

1940. I am informed that Rule 22c-1(a) under the Investment Company Act requires registered mutual funds, and their principal underwriters and dealers, to sell and redeem fund shares at a price based on the current net asset value ("NAV") next computed after receipt of an order to buy or redeem. I am further informed that mutual funds generally determine the daily price of mutual fund shares as of 4:00 p.m. Eastern Time. In these circumstances, orders received before 4:00 p.m. must be executed at the price determined as of 4:00 p.m. that day. Orders received after 4:00 p.m. must be executed at the price determined as of 4:00 p.m. the next trading day. In addition, mutual fund prospectuses typically contain representations concerning the time as of which the NAV is set for purposes of determining the price at which shareholders may buy or redeem mutual fund shares.

I am informed by the defendant that from about late 2001 and early 2002, through about July of 2003, the defendant was employed at the offices of Millennium Partners, L.P. as a trader, engaged in the business of inducing and promoting the purchase and sale of mutual fund shares from numerous mutual funds (hereinafter referred to as "the Mutual Funds"). A share of the Mutual Funds is a type of security which is sold to the public.

I am also informed by the defendant that the defendant and several broker dealers (hereinafter referred to as "the Broker Dealers") placed numerous orders on behalf of Millennium Partners to purchase and sell shares of the Mutual Funds after 4:00 pm (Eastern Time), and that the Broker Dealers executed each of these orders at a price that was only lawfully available to investors who had placed their orders before 4:00 pm (Eastern Time).

Moreover, I am informed by the defendant that through deception, concealment, suppression, and false pretense employed pursuant to this scheme, the defendant, the Broker Dealers and other persons known to the Attorney General caused the Mutual Funds to accept orders to buy and sell mutual fund shares for the benefit of Millennium Partners, and that the

defendant thereby wrongfully obtained property with a value in excess of \$250

FALSE STATEMENTS MADE HEREIN
ARE PUNISHABLE AS A CLASS A
MISDEMEANOR PURSUANT TO
SECTION 210.45 OF THE PENAL LAW

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