



ANGELO,
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January 22, 2010

Via E-mail

Mr. John K Rabiej
Chief
Rules Committee Support Office
Administrative Office of the United States Courts
Thurgood Marshall Federal Judiciary Building
One Columbus Circle, N.E.
Washington, D.C. 20544

Summary of Testimony regarding
Proposed Amendment of Federal Rule of Bankruptcy Procedure 2019

Dear Mr. Rabiej:

Thank you for your letter of January 12, 2010. Angelo, Gordon & Co., L.P. ("Angelo, Gordon") respectfully submits the attached Exhibit A summarizing the testimony it intends to present to the Advisory Committee on Bankruptcy Rules (the "Committee") concerning the proposed amendment to Federal Rule of Bankruptcy Procedure 2019 ("Proposed Rule 2019").

Very truly yours,

D. Forest Wolfe
Deputy General Counsel



Exhibit A

Brief Summary of Testimony

- Angelo, Gordon & Co., L.P. (“Angelo, Gordon”) is an investment advisor registered with the Securities and Exchange Commission and has been in business for 22 years. It currently has approximately \$21 billion of assets under management. It pursues multiple investment strategies, but Angelo, Gordon is probably best known for distressed investments, real estate, mortgage backed securities, private equity, and then it also operates multi-strategy funds that invest across those strategies.
- As a frequent investor in distressed securities, Angelo, Gordon often participates in ad hoc groups of the sort at issue under Rule 2019.
 - The main reason Angelo, Gordon participates in ad hoc groups is for judicial efficiency. We recognize that we are often not uniquely situated as a creditor, and it is efficient for similarly situated creditors to share costs of legal representation.
 - In addition, having multiple creditors represented by the same counsel makes the proceedings more efficient, in that the court and the debtor can deal with one set of lawyers as opposed to eight or nine sets of lawyers.
- Angelo, Gordon respectfully disagrees with permitting disclosure under Proposed Rule 2019 of the price and trade date for transactions involving the prepetition debt or bankruptcy claims.
- This pricing and trade date information goes to the heart of our business strategy, thus Angelo, Gordon treats such information as extremely confidential and proprietary. Disclosure of this information would cause harm, both to Angelo, Gordon and our investors.
 - Disclosure of this information puts data into the public domain that could be used to reverse engineer Angelo, Gordon’s proprietary trading strategies and models. Even a partial simulation of our strategies could harm both our firm and our investors, in that competitors could front-run our trades, or drive up the prices of positions that are of interest to us.
 - Individual instances of disclosure of proprietary and confidential pricing information would harm investors in our funds by substantially affecting negotiating positions of the parties. In addition, even a single data point put into the public domain could cause harm, in that it may be used out of context to try to discern our trading strategy.
- For investment advisors like Angelo, Gordon, these strategies and models are our trade secrets and we undertake to protect them to the maximum extent possible.



- Every employee who joins Angelo, Gordon as a condition to becoming an employee must agree to be bound by strict confidentiality obligations because we do not want our trading strategies known by any competitors. These obligations last beyond the person's employment with the firm.
 - Likewise, all vendors and consultants must sign comprehensive confidentiality agreements prior to their engagement.
 - Our investors understand the sensitivity of this information and do not receive disclosure of it.
 - When Angelo, Gordon does participate in an ad hoc group of lenders or note holders, it does not disclose this type of trading information to other members of the group.
 - Adoption of proposed Rule 2019 and the routine granting of these types of motions would dissuade Angelo, Gordon from joining together with other creditors (in the form of ad hoc committees).
 - Ad hoc committees and their use of a single counsel increase efficiency in Bankruptcy Cases.
 - A reduction in the participation in ad hoc committees will increase administrative expenses for debtors, creditors and the courts.
 - Angelo, Gordon respectfully requests that Proposed Rule 2019 be revised to remove any possibility for the disclosure of the price and trade date for transactions involving the prepetition debt or bankruptcy claims.
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