

Dear Valued Client:

As you may know, the investment process has a normal course. Generally accepted investing practices follows that you, the investor, give us, the manager, money. As manager we take that money and buy something with it. This something generates profits and at the end of the year, we pay ourselves some percentage of what we bought with your money, as well as some percentage of the generated profits. Everyone profits which is a *good thing*.

Unfortunately, the money you gave us did not follow this normal course. Per usual, we “invested” your money in tranches of CDOs comprised solely of loans to people who specifically would never be able to pay down their mortgage. Their inability to pay was the very thing that made these such great loans and allowed us to demonstrate to you a profitable two year record of performance. This could have continued but your money decided to disappear.

As far as we can tell, there is no current record that points to existence of your money. It's no longer part of our assets under management. Look, it's up to you how you raise your money and I don't want to get into a nature vs nurture sidebar with you, our valued client. But don't you think that maybe you should have imbued your money with more of a sense of sticktuitiveness? I mean, it literally seems to have vanished at the worst possible time, what with the depressed prices and attractive yields which now litter our market. This is when we could be printing profits for you (if only your money hadn't disappeared).

I guess, for us, we're disappointed in you. Your role is to let us take your money, assume none of the risk and allow us to give you some of the return. Don't you see how this relationship breaks down if you allow your money to disappear? We're not angry with you, just disappointed. It's your loss, as we still earned our management fee, it just seems like a waste for you.

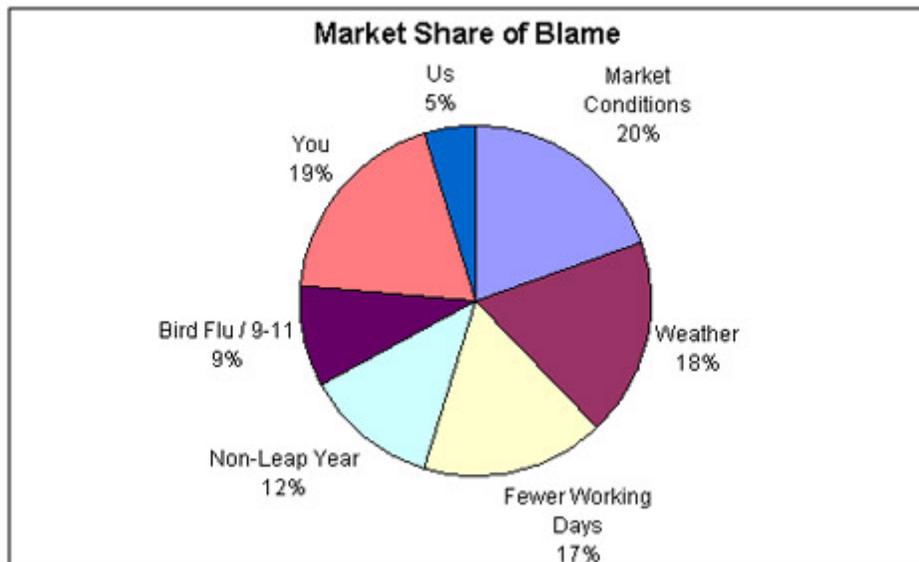
I have enormous confidence in Long or Short Capital management and the ability of our talented professionals to bring you the highest quality products and services now and in the future as they have in the past. You can count on us to deliver...if you don't let your money vanish.

Sincerely,  
Mister Juggles

Dear Valued Client:

Last week you received [a letter](#) from the head of Long or Short Capital Management, Mr Juggles. In this letter Mr. Juggles told you that although your money was invested wisely according to the prospectus, that money has subsequently disappeared. We wanted to write you to let you know that after further diligence this is 100% accurate. Your money is definitely, definitely gone, for sure.

The feedback we received on the previous letter has revealed that you are unhappy that your money is gone but you were especially upset with our refusal to accept responsibility for your money being gone. Well first we would like to remind all of our valued clients that you shouldn't point fingers. This is not just your fault, it's everyone's fault. Even ours, just to a much lesser degree than it is yours( especially important point for you to take away). We have completed a detailed and rigorous analysis of whose fault it is and thought it was important to share the results:



The chart depicts graphically the small size of our fault. After further study it was determined that all of our market share of the fault stems from one person: Mr. Juggles. As of this morning we have resigned him. Kaiser Edamame, our Germono-Japo restructuring expert and portfolio manager of our [anti-union humor portfolio](#), will take-over for Mr. Juggles effective immediately.

We have also implemented several restructuring measures to ensure that when your money disappears in the future, it is less our fault than it was this time. Starting on August 30th, before we invest in low-yield, illiquid securities with high default risk we promise to “think-twice”. This represents a 100% increase in the amount of thinking we have done in the past. Also, in the case of our most risky investments, before we increase our exposure to them we will now “sleep on it,” something we have not done previously. We feel confident that these measures will significantly increase your returns and hence our fees over time.

Please contact me with any questions.

Subprimely,  
Johnny Debacle  
EVP Long or Short Capital Managment