

SECURITIES AND EXCHANGE COMMISSION
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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE	:
COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
	NO. _____ ()
	:
RESERVE MANAGEMENT COMPANY, INC.,	:
RESRV PARTNERS, INC., BRUCE BENT SR.	:
and BRUCE BENT II,	:
	:
	:
Defendants,	:
	:
and	:
	:
THE RESERVE PRIMARY FUND,	:
	:
	:
Relief Defendant.	:
-----X	

DECLARATION OF MICHAEL J. OSNATO, JR. IN
SUPPORT OF PLAINTIFF SECURITIES AND EXCHANGE
COMMISSION'S PROPOSED ORDER TO SHOW CAUSE AND
APPLICATION FOR INJUNCTIVE AND OTHER RELIEF AND
APPROVAL OF THE COMMISSION'S PROPOSED PLAN OF DISTRIBUTION

I, Michael J. Osnato, Jr., pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am over 18 years of age and am employed as an attorney in the Enforcement Division in the New York Regional Office of the Securities and Exchange Commission ("Commission"). I submit this Declaration in support of the Commission's proposed Order to Show Cause and Application for Injunctive and Other Relief and

Approval of the Commission's Proposed Plan of Distribution.

2. I submit this Declaration based upon personal knowledge, information and belief. This Declaration is based on my review of: (i) documents, audio recordings and other materials provided to or obtained by the Commission staff, and (ii) testimony taken, and interviews conducted, by the Commission staff of individuals who worked for and with Defendants Reserve Management Company, Inc. ("RMCI") and Resrv Partners, Inc. ("Resrv Partners") and Relief Defendant The Reserve Primary Fund ("Primary Fund").

3. Attached hereto as Exhibit 1 is a true and correct copy of a February 26, 2009 press release entitled "The Primary Fund [-] A Statement Regarding Special Reserve Under The Plan of Liquidation." Upon information and belief, there exist approximately 52 billion shares in the Primary Fund for which investors have not yet been fully paid by the Primary Fund. If the assets remaining in the Primary Fund were to be distributed among those investors *pro rata*, shareholders would receive approximately 98.4 cents per share.

4. Attached hereto as Exhibit 2 is a true and correct copy of the Prospectus for certain series of The Reserve Fund, including the Primary Fund, dated September 28, 2007, including supplements thereto.

5. Attached hereto as Exhibit 3 is a true and correct copy of the "Minutes of the Joint Meeting of the Boards of Trustees of The Reserve Fund" for Board meetings held on September 15, 2008.

6. Attached hereto as Exhibit 4 is a true and correct copy of an email exchange concerning an investor in the Primary Fund and RMCI sales personnel that occurred on September 16, 2008.

7. Attached hereto as Exhibit 5 is a true and correct copy of spreadsheets generated by RMCI's Chief Financial Officer reflecting redemption activity in the Primary Fund for certain times relevant to this action.

8. Attached hereto as Exhibit 6 is a true and correct copy of relevant pages of a spreadsheet produced to the Commission staff by RMCI reflecting certain redemption requests in the Primary Fund on September 15, 2008 through September 19, 2008.

9. Attached hereto as Exhibit 7 is a true and correct copy of the Wells Submission on Behalf of Bruce R. Bent, Sr. and Bruce R. Bent II.

10. Attached hereto as Exhibit 8 is a true and correct copy of relevant excerpts from the February 5, 2009 testimony of RMCI General Counsel Catherine Crowley.

11. Attached hereto as Exhibit 9 is a true and correct copy of a transcript of the February 10, 2009 testimony of Independent Trustee William Montgoris.

12. Attached hereto as Exhibit 10 is a true and correct copy of an email chain, the latest email of which was sent at 9:47 p.m. on September 15, 2008, among RMCI senior management, including Bruce Bent II, RMCI's Managing Director of Marketing and RMCI's Director of Sales.

13. Attached hereto as Exhibit 11 is a true and correct copy of "Minutes of Executive Session of The Independent Trustees of The Reserve Funds" dated September 16, 2008.

14. Attached hereto as Exhibit 12 is a true and correct copy of an internal RMCI email chain and attached spreadsheet from September 15, 2008 identifying the Lehman securities held by three Reserve Funds as of September 15, 2008: The Primary Fund, Yield Plus Fund and International Liquidity Fund.

15. Attached hereto as Exhibit 13 is a true and correct copy of a press release entitled "Important Notice Regarding Reserve Primary Fund's Net Asset Value" and dated November 26, 2008.

16. Attached hereto as Exhibit 14 is a true and correct copy of a press release published by RMCI on September 16, 2008.

17. Attached hereto as Exhibit 15 is a true and correct copy of the "Minutes of the Meeting of the Boards of Trustees for the Reserve Fund, *et al.*" for Board of Trustee meetings held on September 16, 2008.

18. Attached hereto as Exhibit 16 is a true and correct copy of an email and attachment sent by a member of RMCI's sales force at 8:01 p.m. on September 15, 2008 to multiple investors in the Primary Fund.

19. Attached hereto as Exhibit 17 is a true and correct copy of an email sent by Bruce Bent II to, among others, RMCI's Directors of Sales and Marketing, at 1:19 p.m. on September 15, 2008.

20. Attached hereto as Exhibit 18 is a true and correct copy of a series of email communications between, among others, Bruce Bent II and RMCI's Director of Marketing, the last of which was transmitted by Bent II at 5:46 p.m. on September 15, 2008.

21. Attached hereto as Exhibit 19 is a true and correct copy of a document generated by a senior analyst at Moody's on or about September 15, 2008. The document includes contemporaneous handwritten notes.

22. Attached hereto as Exhibit 20 is a true and correct copy of handwritten notes of RMCI's General Counsel and Corporate Secretary taken during meetings of the

Primary Fund's Board of Trustees, including on September 15, 2008.

23. Attached hereto as Exhibit 21 is a true and correct copy of handwritten notes of a RMCI attorney taken during the course of September 15, 2008, including during meetings of the Primary Fund's Board of Trustees.

24. Attached hereto as Exhibit 22 is a true and correct copy of handwritten notes of RMCI's Chief Compliance Officer taken during the course of September 15, 2008, including during meetings of the Primary Fund's Board of Trustees.

25. Attached hereto as Exhibit 23 is a true and correct copy of The Reserve Fund Amendment Number Two and Restatement of the Declaration of Trust.

26. Attached hereto as Exhibit 24 is a true and correct copy of an email dated September 16, 2008 from personnel at Standard & Poor's to RMCI personnel requesting information from RMCI concerning the implementation of a credit support agreement for the Primary Fund.

27. Attached hereto as Exhibit 25 is a true and correct copy of an email sent from RMCI's Director of Fund Accounting to senior RMCI management on September 16, 2008, and an attached report concerning, among other things, the recording of receivables for the benefit of the Yield Plus Fund and International Liquidity Fund.

28. Attached hereto as Exhibits 26 and 27 are true and correct copies of two audio files reflecting a recording of the Primary Fund's Board of Trustees' 9:30 a.m. meeting on September 15, 2008.

29. Attached hereto as Exhibits 28, 29 and 30 are true and correct copies of three audio files reflecting a recording of the Primary Fund's Board of Trustees' 8:00 a.m. meeting on September 15, 2008. Upon information and belief, Exhibit 28 begins with a

recording of a conversation between RMCI's Chief Investment Officer and Bruce Bent Sr. that occurred prior to the 8:00 a.m. Board meeting. The recording of the meeting begins at approximately the 5:00 minute mark of the recording at Exhibit 28.

30. Attached hereto as Exhibits 31 and 32 are true and correct copies of two audio files reflecting a recording starting at 2:18 p.m. on September 15, 2008. Upon information and belief, the conversation, which begins approximately 11:00 minutes after the recording begins, is between RMCI's Chief Investment Officer and a senior analyst at Moody's.

31. Attached hereto as Exhibit 33 is a true and correct copy of an audio file reflecting a recording starting at 12:34 p.m. on September 15, 2008. Upon information and belief, the recording includes a conversation between RMCI's Chief Investment Officer and analysts at Standard & Poor's.

32. Attached hereto as Exhibit 34 is a true and correct copy of an audio file reflecting a recording starting at 5:16 p.m. on September 15, 2008. Upon information and belief, the audio file includes a conversation between RMCI's Chief Investment Officer and a RMCI marketing executive.

33. Attached hereto as Exhibit 35 is a true and correct copy of an audio file reflecting a recording starting at 5:18 p.m. on September 15, 2008. Upon information and belief, the audio file includes a conversation between RMCI's Chief Investment Officer and Bruce Bent Sr.

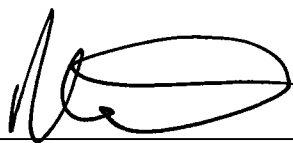
34. Attached hereto as Exhibit 36 is a true and correct copy of an audio file reflecting a recording starting at 1:49 p.m. on September 15, 2008. Upon information and belief, the audio file includes a conversation between, at times, RMCI's Chief Investment

Officer, the Chief Financial Officer, and the Director of Sales. The recording concerns, among other things, the Primary Fund's efforts to obtain liquidity from State Street Bank, the Fund's custodian bank. Upon information and belief, State Street Bank ceased funding redemptions for all Reserve funds at approximately 10:10 a.m. on September 15, 2008.

35. Attached hereto as Exhibit 37 is a true and correct copy of an audio file reflecting a recording starting at 4:09 p.m. on September 15, 2008. Upon information and belief, the taped telephone conversation includes a discussion between RMCI's Chief Investment Officer and the Director of Sales.

I declare under penalty of perjury that the foregoing is true and correct.

Executed: May 4, 2009
New York, New York



Michael J. Osnato, Jr.