

FINRA DISPUTE RESOLUTION, INC.

In the Matter of the Arbitration Between:

FINANCIAL TRUST COMPANY, INC., and
THE C.O.U.Q. FOUNDATION, INC.,

Claimants,

v.

THE BEAR STEARNS COMPANIES, INC.,
BEAR, STEARNS & CO. INC., BEAR
STEARNS ASSET MANAGEMENT INC.,
and WARREN SPECTOR,

Respondents.

FINRA No. 09-00979

**The Bear Stearns Respondents'
First Request for the Production
of Documents and Information to
Claimants Financial Trust Company,
Inc. and The C.O.U.Q. Foundation, Inc.**

Pursuant to the NASD Code of Arbitration Procedure for Customer Disputes (the "Code") and the NASD Discovery Guide for Arbitration Proceedings (the "Guide"), Respondents The Bear Stearns Companies, Inc. ("BSC"), Bear, Stearns & Co. Inc. (BS&Co.), and Bear Stearns Asset Management Inc. ("BSAM") (collectively, the "Bear Stearns Respondents"), by their attorneys, Kramer Levin Naftalis & Frankel LLP, hereby request that Claimants produce the documents and information specified herein, pursuant to the following Definitions and Instructions, on or before February 5, 2010, at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036.

Definitions and Instruction

1. The term "Amended Statement of Claim" means the Amended Statement of Claim, filed in this arbitration on September 16, 2009.
2. The term "concerning" means relating to, referring to, alluding to, evidencing or constituting.

3. The term “document” is used herein in the broadest sense permitted by the Code. In particular, and without limitation, it means the original and all non-identical copies and drafts of any tangible or intangible item from which information can be derived or discerned, and specifically includes all forms of electronic data and other information stored on electronic media in Claimants’ possession, custody or control.

4. The term “including” means “including without limitation.”

5. The term “person” or “persons” means any natural person or any business, legal or governmental entity or association and the officers, directors, employees, agents, consultants and attorneys thereof.

6. The term “Claimants” means and includes (a) Financial Trust Company, Inc.; (b) The C.O.U.Q. Foundation, Inc.; (c) Jeffrey Epstein; (d) any of their past and/or present employees, directors, representatives, agents, officers, consultants, attorneys, predecessors, successors or affiliates, including without limitation Harry Beller, Darren Indyke, and Lesley Groff; and (e) any other person acting or purporting to act on behalf of any of him.

7. The term “Respondents” means and includes (a) The Bear Stearns Companies, Inc., Bear, Stearns & Co. Inc., and Bear Stearns Asset Management Inc., and Warren Spector (“Spector”) collectively or individually; (b) any of their past and/or present employees, directors, representatives, agents, officers, consultants, attorneys, predecessors, successors or affiliates; and (c) any other person acting or purporting to act on behalf of any of them.

8. The term “Request” means the Bear Stearns Respondents’ First Request for Production of Documents and Information.

9. The term “any” shall be understood to include and encompass “all,” and “all” shall be understood to include and encompass “any.”

10. The term "Funds" means Bear Stearns High-Grade Structured Credit Strategies, L.P., Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage, L.P., Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd., Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage Master Fund, Ltd., Bear Stearns Asset Back Securities Partners, L.P., Bear Stearns Asset Back Securities Overseas, Ltd., and/or Bear Stearns Asset Back Securities Master Fund, Ltd.

11. The term "Bear Stearns Entity" means (a) any company or organization owned or controlled, in whole or in part, directly or indirectly, by Respondent The Bear Stearns Companies, Inc., including Bear, Stearns & Co. Inc., and Bear Stearns Asset Management Inc, (b) the past and/or present employees, directors, representatives, agents, officers, consultants, attorneys, predecessors, successors or affiliates of those entities, and (c) any other person acting or purporting to act on behalf of any of them.

12. "Fund Managers" means any person involved, directly or indirectly, in the management of the Funds, including without limitation Ralph Cioffi, Matthew Tannin, Colin Gordon, and Franklin Collins.

13. The term "Bear Stearns Fund" means any hedge fund, mutual fund, private equity fund or other investment vehicle, including the Funds, managed or sold by any Bear Stearns Entity, including but not limited to the Bear Stearns Emerging Markets Macro Fund, L.P. and the Bear Stearns Europe Long/Short Fund, L.P.

14. The term "identify," when used with respect to a natural person, means to state (a) the person's full name; (b) current or last known address; (c) current or last known place of employment, title or position, and job description; (d) place of employment, title or position, and job description, at the time in question with respect to the relevant information request; and (e) whether there is or has ever been an employer/employee relationship, principal/agent

relationship, or other relationship between such person and the Claimants and, if so, the nature of the relationship and the dates during which it existed.

15. The term “identify,” when used in connection with an entity or any other person that is not a natural person, means to state: (a) the person’s or entity’s full, legal name; (b) the state or country, if any, under whose laws the person or entity is organized or incorporated; and (c) the address and telephone number of such person’s or entity’s principal place of business.

16. The term “identify” when used in connection with a meeting or other conversation means to (a) state the date on which the meeting or conversation took place; (b) state the time and location at which the meeting or conversation took place; and (c) identify each person who participated in, or was present during, the meeting or conversation.

17. No paragraph contained in this Request shall be construed with reference to any other paragraph for purposes of limitation.

18. This Request requires Claimants to produce all responsive documents, materials and information (including any stored by electronic means) within their actual or constructive possession, custody, or control.

19. This Request is continuing in nature. In the event that Claimants become aware of responsive documents and/or information in addition to, or in any way inconsistent with, that which they previously have produced to Respondents, prompt supplementation of their response to this Request is required.

20. If Claimants objects to all or any portion of any request contained in this Request, they shall identify the objectionable request or portion thereof, and the nature and basis of the objection as required by Code § 12508(a)-(b). Notwithstanding any objection to any

portion of this Request, Claimants shall produce all documents and information to which such objection does not apply.

21. If Claimants withhold any document from production based on the attorney-client privilege, the work product doctrine, or any other privilege or immunity from disclosure, Claimants shall, with respect to each such document: (a) identify the document by (i) stating its date, subject and type, and (ii) identifying all author(s) and recipient(s) of the document, and all persons who, to Claimants' knowledge, have seen the document; (b) specify the nature of the privilege, doctrine or immunity claimed; and (c) state and describe the grounds for claiming it.

22. If Claimants object to any portion of the Request, including the Definitions and Instructions, on grounds of vagueness or ambiguity, Claimants shall identify in their response the language they considers vague or ambiguous and state the interpretation they are using in responding.

23. In the event that multiple copies of a document exist, produce every copy on which appear any notations or markings of any sort not appearing on another copy.

24. The singular form of a word shall be interpreted as plural, and the plural form of a word shall be interpreted as singular, whenever necessary in order to bring within the scope of this Request any document or information that might otherwise be construed to be outside of its scope.

25. The words "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of the Request any document or information that might otherwise be construed to be outside of its scope.

26. The documents produced in response to the Request shall be (a) organized and designated to correspond to the categories in the Request or, if not, (b) produced as they are

maintained in the normal course of business, and in either case: (i) all associated file labels, file headings, and file folders shall be produced together with the responsive documents from each file and each file shall be identified as to owner or custodian; (ii) all documents that cannot be legibly copied shall be produced in their original form; otherwise, you may produce photocopies; (iii) all photocopies shall be stapled or clipped as the originals; and (iv) each page shall be given a discrete production number.

27. Produce documents and information responsive to individual requests as soon as possible and without waiting to produce documents responsive to other requests whenever possible.

28. Identify every document responsive to this Request that was at any time, but is not presently, in Claimants' possession, custody or control by stating: (a) type of document; (b) author; (c) recipient(s), including all recipients of carbon or blind copies; (d) date; (e) subject matter; (f) present location and custodian of the document and the present address and telephone number of the custodian; and (g) if the document was lost or destroyed, the circumstances under which the document was lost or destroyed.

29. If there are no documents or information responsive to all or any portion of any request, so state in writing.

30. None of the Definitions or requests set forth herein shall be construed as an admission relating to the existence of any evidence, to the relevance or admissibility of any evidence, or to the truth or accuracy of any statement or characterization in the Definitions or the requests.

31. Claimants shall be deemed a "Customer" for purposes of production of documents and information referenced in portions of the Guide that are relevant to this arbitration.

32. Unless otherwise specified in a particular document request, this Request calls for (a) documents and information dated, created or that came into Claimants' possession between January 1, 2003 and the date of production, and (b) documents and information that were operative during that time period.

Documents Requested

1. All documents or categories of documents referenced in the Guide at Document Production List Two: Documents to Be Produced in All Customer Cases, and at Document Production Lists Eight and Ten, identifying additional discoverable documents for cases alleging misrepresentation/omission, and negligence/breach of fiduciary duty, respectively.
2. All documents relied upon in drafting the Amended Statement of Claim.
3. All documents concerning allegations in the Amended Statement of Claim.
4. All documents concerning investments by Claimants in the Funds.
5. All documents concerning investments by Claimants in any Bear Stearns Fund.
6. All documents concerning investments by Claimants in the Funds on behalf of or as trustee for any third party, including without limitation The Wexner Children's Trust II.
7. All documents concerning investments by Claimants in any Bear Stearns Fund on behalf of or as trustee for any third party, including without limitation The Wexner Children's Trust II.
8. All documents concerning any statement by or on behalf of Respondents or any Fund Manager concerning the Funds, including statements concerning the Funds' management, operation, underlying investments or investment performance.
9. All documents concerning any communication between Claimants and Respondents or any Fund Manager concerning the Funds.
10. All documents concerning any advice, recommendations, or analyses that Claimants requested or received with respect to the Funds.

11. All documents concerning any advice, recommendations, or analyses that Claimants requested or received concerning any actual, proposed or contemplated transaction involving a limited partnership interest or other interest in the Funds.
12. All documents concerning any communications between Claimants and any other investor in the Funds concerning the Funds.
13. All documents relied upon by Claimants in making their decisions to invest in the Funds.
14. All documents concerning any actual, proposed or contemplated redemption or sale of all or any portion of any of Claimants' shares or other ownership interests in the Funds.
15. All documents concerning any request by Claimants to redeem any shares or other ownership interest in the Funds.
16. All documents concerning any other Bear Stearns Fund.
17. All documents concerning communications between Claimants and Respondents concerning any other Bear Stearns Fund.
18. All governing formation or organizational documents for Claimants that were in effect at any time between July 1, 2003 and the present.
19. Documents sufficient to show all members, officers, directors and employees of Claimants from July 1, 2003 until the present, including their (a) titles, and (b) duties and responsibilities.
20. Documents sufficient to show all financial advisors or financial analysts employed by Claimants from January 1, 2001 until the present.
21. Documents sufficient to show all employees, officers, directors, or trustees involved in making investment decisions on behalf of Claimants.

22. Documents sufficient to show all entities and individuals for which or on whose behalf Claimants have invested or managed funds from July 1, 2003 until the present.

23. Documents sufficient to show the complete educational and employment background of (a) Jeffrey Epstein, (b) Harry Beller, (c) Darren Indyke, and (d) Lesley Groff.

24. Documents sufficient to show Claimants' (a) overall assets, (b) investable assets, and (c) earnings for the years 2003 to the present.

25. All documents concerning the "financial consulting services" offered and provided by FTC to third-parties as alleged on page 7 of the Amended Statement of Claim.

26. All documents concerning Claimants' actual, proposed or contemplated investment guidelines, objectives, policies and/or strategies between July 1, 2003 and the present.

27. All documents including, but not limited to, guidelines, protocols and manuals, concerning Claimants' analyses, due diligence, portfolio monitoring and capabilities for analyses concerning their investments.

28. All documents concerning analyses, due diligence and portfolio monitoring Claimants conducted concerning their investments from July 1, 2003 to the present.

29. All documents concerning analyses, due diligence and portfolio monitoring Claimants conducted concerning the Funds from July 1, 2003 to the present.

30. All documents including notes, emails and memoranda concerning communications with respect to the Funds.

31. To the extent not produced in response to Document Request No. 1, all documents concerning any ownership interest (whether beneficial, direct, indirect or otherwise) that Claimants held in any hedge fund, private equity fund or other business entity, at any time between January 1, 2001 and the present.

32. To the extent not produced in response to Document Request No. 1, all documents concerning any actual, proposed or contemplated investment by or on behalf of Claimants in any hedge fund, private equity fund or other business entity, at any time between January 1, 2001 and the present.

33. To the extent not produced in response to Document Request No. 1, all documents concerning any investments made, or held by, or on behalf of Claimants or investment accounts other than those concerning the Funds, from January 1, 2001 to the present.

34. All documents concerning Respondent Warren Spector ("Spector").

35. All document concerning communications, from July 1, 2003 to the present, between Claimants and Spector.

36. All documents concerning meetings, from July 1, 2003 to the present, between Claimants and Spector.

37. All documents Claimants sent to or received from Spector, from July 1, 2003 to the present.

38. All documents concerning communications, from July 1, 2003 to the present, between Claimants and (a) Respondents, (b) any Fund Manager, (c) Evan Kerr, (d) Heather Malloy, and (e) Ira Zicherman.

39. All documents concerning meetings, from July 1, 2003 to the present, between Claimants and (a) Respondents, (b) any Fund Manager, (c) Evan Kerr, (d) Heather Malloy, and (e) Ira Zicherman.

40. All documents concerning Claimants' communications with any other financial advisors, investment advisors, or hedge fund managers, from January 1, 2001 to the present.

41. Documents sufficient to show all of the investments made or held by or on behalf of Claimants from January 1, 2001 to the present.

42. All documents concerning Claimants' participation in or attendance (personally, or via telephone or any other medium) at investor conference calls regarding the Funds or any other Bear Stearns Fund.

43. All recordings or documents concerning recordings of any investor conference calls or other telephone calls regarding the Funds or any other Bear Stearns Fund.

44. All documents concerning Claimants' participation in or attendance (personally, or via telephone or any other medium) at any conference call or other presentation conducted by or on behalf of any Bear Stearns Entity or Fund Manager concerning (a) collateralized debt obligation securities, (b) mortgage-backed securities, (c) asset-backed securities, (d) securitization of mortgages, (e) the secondary market for trading in mortgage-backed products, and (f) any type of security or asset held, directly or indirectly, by the Funds.

45. All documents concerning Claimants' attempts, if any, to obtain information concerning the Funds' underlying investments.

46. All documents concerning Claimants' knowledge concerning the Funds' subprime exposure (whether direct or indirect).

47. All documents concerning Claimants' knowledge of the Funds' underlying investments and performance.

48. All documents concerning Claimants' views of whether the Funds' exposure to subprime mortgages was important to their decision to invest in the Funds or to hold onto their investments in the Funds.

49. All documents concerning Claimants' attempts, if any, to obtain information concerning the actual or potential risks of investing, directly or indirectly, in

collateralized debt obligations, collateralized mortgage obligations, mortgage-backed securities, asset-backed securities, and the subprime market.

50. All documents concerning Claimants' views with respect to the risks involved in investing, directly or indirectly, in collateralized debt obligations, collateralized mortgage obligations, mortgage-backed securities, asset-backed securities and the subprime market.

51. All documents concerning any advice, recommendations, or analyses that Claimants requested or received with respect to investments, direct or indirect, in collateralized debt obligations, collateralized mortgage obligations, mortgage-backed securities, asset-backed securities and the subprime market.

52. All documents concerning Claimants' reliance on statements, omissions, or representations allegedly made by Respondents or any Fund Manager.

53. All documents concerning Claimants' claims for damages, including their claims for compensatory damages, recessionary damages, interest, and punitive damages.

54. All documents concerning the allegation on page 3 of the Amended Statement of Claim that "in reality, Respondents created the Enhanced Fund as part of a scheme both to alleviate the looming liquidity problems that the High Grade Fund began to encounter and to facilitate fraudulent manipulations of fund portfolio values already taking place in the High Grade Fund."

55. All documents concerning the allegations on page 4 of the Amended Statement of Claim that "Respondent Spector . . . personally solicited FTC, through Epstein, to invest in the Enhanced Fund, providing clearly misleading and false assurances about the Fund and its investment safety . . . [and] bolstered this safety representation and secured Epstein's

unsuspecting confidence in Respondents' scheme by falsely claiming to have made his own personal investment in the Fund.”

56. All documents concerning the allegation on page 7 of the Amended Statement of Claim that “[a]fter the ABS Fund collapsed, COUQ transferred its shared in the ABS Fund to another charitable foundation, but COUQ did not transfer its legal claims.”

57. All documents concerning the allegation on page 9 of the Amended Statement of Claim that “[f]or more than 26 years, Epstein invested millions of dollars in various Bear Stearns' sponsored investments, relying principally on the assurances, advice and representations of Spector and other executives at the highest levels of Bear Stearns' management.”

58. To the extent not called for by the preceding requests or by the applicable portions of the Guide, all documents concerning (a) the Funds, (b) the Fund Managers, (c) Evan Kerr, (d) Heather Malloy, (e) Ira Zicherman, (f) any other Bear Stearns Fund, and (g) Respondents.

Information Requested

1. Provide all information referenced in the Guide at Document Production List Two: Documents to Be Produced in All Customer Cases, and at Document Production Lists Eight and Ten, identifying additional discoverable information for cases alleging misrepresentation/omission and negligence/breach of fiduciary duty, respectively.
2. Identify each person with knowledge or information relevant to the subject matter of the Amended Statement of Claim.
3. Identify each person relevant to the subject matter of the Amended Statement of Claim.
4. Identify all brokerage or investment accounts in which Claimants held any ownership interest (whether direct, indirect, beneficial or otherwise) during the period January 1, 2001 to the present, by stating: (a) name of broker-dealer at which the account was maintained, (b) date account was opened, (c) account number, (d) name of account holder, and (e) name of any other person or entity that holds or held any ownership interest in the account.
5. Identify each meeting or telephone conversation in which Claimants and one or more of the Respondents or Fund Managers participated.
6. Identify each person involved in making investment decisions on behalf of Claimants at any time between January 1, 2001 and the present.
7. Identify each person who provided investment advice to Claimants at any time between January 1, 2001 and the present.
8. Identify all financial advisors or financial analysts employed by Claimants from January 1, 2001 until the present.

9. State the educational background, academic degrees and credentials, and professional licenses held by, and employment history of each person identified in response to Information Request Nos. 6, 7, and 8, as well as (a) Jeffrey Epstein, (b) Harry Beller, (c) Darren Indyke, and (d) Lesley Groff.

10. Identify each member, officer, director and employee of Claimants from July 1, 2003 until the present, including their (a) titles, and (b) duties and responsibilities.

11. Identify all entities and individuals for which or on whose behalf Claimants have invested or managed funds from July 1, 2003 until the present.

12. Identify each bank account in which Claimants held any ownership interest (whether direct, indirect, beneficial or otherwise) during the period January 1, 2001 to the present, by: (a) identifying the bank or other financial institution at which such account is or was maintained; (b) stating the account number for such account; and (c) identifying all persons who held any ownership interest (whether direct, indirect, beneficial or otherwise) in such account during the period January 1, 2001 to the present.

13. For each of the following individuals, state the title of each periodical, including magazines and newspapers to which each individual subscribed on or after the date of Claimants' purchase of any limited partnership interest or other ownership interest in the Funds: (a) Jeffrey Epstein, (b) Harry Beller, (c) Darren Indyke, and (d) Lesley Groff.

Dated: December 4, 2009

Kramer Levin Naftalis & Frankel LLP

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