# Exhibit 39

## INTEROFFICE MEMO

### CONFIDENTIAL

TO:

ALL PARTNERS

FROM:

SUBJECT: SPECIAL INVESTMENT IN MADOFF

DATE:

**NOVEMBER 28, 2005** 

A special determination has been made to invest \$22 million in the "Short-term Special Madoff Investment". The funds have been accumulated from 4 sources:

- 1. The two (2) Citibank Loans to the Wilpon and Katz Trusts
- 2. The AMSECO distribution of \$6,616,000
- 3. Any spare funds that any partner may have, excluding money in Madoff
- 4. The amount necessary to bring the total to \$22 million, which is being supplied by

Attached is a compilation of all of the amounts accumulating to \$22 million. The percentage that each partner owns in the TIC account is reflected in the "Percentage Owned" column.

AF/cb

Att.

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Evolit

100 500 min 100 De 2005 1889

2006 17.070 (others 13.4%)

16107-6130157 - Same



N E R F E

**MEMO** 

To:

Files

From:

AF

Date:

January 19, 1996

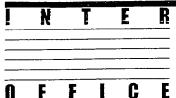
Subject: Madoff Insurance

As we know, Madoff contributes into the SIPC fund which provides \$500,000 coverage per account. There is insurance known as "Super SIPC" which provides up to \$5M coverage over the \$500,000 provided by SIPC. This insurance, written by such companies as Aetna, is only offered to N.Y. Stock Exchange member companies. Madoff is not a member of the N.Y. Stock Exchange. He maintains that the insurance companies are operating under an erroneous assumption that N.Y. Stock Exchange companies are more substantial. He contends that he is sounder and more capitalized that most N.Y. Exchange specialists.

There are some companies that offer insurance to brokers outside of "Super SIPC." These are often weak insurance companies or companies that are in the business today and out of it tomorrow. He feels that not having the insurance is better than having it on a temporary basis.

AF:cmm

af11996



## **MEMO**

F C F

FW & SBK To:

From: AF

February 26, 2001 Date:

Madoff Insurance Subject:

> American Securities has purchase a third-party fiduciary policy covering their account at Madoff. I was referred to their insurance agent, Robert Duran at Frank Crystal & Co. ([212] 504-5920). The policy covers fraud and has a \$500,000 deductible. The cost is 30 cents per \$100. The cost per \$1.0M = \$3,000. If we were to insure \$200.0M the cost would be \$600,000.

> > The first have the

How to define themen

AF:cmm

fw022601

Get

Robot Duran



# **MEMO**

#### F F E C

To:

All Partners

From:

AF

Date:

June 13, 2001

Subject:

Madoff Insurance

Michael and I met with Robert Duran of Frank Crystal & Co., Inc., the company used by American Securities to place insurance coverage on their Madoff account.

The policy Covers:

- 1) Fraud & Fidelity
- 2) Insolvency for any reason.

The cost is .30¢ per \$100 of value at the start of each year by account.

They will be limited to a maximum of \$100M in total and, probably, they would limit coverage to accounts greater than \$10M.

Let's discuss.

AF:cmm

ap061301