

# **EXHIBIT 13**

BRAY, MILLER & BRAY, L.L.C.  
ATTORNEYS AT LAW  
IVY CORPORATE PARK  
100 MISTY LANE  
PARSIPPANY, NEW JERSEY 07054-2710

(973) 739-9600  
FAX: (973) 739-9696

RECEIVED  
7/17/09

PETER R. BRAY  
RICHARD I. MILLER\*  
GEOFFREY T. BRAY

\*Certified As An Elder Law Attorney  
By The National Elder Law Foundation

July 16, 2009

**VIA LAWYERS SERVICE**

Honorable Paul G. Gardephe, U.S.D.J.  
Court Room 18B  
United States Court House  
500 Pearl Street  
New York, New York 10281

**Re: SEC v. Reserve Management Fund, et al.  
09CIV.4346(PGG)**

Dear Judge Gardephe:

We wrote to you by letter dated July 14, 2009. Upon review of the letter, it appears that we did not clearly set forth the relief that Union Center National Bank ("UNCB") seeks. (A copy of our aforesaid letter is annexed hereto for ready reference.) Hence, we provide this letter to concisely set forth the relief that UNCB seeks.

It is UNCB's position that, under the circumstances, it has a contractual right to receive a "dollar for dollar" distribution of funds, since it has confirmations for the redemptions and, it is only a matter of happenstance that it did not receive the wire transfers that other redeeming investors received.

In the event that it is determined that a dollar for dollar distribution to UNCB will not be granted, then fairness can only be achieved by requiring that investors, who received dollar for dollar distributions on – or after – September 15, 2008, repay a portion of same so that everyone receives the same pro rata distribution.

Respectfully yours,

  
PETER R. BRAY

PRB/snn

Enclosure

cc Nancy A. Brown, Esq. via Lawyers Service  
Securities Exchange Commission  
3 World Financial Center  
New York, New York 10281  
cc: Union Center National Bank via e-mail  
Attn: Mr. Anthony C. Weagley, CEO

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Writer's e-mail:  
pbray@braymiller.com

July 14, 2009

**VIA LAWYERS SERVICE**

Honorable Paul G. Gardephe, U.S.D.J.  
Court Room 18B  
United States Court House  
500 Pearl Street  
New York, New York 10281

Re: SEC v. Reserve Management Fund, et al.  
09CIV.4346(PGG)

Dear Judge Gardephe:

We write this letter on behalf of Union Center National Bank ("UNCB") and pursuant to the leave granted in the Order filed on June 8, 2009.

We write to object to portions of the relief sought by the Securities and Exchange Commission.

UNCB was a long-time shareholder/investor in the Reserve Primary CI Institutional Fund ("Reserve Fund"), and historically invested funds on a short-term basis. On September 15, 2008, UNCB initiated an Institutional Redemption of \$19,091,000.00 from the Reserve Fund. (A copy of the Confirmation Notice, which was issued by the Reserve Fund, is annexed as Exhibit "A".) This withdrawal was in the ordinary course of business and executed (in part) to cover UNCB's position at the Federal Reserve Bank of New York. Instructions were provided that these funds be wired to UNCB's account with the Federal Reserve Bank of New York. When the wire did not arrive, UNCB's representative placed numerous calls to the Reserve Fund and was advised that the wire was delayed at State Street Bank due to the volume of wires that State Street Bank, as their agent, was attempting to send out that night; but, UNCB's representative was assured the funds would be wired before the close of business. Apparently, several other banks received the same information, and the Federal Reserve Bank of New York kept its window open until 8:00 p.m. to receive wires

Honorable Paul G. Gardephe, U.S.D.J.

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July 14, 2009

from the Reserve Fund. When the wire did not arrive, UNCB had to borrow funds from State Street owner The Reserve Fund's direction to cover its position.

The next morning (September 16, 2008), UNCB contacted the Reserve Fund and was advised that the wire from last night would be here at 9:30 EST. At the same time, UNCB decided to redeem the balance the funds it had invested with the Reserve Fund, in the amount of \$17,338,364.43. (A copy of the Confirmation Notice, which was issued by the Reserve Fund, is annexed as Exhibit "B".) Assurances were again provided that these funds would be wired to UNCB's account at the Federal Reserve Bank of New York.

Needless to say, neither redemption was consummated and UNCB's funds (\$36,429,364.43) remained with the Reserve Fund.

UNCB issued the aforesaid redemption requests in the ordinary course of business. UNCB had absolutely no notice of any problem that would, or could, cause the Reserve Fund to be unable to return the invested funds "dollar-for-dollar". UNCB is completely blameless and now is a victim in this situation. The confirmations issued by the Reserve Fund should constitute a contract that the redemptions would be paid, as requested.

Under these circumstances, fairness can only be achieved by a pro rata distribution **after** requiring that the redeemers, who received the dollar-for-dollar distributions on September 15, 2008, repay same. Further, it is unfair for the funds on deposit to be depleted by the fees being incurred in defending litigation resulting from the actions of the Reserve Fund and its trustees.

Currently, UNCB is owed \$3,654,829.77,<sup>1</sup> having previously received on account distribution of \$32,773,178.48.

Respectfully yours,

  
PETER R. BRAY

PRB/snn

cc Nancy A. Brown, Esq. via Lawyers Service  
Securities Exchange Commission  
3 World Financial Center  
New York, New York 10281

Union Center National Bank via e-mail  
Attn: Mr. Anthony C. Weagley, CEO

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<sup>1</sup> Obviously, this amount does not include the loss of interest caused by the unavailability of these moneys nor the additional expenses UNCB incurred to borrow funds.

# **EXHIBIT A**



# The Reserve

A Tradition of Financial Innovation™

Sep 16, 2008

*Elliott A*

Courtesy Confirmation Notice	
Account Number: xxxx6508	Registration: UNION CENTER NATIONAL BANK
Portfolio: Primary CI Inst	Activity: Institutional Redemption
Trade Date: Sep 16, 2008	Settlement Date: Sep 16, 2008
Reserve Transaction Number: 101939	Amount: \$17,338,364.43
Reserve Agent: Elliott Goldstein	Client Agent: Anthony Weagley (- 908-206-2886)
Time of Order (ET): 9:59:34 AM	

*This information is being provided as a courtesy and is not to be relied upon in place of the monthly statement sent to you by The Reserve.*

*All trades are subject to receipt of federal funds on settlement date.*

*Thank you for the opportunity to serve your cash management needs.*

**If you disagree with any information provided or have any questions please immediately call (888) 851-7237.**

# **EXHIBIT B**



# The Reserve

A Tradition of Financial Innovation™

Sep 15, 2008

*Edub + B*

Courtesy Confirmation Notice	
Account Number: xxxx6508	Registration: UNION CENTER NATIONAL BANK
Portfolio: Primary CI Inst	Activity: Institutional Redemption
Trade Date: Sep 15, 2008	Settlement Date: Sep 15, 2008
Reserve Transaction Number: 101843	Amount: \$19,091,000.00
Reserve Agent: Denise Matthews	Client Agent: Susan Schweiker (908-206-2888)
Time of Order (ET): 4:15:57 PM	

*This information is being provided as a courtesy and is not to be relied upon in place of the monthly statement sent to you by The Reserve.*

*All trades are subject to receipt of federal funds on settlement date.*

*Thank you for the opportunity to serve your cash management needs.*

**If you disagree with any information provided or have any questions please immediately call (888) 851-7237**