

October 17, 2011

Dear BLMIS Customers:

**We would like to address privacy concerns regarding personal, confidential information, which is part of documentation held by the SIPA Trustee in the liquidation proceeding of Bernard L. Madoff Investment Securities (“BLMIS”). We want to assure all BLMIS customers that personally identifiable information has been – and continues to be – held in the strictest confidence.**

On September 20, 2011, the Trustee received document requests from the defendants in *Picard v. Katz et al.*, Adv. Pro. No. 11-CV-03605 (JSR) (the “Sterling Defendants”). The Sterling Defendants requested access to documents which are housed in an electronic data room, which is part of the Trustee’s Court-approved litigation case management system. On September 28, 2011, the Trustee sent a letter to all BLMIS customers providing notice of these requests and an opportunity to object to the Sterling Defendants’ obtaining access to the Electronic Data Room.

The electronic data room contains documents that relate to BLMIS’ insolvency and fraud. Access to the electronic data room has been granted only to the legal and financial professionals who are advising defendants in certain actions seeking fictitious profits – the avoidance actions. Prior to obtaining access to the electronic data room, defendants’ professionals are required to execute a non-disclosure agreement and agree to terms which protect and govern the use and disclosure of the confidential material contained in the electronic data room. Defendants’ legal counsel are also obligated to redact personally identifiable information before either sharing any documents produced from the electronic data room with their clients or witnesses in depositions or using the information for any other purpose related to this proceeding.

**The Trustee understands that despite all the protections described above and set forth in the November 10, 2010 Court Order which in part established the electronic data room, some BLMIS customers do not want defendants’ professionals viewing their personally identifiable information. Therefore, the Trustee will redact all BLMIS customers’ personally identifiable information in accordance with the Litigation Protective Order, entered by the Court on June 11, 2011, before any such information is made available to defendants’ professionals.**

Please do not hesitate to contact Sarah Truong at [struong@bakerlaw.com](mailto:struong@bakerlaw.com) with any further questions.