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February 4, 2010

BY FEDERAL EXPRESS AND
ELECTRONIC MAIL

Thomas A. Beenck, General Counsel
Maureen H. Hazen, Deputy General Counsel
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308

Re: Bernstein Liebhard LLP

Dear Mr. Beenck and Ms. Hazen:

Thank you once again for the opportunity to review the record and respond to the attacks leveled at my firm, Bernstein Liebhard LLP ("BL" or "the Firm"), and me in the anonymous letter of December 2009. Both my firm and I take this matter, and the Evaluation Committee's (the "Committee") function, very seriously and believe that it is important that there be a clear and accurate record concerning these allegations. It is for this reason that I would like to use this opportunity to clarify certain remarks I made when I appeared before the Committee on January 14, 2010 and was asked a broad range of questions.

During my appearance before the Committee, I stated that, at no point during my Firm's dealings with the DA's Office in 2008, had a document request been made for my personal tax records. I also explained that, although the Firm had produced documents to the New York County District Attorney's Office (the "DA's Office") in connection with an investigation of certain charities (the "charities investigation"), neither I nor anyone at BLL (excepting of course Mr. Lifshitz) was the subject of an investigation. Since my appearance before the Committee, I have spoken with the Firm's tax counsel, who has been in communication with the DA's Office about these matters. Based upon those conversations, I have determined that these portions of my statements from January 14 should be corrected.

The Firm's interactions with the DA's Office in these matters commenced when the DA's Office sought documents from the Firm in 2008 arising from an ongoing investigation into certain charities in the New York metropolitan area. The Firm retained outside counsel to handle these matters. I am reminded by counsel that, shortly thereafter, the DA's Office made a verbal request to him for copies of my personal tax returns, as well as those of Messrs. Liebhard and Lifshitz. We agreed to voluntarily turn over those documents. Ultimately, Mr. Lifshitz pled guilty to one count of filing a false tax return for the tax year 2005. The DA's Office referred

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Mr. Liebhard's and my personal tax returns (as well as those of the Firm) to the appropriate civil tax authorities for civil resolution. Our civil tax matters have each been resolved.

Based on the foregoing, it is now apparent to me that my statement that no "document request" had been made of me for my personal tax records requires clarification. When I appeared before the Committee, I failed to recall that my personal tax returns had been informally requested. I believe that my statement in this regard was due to my recollection that no subpoena for any documents had been served on me, the passage of over one year since these events took place and the fact that my tax matter was ultimately resolved with the New York State civil tax authorities.

After speaking further to the Firm's tax counsel about these events, I also have come to appreciate that, taken as a whole, my account of the scope of the DA's Office investigation during my appearance before the Committee was incomplete. Since my appearance, I have learned from the Firm's counsel's communications with the DA's Office that the DA's Office takes the position that its investigation covered not just Mr. Lifshitz, but also the Firm, Mr. Liebhard and me as well. I have no reason to challenge the DA's Office's account of the scope of its own investigation, even though it was resolved civilly in my case and that of Mr. Liebhard and the Firm. Therefore, I would like to use this opportunity to correct the record on this point as well and further request that you deem this correction as amending the Firm's response to the SBA's Request for Proposal (the "RFP") (see RFP, Question D1).

I appreciate the thorough effort which the Committee has undertaken on this matter and thank the Committee for providing our Firm a full and fair opportunity to respond to the issues posed in the anonymous letter. Due to the burden that this entire unfortunate sequence of events has imposed upon the SBA, the Firm has determined that the better course of action is for the Firm to formally withdraw its application to serve as the SBA's securities counsel. Therefore, the Firm shall withdraw its application to serve as counsel for the SBA.

I and the Firm thank you again for your courtesies in this matter and for having honored us by considering BL to serve as your counsel.

Very truly yours,



Stanley D. Bernstein

Copy to: Julia E. Zuckerman, Esq. (By Electronic Mail)
Ian D. Lanoff, Esq. (By Electronic Mail)



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Re: Bernstein Liebhard LLP

Dear Mr. Beenck and Ms. Hazen:

I write on behalf of my firm, Bernstein Liebhard LLP (the "Firm"), concerning our application to serve as securities counsel to the Florida State Board of Administration ("SBA"). Due to the recent burdens imposed upon the SBA by the Firm's application, the Firm has decided to withdraw itself from consideration for the SBA's list of approved securities counsel. Please accept this letter as our formal withdrawal.

Thank you for having considered us to represent your fine institution.

Very truly yours,



Stanley D. Bernstein

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Ian D. Lanoff, Esq. (By Electronic Mail)

