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 IN THE UNITED STATES DISTRICT COURT  
 FOR THE DISTRICT OF COLUMBIA

Nov 6 1 17 PM '99

SUSAN GAFFNEY, in her official capacity )  
 As Inspector General, U.S. Department of )  
 Housing and Urban Development, )

Petitioner, )

v. )

THE HAMILTON SECURITIES GROUP, )  
 INC. and HAMILTON SECURITIES )  
 ADVISORY SERVICES, INC., )

Respondent. )

N. MAYER  
 U.S. DISTRICT COURT  
 DISTRICT OF COLUMBIA

Misc. No. 98-92

**RESPONDENT'S REPLY TO PETITIONER'S REPLY  
 TO HAMILTON SECURITIES' RESPONSE CONCERNING  
THE PROTECTION OF PROPRIETARY INFORMATION**

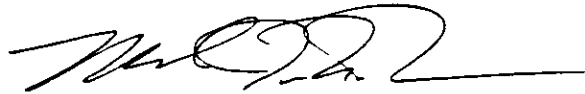
Respondent's oft-stated concerns about an out of control and endless "investigation" by the HUD OIG are fully borne out by the OIG's most recent pleading on the issue of Hamilton's proprietary property. Except in a footnote, the OIG continues to ignore the fact that this Court has already issued an Order requiring the OIG to protect Hamilton's property. Worse yet, the OIG continues to criticize Hamilton for "clearing only responsive, non-privileged records for release to the government" (Petitioner's Reply at p. 4), as if giving the government what it asked for (and more than it is entitled to) is somehow wrong.

If, as the OIG argues in its papers, Hamilton's prior attorneys (in response to a subpoena) have already provided all of Hamilton's proprietary information to a competitor, then it is inconceivable why the OIG now wants to avoid signing this Court's non-disclosure agreement. Certainly the OIG has not articulated any rational reason why it should be relieved of this requirement. Instead, the OIG further proves its intent to simply

harass or ruin Hamilton and its former employees. For example, on p. 12 of its papers, the OIG states that "Respondent's did not respond to the agreement proposed by the OIG on May 7, 1998, and never proposed an alternative agreement". Yet on the very next two pages, the OIG identifies and then criticizes Hamilton's proposed solution! This irresponsible behavior on the part of the OIG must end.

The OIG says it is looking for conflicts of interest. None exist; but even if one did, uncontrolled dissemination of Hamilton's proprietary information by the OIG adds nothing to that "investigation" beyond the contents of the information to which the OIG will have access upon signing the non-disclosure agreement.

Respectfully submitted,



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November 5, 1998

**CERTIFICATE OF SERVICE**

This is to certify that on this 5<sup>th</sup> day of November, 1998, a copy of Respondent's Reply to Petitioner's Reply to Hamilton Securities' Response Concerning the Protection of Proprietary Information was sent, via first-class mail, postage prepaid, to:

The Honorable Susan Gaffney  
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