

**RE: Madoff**

10/31/2003 4:42:15 PM

**From:** OCIE Staff Attorney [Redacted]

**To:** Swanson, Eric J. [Redacted] Personal Privacy [Redacted]

Best ex violations actually--40% of the shares executed executed a price worse than the NBBO. And the specialist is the counterparty on over 75% of the trades in a liquid stock like QQQ. There'll be a memo on your desk on Monday.

OCIE Staff Attorney [Redacted]  
Personal Privacy [Redacted]

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

**From:** Swanson, Eric J.  
**Sent:** Friday, October 31, 2003 4:40 PM  
**To:** OCIE Staff Attorney [Redacted]  
**Subject:** RE: Madoff

I assume what you are asking is whether to look at Madoff trades against the quotes. The answer is yes. Also, I am interested in what I hear you are finding a [Redacted]

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

**From:** OCIE Staff Attorney [Redacted]  
**Sent:** Friday, October 31, 2003 3:42 PM  
**To:** Swanson, Eric J.  
**Subject:** Madoff

Eric:

I was wondering if you had a chance to look at the memo I wrote on Madoff in the QQQ project. The [Redacted] did had a different focus than what I was looking at with Madoff in that I was looking more for trading ahead with Madoff and best ex with [Redacted] Should I look again at Madoff concentrating on best ex?

OCIE Staff Attorney [Redacted]  
Personal Privacy [Redacted]