



7/24/2006 7:19:18 AM

RE: Madoff!!!

From: Lamore, Peter
To: Suh, Simona [SuhS@SEC.GOV]

Thanks for the update. I suppose that if he has finally obtained counsel, then he believes there is an issue. Give me a shout if you need anything.

From: Suh, Simona
Sent: Friday, July 21, 2006 2:07 PM
To: Lamore, Peter
Subject: FW: Madoff!!!

FYI - a Bernie update. We had a conversation with Fairfield Greenwich this morning about their references to the Madoff accounts as non-discretionary and told them that we think Madoff is acting as an adviser - we did not have to wait long for Bernie's to react. More to come next week, I suppose.

From: Suh, Simona
Sent: Friday, July 21, 2006 1:37 PM
To: Cheung, Meaghan S.
Subject: Madoff!!!

Well, Bernie is one step ahead of us: He just called me to say that he and his counsel do not agree with our interpretation of the rule and do not believe the accounts are advisory accounts. (His counsel is Brandon Becker of Wilmer Hale in DC - former director of Market Reg. Bernie emphasized, however, that the representation is limited to this issue.) I suggested that it might make sense to schedule a more detailed discussion for next week - with his counsel and, hopefully, with IM representatives. I also told him that, since he has retained counsel, it is not appropriate for me to talk to him directly and that in the future I would have to contact his counsel. Bernie said he wants to call Becker first to let him know that we will be contacting him. Bernie said he will call me on Monday to let me know when he has talked to Becker.

(Bernie sounded quite worked up - but it was pretty easy to calm him down...)

When you have a chance, let me know what days/times next week would work for you for this call. I will check with McGrath as well. Also, do you think we should try to involve Market Reg.? The rule is under the Advisers Act, but it is about broker-dealers - on the other hand, given yesterday's fun, it is questionable how willing they would be to do anything for us on relatively short notice...