

January 4, 2000

Via Facsimile and U.S. Mail

Ms. Shana Madoff Skoller
Director of Compliance
Bernard L. Madoff
885 Third Avenue
New York, NY 10022

Dear Ms. Skoller:

The Office of Compliance Inspections and Examinations has completed its initial review of selected limit orders received by Bernard L. Madoff ("MADF" or "firm") on October 11, 12, and 25, 1999 for compliance with SEC Rule 11Ac1-4 (the "Display Rule"). Enclosed please find a spreadsheet containing customer orders which appear not to have been displayed in accordance with the Display Rule. Please review each order and provide a written explanation as to why the order was not displayed in MADF's quotation during the stated time period.

Please provide your response no later than January 18, 2000. If you have any questions, please contact me at Personal Privacy Thank you for your cooperation.

Sincerely,

Tina Barry
Staff Attorney

Enclosure

Table with columns: No., Security, Entry Date, Entry Time, Trade Date, Execution, Cancellation, or Route Time, Quantity, Price, Terms / Conditions, Customer, Result, Notes, and Notes continued. Contains 189 rows of transaction data.

The "Notes" column contains the time period during which it appears that the order was not displayed.