not urgent – we just want to nail this down as specifically as we can at some point before we talk to Bernie himself.

Thanks and have a good weekend!

*Simona K. Suh*

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Personal Privacy

