



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

OFFICE OF COMPLIANCE
INSPECTIONS AND
EXAMINATIONS

January 6, 2004

*Via Facsimile to (212) 486-8178
and U.S. First-Class Mail*

Peter B. Madoff
Chief Compliance Officer
Bernard L. Madoff Investment Securities, LLC
885 Third Avenue
New York, New York 10022

Dear Mr. Madoff:

Pursuant to Section 17(a)(1) of the Securities Exchange Act of 1934 and Rule 17a-4 thereunder, the Office of Compliance Inspections and Examinations ("OCIE" or "Staff") is conducting an examination of Bernard L. Madoff Investment Securities, LLC and its affiliates (referred to herein as "Madoff Securities"). The Staff requests that Madoff Securities provide the following information on or before January 21, 2004.

1. For the time period of January 1, 2001 through the present, provide the following:
 - a. monthly profit and loss statements by security (to be provided electronically in an Excel spreadsheet);
 - b. monthly commission revenues segregated by customer and by security (to be provided electronically in an Excel spreadsheet);
 - c. the identity of all institutional customers of Madoff Securities;
 - d. all commission rates charged to institutional customers, including any changes to those commission rates, the customers charged those rates, and the monthly totals of commissions paid by customer;
 - e. a detailed organizational chart of Madoff Securities; and
 - f. the identity of each private equity investment held by Madoff Securities or any person affiliated with Madoff Securities, including, but not limited to, a description of the investment vehicle (including whether or not the entity is a hedge fund), the amount invested, the

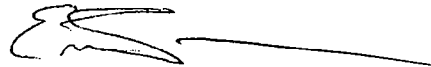
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ownership interest of the investment, the date of the investment, the date the investment was either sold or transferred, and any relationship between the investment vehicle or its affiliates and Madoff Securities.

2. Describe the "split-strike forward conversion" strategy used by some customers of Madoff Securities, list the customers using that strategy, list all securities traded as part of that strategy, and explain how Madoff Securities is compensated for executing that strategy. Provide copies of all communications and disclosures from the customers using the strategy to the investors or owners, or any prospective investors or owners, since January 1, 2001.
3. Identify all hedge funds managed or advised by any person or entity affiliated with Madoff Securities, and include the name of each fund, the identification of all advisers and managers of each fund, all affiliated entities of each fund, the investment objective and strategy of each fund, and all investors or owners of each fund since January 1, 2001.

Additional documents and information may be requested if necessary. If you have any questions, please contact me at [Personal Privacy] or Mark Donohue at [Personal Privacy]. Thank you for your cooperation.

Sincerely,



Eric J. Swanson
Assistant Director

Cc: SEC Form 1661