From: Gettinger, Jason R.
Sent: Wednesday, January 14, 2004 1:41 PM
To: [redacted]
Subject: RE:

good points. of course we should get out of the business of burning resources to chase ponzi schemes, but if we do it, we cannot abandon the in pari passu doctrine.

Jason R. Gettinger

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

From: Personal Privacy [redacted]

Sent: Wednesday, January 14, 2004 2:24 PM

To: Personal Privacy [redacted] #ENF-ALL TRIAL ATTORNEYS

Subject: RE:

We have a similar situation. In our case, certain highly visible investors received Ponzi payments. The Ponzi payment recipients are televangelists or otherwise affiliated with charitable organizations. The receiver has struck a deal with them -- many of whom are represented by one lawyer -- to return their "profits" in exchange for a release. It is in their best interest to return the payments, since they depend on contributions for their operations and are wary of bad press (not to mention the expense and uncertainty of litigation). Once they return the investor funds, they can trumpet that fact and distance themselves from the fraudsters. The receiver has dubbed this fund the "Benevolence Fund" or something like that, to convey that the victims are being repaid.

To the extent Ponzi payment recipients are unwilling to repay their "profits," the receiver will go after the larger ones (i.e., the ones that are large enough to justify the expense of litigation).

It seems that your wealthy or institutional investors might be in the same situation as our televangelists -- being used to legitimize the scam. And they might be just as wary of bad press and costly, uncertain (at best) litigation. So this type of approach might be something to think about.

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

From: Personal Privacy [redacted]

Sent: Wednesday, January 14, 2004 1:06 PM

To: Personal Privacy [redacted] #ENF-ALL TRIAL ATTORNEYS

Subject: RE:

Please copy me on any responses.

[redacted]

Securities and Exchange Commission

Suite 1000

3475 Lenox Rd. NE

Atlanta, GA 30326

[redacted]

Fax 404 842-7679

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

From: [redacted]

Sent: Wednesday, January 14, 2004 2:05 PM

To: #ENF-ALL TRIAL ATTORNEYS

Subject:

We have an offering fraud/Ponzi scheme case in which the offering went on for several years, so that some of the older (in time, not age) investors were paid interest totalling more than the amount of the original investment. Technically, those people owe money to the receiver. In some cases, these are minor amounts and mom-and-pop investors, but in other cases we are talking about wealthy or institutional investors who got tens or hundreds of thousands of dollars in "overpayment."

The receiver has asked for our thoughts on him suing some of these larger investors to recover the overpayments for the newer investors, who are out $27 million. I'm curious if anyone has ever encountered this situation and what was decided.

Thanks in advance for your responses. [redacted]

Personal Privacy [redacted]