

D.B. ZWIRN & CO., L.P.

INVESTOR ACTION REQUIRED

May 6, 2005

To the Limited Partners of
D.B. Zwirn Special Opportunities Fund, L.P. (the "Fund")

In light of the continuing growth of the Fund, we have recently undertaken to update and, where appropriate, revise the confidential memorandum (the "Confidential Memorandum") and the limited partnership agreement (the "Partnership Agreement") of the Fund. We have enclosed for your consent the proposed Second Amended and Restated Agreement of Limited Partnership of the Fund (the "Amendment") and the revised Confidential Memorandum indicating the proposed changes. While you should review the text of the revised Confidential Memorandum and the proposed Amendment in its entirety, the highlights of the key revisions in the Confidential Memorandum and the Partnership Agreement are listed below:

A. The following changes to the Partnership Agreement, which will also be reflected in the Confidential Memorandum, require your consent:

- The depth and the breadth of our sourcing and analytical team has provided us with the opportunity to see a broader range of investments, including financial instruments and physical assets in addition to those currently set forth in the Partnership Agreement and the Confidential Memorandum. These investments leverage our analytical, sourcing and trading expertise and are a natural extension of our multi-strategy investment platform. In order to take advantage of these opportunities, we are updating the description of the investment program in the Confidential Memorandum and expanding the list of investments contained in the Confidential Memorandum and the Partnership Agreement that the Fund may make.
- Currently, the General Partner may reduce distributions in respect of withdrawal requests for any period to no more than 20% of the Fund's net assets if total withdrawal requests received exceed that amount. The Amendment provides that in the event that withdrawal requests, in the aggregate, exceed 10% of the Fund's net assets, the General Partner may reduce the withdrawal requests, on a pro rata basis, among all Partners requesting withdrawals so that no more than 10% of the Fund's net assets will be paid out. The unfulfilled withdrawal requests will be paid out at the next withdrawal date in priority to any subsequent withdrawal requests, subject to the "gate" limitation described above.
- Under the Amendment, D.B. Zwirn & Co., L.P. (the "Manager") or an affiliate may charge the Fund a fee in connection with the management and servicing of certain loans in the Fund's portfolio. Any such fee payable to the Manager or its affiliates

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will be comparable to a fee that an independent third-party service provider would have charged to the Fund for such services. This change is proposed because we believe that a greater level of involvement by the Manager in the management and scrutiny of our complex loan transactions will enable us to more efficiently and effectively administer these portfolios. These servicing fees, which are in lieu of third-party servicing fees otherwise payable by the Fund, will be used to facilitate the hiring of personnel, improve technology and offset other costs incurred by the Manager or its affiliates to manage the loans in lieu of hiring a third party service provider to provide these services.

- The Amendment provides that in the event that the Fund makes an investment in a “new issue,” a use of funds charge may be debited from the capital accounts of the Partners participating in the investment in an amount equal to the interest that would have accrued on the amount used to acquire the investment, and such charge will be credited to the capital accounts of all Partners.
- The Amendment reflects the General Partner’s ability to make equitable adjustments to the capital accounts of Partners for tax, ERISA, regulatory or other reasons.
- Under the Amendment, the tax allocations will provide that the General Partner may specially allocate items of the Fund’s ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) to a withdrawing Partner to the extent such Partner’s capital account would otherwise exceed or be less than, as the case may be, its adjusted tax basis in its interest. Such a special allocation of income or gain may result in the withdrawing Partner recognizing ordinary income and/or capital gain, which may include short-term capital gain, in the Partner’s last taxable year in the Fund, thereby reducing the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon withdrawal. Such a special allocation of deduction or loss may result in the withdrawing Partner recognizing ordinary loss and/or capital loss, which may include long-term capital loss, in the Partner’s last taxable year in the Fund, thereby reducing the amount of short-term capital loss recognized during the tax year in which it receives its liquidating distribution upon withdrawal. The Partnership Agreement currently provides for the special allocation of capital gains to a withdrawing Partner.
- The indemnification provisions of the Partnership Agreement had covered the General Partner and its affiliates, officers, employees, etc. The Amendment specifies that both the General Partner and the Manager, which is an affiliate of the General Partner, and their affiliates, and their respective officers, employees, etc. will be covered by the indemnification provisions.

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B. The following changes have also been made to the Partnership Agreement and the Confidential Memorandum. The changes are being made by the General Partner pursuant to its existing powers under the Partnership Agreement and do not require Limited Partner consent:

- We have updated the Partnership Agreement and the Confidential Memorandum to reflect our name change, which occurred last year, as well as our new address.
 - We have updated the Partnership Agreement and the Confidential Memorandum to reflect the change in the monthly management fee approved last year by the Limited Partners.
 - Investors that bought an interest in the Fund on or after January 1, 2005 may not withdraw from the capital account established in respect of such interest until the third anniversary of such purchase and then as of each three-year anniversary thereafter. The Confidential Memorandum and the Partnership Agreement have been updated to reflect the three-year lockup for these new investments.
 - As we previously informed you, the Fund received equity in a special purpose vehicle, Bernard National Loan Investors, Ltd. (the "CLO"), formed to facilitate the purchase or extending of loans in connection with a collateralized loan obligation transaction. The CLO is managed by Bernard Capital Funding, LLC, a wholly-owned subsidiary of the Manager ("BCF"). Any management fees payable to BCF from the CLO with respect to the portion of the CLO's assets acquired from the Fund offset on a dollar-for-dollar basis the management fee payable by the Fund to the Manager. The new source of capital from the CLO has enabled the Fund to make additional investments and increase its exposure to lending transactions.
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- Each investor in the Fund has previously been offered a one-year plus liquidity option in addition to the standard withdrawal rights provided in the Confidential Memorandum and the Partnership Agreement. Both documents have been updated to detail the terms of the one-year plus liquidity option.
 - The Partnership Agreement has been updated to more accurately reflect the powers of the General Partner with respect to the Fund, including providing additional examples of the acts that the General Partner may take on behalf of the Fund.
 - The Fund's "soft dollar" policy has been clarified in the Confidential Memorandum and incorporated into the Partnership Agreement.
 - The Amendment provides that the General Partner has the right to amend, without the consent of the Limited Partners, the terms of the incentive allocation so that the incentive allocation conforms to applicable regulatory requirements. However, the incentive allocation may not be amended if the effect of such amendment would increase the incentive allocation otherwise charged to a Limited Partner.

- The Amendment provides that the General Partner will not pay a management fee on its capital invested in the Fund.
- The Partnership Agreement and the Confidential Memorandum have been updated to note that the Fund is currently subject to the Unincorporated Business Tax, which is a 4% tax imposed on the income of a partnership that is attributable to business activities conducted in New York City. The determination of whether the Fund will be subject to such tax is made on an annual basis.
- The Confidential Memorandum has been updated to reflect the current valuation procedures used by the Fund to value illiquid securities.
- The Partnership Agreement and the Confidential Memorandum have been updated to note that the Fund is required to withhold on distributive shares of New York source Fund income allocable to Partners that are individual non-New York residents or corporations (other than "S" corporations") unless such Partners timely deliver to the Fund an executed New York State Department of Taxation and Finance Form IT-2658-E or New York State Department of Taxation and Finance Form CT-2658-E, as applicable, or any successor forms, and update such form as required.
- The Amendment clarifies that year-end withdrawals are effective immediately following the closing of the books for the year.
- The risk disclosure with respect to an investment in the Fund has been updated in the Confidential Memorandum.

In addition, the General Partner has made a number of corrections or clarifications in the Partnership Agreement and the Confidential Memorandum, which among other things, updates the various regulatory sections of each document.

The General Partner believes that the changes referred to in the Confidential Memorandum and those summarized in this letter and presented in the Amendment will be beneficial to the Fund. Please review the Amendment and the revised Confidential Memorandum carefully with your legal and tax advisers.

If you have any questions about any of the proposed changes, we are available to speak to you by calling or e-mailing us as follows:

Daniel B. Zwirn
Heath Weisberg
Allyson Alimansky



dzwirn@dbzco.com
hweisberg@dbzco.com
aalimansky@dbzco.com

We appreciate your continued support and, as always, we are interested in the views of our Limited Partners.

Limited Partners of
D.B. Zwirn Special Opportunities Fund, L.P.
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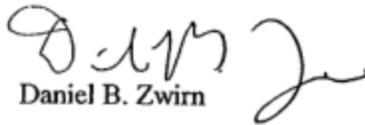
To evidence your consent to the changes proposed in the Amendment, please complete, sign and return the attached Consent Form (Appendix A) no later than May 27, 2005 to:

D.B. Zwirn Special Opportunities Fund, L.P.
c/o D.B. Zwirn & Co., L.P.

Attention: Heath Weisberg
Via Fax: [REDACTED]

The amendment will become effective as of May 27, 2005 upon the receipt of the Consents of Limited Partners having in excess of 50% of the Interests.

Sincerely,


Daniel B. Zwirn

Enclosures

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CONSENT FORM

The undersigned Limited Partner of D.B. Zwirn Special Opportunities Fund, L.P. (the "Fund") acknowledges that it has received and reviewed (i) the explanatory letter to the Limited Partners from the General Partner dated May 6, 2005, describing certain amendments to the Amended and Restated Agreement of Limited Partnership of the Fund, (ii) a copy of the Confidential Memorandum of the Fund, dated May 2005 and (iii) a copy of the proposed Second Amended and Restated Agreement of Limited Partnership setting forth the proposed amendments. The undersigned understands that by consenting to the amendments, the undersigned shall be deemed to have executed the Second Amended and Restated Agreement of Limited Partnership. Upon its effectiveness, all Partners shall be bound by its terms. The undersigned hereby

consents does not consent

to the amendments as set forth in the Second Amended and Restated Agreement of Limited Partnership.

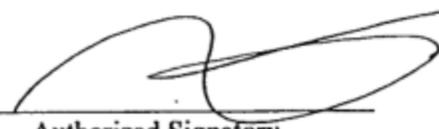
Dated: May __, 2005

For Corporate, Partnership
or Other Entity Partners:

For Individual and Joint Partners:

Financial Trust Company, Inc.
Print Name of Limited Partner

Print Name of Limited Partner

By: 
Authorized Signatory

Signature

Jeffrey Epstein
Print Name of Authorized Signatory

Print Name of Joint Limited Partner

President
Title of Authorized Signatory

Signature of Joint Limited Partner

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