

MEMORANDUM

To: Arthur Richardson
Division of Enforcement

From: John A. McCarthy
Office of Compliance Inspections and Examinations

Date: March 8, 2001

Re: Market Maker Display Rule Examination Referrals

Attached please find copies of letters from [Redacted: Examination Material, Not Related to Madoff]
Bernard L. Madoff Investment Securities ("Madoff"), and [Redacted: Examination Material]
[Redacted: Examination Material] responding to deficiency letters issued by OCIE.

In addition, attached are two spreadsheets analyzing the samples reviewed in the
examinations of [Redacted: Examination Material] and Madoff. We have already communicated to you via
telephone information regarding the sample reviewed in the [Redacted: Examination Material, Not Related to Madoff]

If we can be of further assistance, please do not hesitate to contact me at [Redacted: Personal Privacy]
or Eric Swanson at [Redacted: Personal Privacy]

Attachments

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Attachment A Deficiency Letter to Schwab

Attachment B Examination Material, Not Related to Madoff Response Letter

Attachment C Information Regarding Sample Reviewed for Schwab

Attachment D Deficiency Letter to Madoff

Attachment E Madoff's Response Letter

Attachment F Information Regarding Sample Reviewed for Madoff

Attachment G Deficiency Letter to Examination Material, Not Related to Madoff

Attachment H Examination Material, Not Related to Madoff Response Letter