

RE: Bernard Madoff Investment Securities

5/31/2005 9:25:00 AM

From: Nee, John
To: Swanson, Eric J. [SwansonE@sec.gov]
Cc: McCarthy, John A. [McCarthyJA@sec.gov]; Donohue, Mark J. [Personal Privacy]; Sollazzo, Robert A. [Personal Privacy]; Ostrow, William D. [Personal Privacy]; Lamore, Peter [Personal Privacy]

Eric,

3:30 is fine.

John

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

From: Swanson, Eric J.
Sent: Tuesday, May 31, 2005 9:23 AM
To: Nee, John
Cc: McCarthy, John A.; Donohue, Mark J.; Sollazzo, Robert A.; Ostrow, William D.; Lamore, Peter
Subject: RE: Bernard Madoff Investment Securities

John - we have scheduling conflicts this AM. Are you available later this afternoon, say 3:30 or after? Thanks.

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

From: Nee, John
Sent: Tuesday, May 31, 2005 9:06 AM
To: Swanson, Eric J.
Cc: McCarthy, John A.; Donohue, Mark J.; Sollazzo, Robert A.; Ostrow, William D.; Lamore, Peter
Subject: RE: Bernard Madoff Investment Securities

To all. Just to confirm that we will talk at 11:00. Eric, you can call me at [Personal Privacy]

Thanks,

John

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

From: Swanson, Eric J.
Sent: Thursday, May 26, 2005 5:14 PM
To: Nee, John
Cc: McCarthy, John A.; Donohue, Mark J.; Sollazzo, Robert A.; Ostrow, William D.; Lamore, Peter
Subject: Re: Bernard Madoff Investment Securities

Sounds good. Talk to you then.

Sent from my BlackBerry Wireless Handheld

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

From: Nee, John [Personal Privacy]
To: Swanson, Eric J. <SwansonE@sec.gov>
CC: McCarthy, John A. <McCarthyJA@sec.gov>; Donohue, Mark J. [Personal Privacy]; Sollazzo, Robert A. [Personal Privacy]; Ostrow, William D. [Personal Privacy]; Lamore, Peter [Personal Privacy]
Sent: Thu May 26 17:07:02 2005
Subject: RE: Bernard Madoff Investment Securities

Eric

. Tomorrow is not good. Can we set up a time for Tuesday, say 11:00 tentatively?

Thanks,

John

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

From: Swanson, Eric J.
Sent: Thursday, May 26, 2005 4:57 PM
To: Nee, John
Cc: McCarthy, John A.; Donohue, Mark J.
Subject: Fw: Bernard Madoff Investment Securities

John - we should discuss. Ocie has an open exam of madoff on this issue. I'm on road today, but am available tomorrow AM.

Eric

Sent from my BlackBerry Wireless Handheld

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

From: McCarthy, John A. <McCarthyJA@sec.gov>
To: Swanson, Eric J. <SwansonE@sec.gov>
Sent: Thu May 26 16:54:06 2005
Subject: Fw: Bernard Madoff Investment Securities

Fyi

Sent from my BlackBerry Wireless Handheld

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

From: Nee, John <Personal Privacy [REDACTED]>
To: McCarthy, John A. <McCarthyJA@sec.gov>
CC: Ostrow, William D. <Personal Privacy [REDACTED]>; Lamore, Peter <Personal Privacy [REDACTED]>; Sollazzo, Robert A. <Personal Privacy [REDACTED]>
Sent: Thu May 26 16:37:37 2005
Subject: Bernard Madoff Investment Securities

John,

We are currently conducting an exam at Madoff. Our major focus has been the possibility that Madoff is using his vast amounts of customer order flow to benefit the \$6 billion in hedge fund money that we believe he manages. In initial inquiries about managing outside money and supplying black box models (algorithms, etc.) to outside accounts he either denied it or was evasive.

When he finally admitted to executing trades for billions of dollars in customers' (hedge funds) money using specific proprietary trading algorithm, he said we should know about this as he told Lori Richards and John McCarthy about this 1.5 years ago. We are hoping that if what he is saying has any truth at all to it that you might have some info related to his hedge fund related activities that you could send us.

Thanks,

John Nee

P.S. See the attached article for our concerns. We also received some intelligence on a recent IA exam questioning his hedge fund involvement and trading practices.