

[REDACTED]
From: Kolbe, Tom A.
Sent: Wednesday, February 12, 2003 11:41 AM
To: Cunningham, Ray R.
Cc: [REDACTED] Miller, Timothy; Legoski, Mike D.
Subject: RE: Canary Capital

I could not agree more that violation of the trust we have extended towards Canary is a serious breach. Obviously this cuts across potential revenue and clearly impacts our many long term investors no less the patience of the portfolio managers willing to try to work with timers to some degree. Please note that we monitor timer activity to the best of our ability but often our response is after the fact. In the case of Canary, we will not only gather data but compare their activity to the understanding we have of their acceptable activity and get back to you ASAP in order to put together action steps. We will also compare and contrast the similarities and differences between the domestic and offshore understandings for your edification.

Tom Kolbe

—Original Message—
From: Cunningham, Ray R.
Sent: Wednesday, February 12, 2003 8:24 AM
To: Kolbe, Tom A.; Legoski, Mike D.
Cc: Miller, Timothy; [REDACTED]
Subject: RE: Canary Capital

Tom and Mike,

I realize that we are constantly trying to balance revenue growth with an accommodation for this type of business, however this type of activity was never discussed as an acceptable type of trading pattern. I am certain that we have reach a point where either our communication with them has broken down or they have chosen to ignore the original parameters we discussed. What is particularly difficult to comprehend is the sincerity of our conversations and the actual practice of their business. I cannot speak for all of the PMs affected, but Tim has always been willing to work with timers as a group and it is unfortunate, but when a willing PM cannot effectively deal with the business, one can only imagine how someone (with less understanding of the additional challenges of this type of business) will react.

Please obtain some data on this group and we ill discuss the action to be taken,

Thanks,
Ray

—Original Message—
From: [REDACTED]
Sent: Wednesday, February 12, 2003 7:27 AM
To: Miller, Timothy; Cunningham, Ray R.; Kolbe, Tom A.; Legoski, Mike D.
Cc: [REDACTED]
Subject: RE: Canary Capital

As far as I'm concerned they don't need to go —they're gone. I will not accept another penny of their money!

—Original Message—
From: Miller, Timothy
Sent: Wednesday, February 12, 2003 7:24 AM
To: Cunningham, Ray R.; Kolbe, Tom A.; Legoski, Mike D.
Cc: [REDACTED]

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[REDACTED]

Subject: Canary Capital

I sent a message yesterday about the timers(it was Canary), and sure enough they came in 2 days ago in Dynamics with \$180 million, and left yesterday. Same thing for Core Equity, Health, and Tech. These guys have no model, they are day-trading our funds, and in my case I know they are costing our legitimate shareholders significant performance. I had to buy into a strong early rally yesterday, and now I'm in negative cash this morning because of these bastards and I have to sell into a weak market. This is NOT good business for us, and they need to go.

Tim Miller
Chief Investment Officer
INVESCO FUNDS GROUP

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