

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

PASHA S. ANWAR, *et al.*,

Plaintiffs,

v.

FAIRFIELD GREENWICH LIMITED, *et al.*,

Defendants.

Master File No. 09-cv-118 (VM)

**NOTICE OF PROPOSED PARTIAL SETTLEMENT OF CLASS ACTION AND SETTLEMENT FAIRNESS HEARING,  
AND MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES**

*Your legal rights may be affected – Please read this Notice carefully.*

**To:** All beneficial owners of shares or limited partnership interests in Fairfield Sentry Limited (“Sentry”), Fairfield Sigma Limited (“Sigma”), Fairfield Lambda Limited (“Lambda”), Greenwich Sentry, L.P. (“Greenwich Sentry”) and Greenwich Sentry Partners, L.P. (“Greenwich Sentry Partners”) (collectively, the “Funds”) as of December 10, 2008 (whether as holders of record or traceable to a shareholder or limited partner account of record) (“Beneficial Owners”), who suffered a Net Loss of principal invested in the Funds (collectively, the “Settlement Class”).

If you meet the above definition of the Settlement Class, you could get a payment from a class action settlement.

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

The purpose of this Notice is to inform you of a proposed partial settlement of this class action (the “Action”) for a minimum cash payment of \$50,250,000 (the “Settlement Fund”) and the potential cash payment to the Settlement Fund of up to an additional \$30,000,000 (subject to contingencies) and the scheduling of a settlement fairness hearing with respect to the proposed partial settlement and the motion of the Representative Plaintiffs and Plaintiffs’ Counsel (collectively “Plaintiffs”) for an award of attorneys’ fees and reimbursement of expenses. Documents related to the proposed settlement are available on the Settlement website established by the Claims Administrator (the “Claims Administrator”) at [www.FairfieldGreenwichLitigation.com](http://www.FairfieldGreenwichLitigation.com).

This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.

**DEADLINES**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM</b>	Deadline: April 17, 2013. This is the only way to receive a payment from the Settlement Fund.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS</b>	Deadline: February 15, 2013. Receive no payment from the Settlement. If the Court approves the Settlement, this is the only option that allows you to ever participate in any other lawsuit against the FG Defendants (defined below) and other Released Parties (defined below) which involves the Released Claims (defined below).
<b>OBJECT</b>	Deadline: February 15, 2013. You may write to the Court if you do not like this Settlement or the request for an award of attorneys’ fees and reimbursement of expenses. You may not object if you have excluded yourself from the Settlement.

<b>GO TO THE SETTLEMENT HEARING</b>	Settlement Hearing Date: March 22, 2013 at 11 a.m. Whether or not you object to the Settlement, you may ask to speak in Court about the fairness of the Settlement. The Deadline to ask to speak in Court about the Settlement is February 15, 2013.  Plaintiffs must file their motion papers for Final Approval of the Settlement and for Approval of Attorneys' Fees and Expenses on or before January 31, 2013.
<b>DO NOTHING</b>	Receive no payment if you do not submit a claim form.

*These rights and options — **and the deadlines to exercise them** — are explained in this Notice.*

The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement, and if there are any appeals, after appeals are resolved, and the Claims Administrator has had an opportunity to process all claim forms. Please be patient.

Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

**SPECIAL NOTICE TO NOMINEES OR CUSTODIANS**

The Court has ordered that if you held as of December 10, 2008 or currently hold any shares or limited partnership interests as nominee, custodian or other holder for a Beneficial Owner, or re-sold or re-distributed shares or limited partnership interests in the Funds, then, within ten (10) days after you receive this Notice, you must, at your option, either (i) send this Notice and Proof of Claim and Release (“Proof of Claim”) to the Beneficial Owner, or (ii) request the Claims Administrator to send you additional copies of this Notice and the Proof of Claim sufficient to deliver to all Beneficial Owners, and within fifteen (15) days after receipt thereof make such delivery to all Beneficial Owners, or (iii) provide a list of the names and addresses or email addresses of all Beneficial Owners to the Claims Administrator, who will send those Persons a copy of this Notice and the Proof of Claim by first class mail or email. Nominees who elect to themselves deliver the Notice and Proof of Claim to their Beneficial Owners shall send a statement certifying to the Claims Administrator confirming that the delivery has been made as directed.

If you choose to deliver the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the delivery, by submitting a request to:

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting, Inc  
P.O. Box 2874  
Faribault, MN 55021-8674  
(by regular mail)

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting  
201 Lyndale Ave. S  
Faribault, MN 55021  
(by courier)

[info@FairfieldGreenwichLitigation.com](mailto:info@FairfieldGreenwichLitigation.com)

[www.FairfieldGreenwichLitigation.com](http://www.FairfieldGreenwichLitigation.com)

Toll Free Number: 1-855-263-3450

Foreign Callers: 1-612-359-7949

Regardless of whether you choose to complete the delivery yourself or elect to have the delivery performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation supporting your costs actually incurred to the Claims Administrator. The Claims Administrator has also maintained on its website pdf versions of this Notice and the Proof of Claim. Delivery to Beneficial Owners may be effected through electronic means.

## SUMMARY OF NOTICE

### Summary of the Proposed Partial Settlement

- The Representative Plaintiffs<sup>1</sup> and the Settling Defendants<sup>2</sup> have entered into a proposed partial settlement releasing all claims that were asserted or could have been asserted by the Representative Plaintiffs in the Action, individually and on behalf of the Settlement Class, against the FG Defendants<sup>3</sup> and other Released Parties.<sup>4</sup>

- According to Plaintiffs' allegations in this Action, the FG Defendants comprised the sponsor, manager, and advisor to several feeder funds to Bernard L. Madoff Investment Securities ("BLMIS"). Plaintiffs alleged in their Second Consolidated Amended Complaint ("SCAC") filed with the Court on September 29, 2009, that the FG Defendants made misrepresentations to investors in connection with the sales of interests in the Funds and breached fiduciary duties and contracts with respect to due diligence on Fund investments with BLMIS. The SCAC also sought recovery of management and advisory fees paid to the FG Defendants that Plaintiffs claim were unearned. The District Court, in Orders dated July 29, 2010 and August 18, 2010 (728 F. Supp. 2d 354 and 728 F. Supp. 2d 372) sustained in part the claims asserted against the FG Defendants in the Action. Copies of those opinions are available on the Claims Administrator's website.

- Under the terms of the proposed partial Settlement, the aggregate amount of \$50,250,000 (fifty million two hundred fifty thousand dollars) will be paid into the Settlement Fund. Each of the FG Individual Defendants is contributing amounts to FGL or FGBL to facilitate this payment into the Settlement Fund. These funds (less Court-approved attorneys' fees and reimbursement of expenses) shall be paid to the Settlement Class pursuant to the Plan of Allocation.

- As additional settlement consideration, subject to conditions set forth in the Stipulation of Settlement dated as of November 6, 2012, as amended by the Amendment to Stipulation of Settlement dated as of December 12, 2012 (collectively, the "Stipulation"), FGL and FGBL shall transfer the aggregate amount of \$30,000,000 (thirty million dollars), in the form of security interests or cash, into a separate interest-bearing escrow account (the "Escrow Fund"). FG Individual Defendants Walter M. Noel, Jr., Jeffrey H. Tucker and Andrés Piedrahita are

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<sup>1</sup> "Representative Plaintiffs" means the representative plaintiffs in the Action, namely Pacific West Health Medical Center Employees Retirement Trust, Harel Insurance Company Ltd., Martin and Shirley Bach Family Trust, Natalia Hatgis, Securities & Investment Company Bahrain, Dawson Bypass Trust, and St. Stephen's School.

<sup>2</sup> The "Settling Defendants" consist of Fairfield Greenwich Limited ("FGL") and Fairfield Greenwich (Bermuda) Ltd. ("FGBL").

<sup>3</sup> The "FG Defendants" consist of the Settling Defendants, Fairfield Greenwich Group, Fairfield Greenwich Advisors LLC, Fairfield Risk Services Ltd., Fairfield Heathcliff Capital LLC, Fairfield Greenwich (UK) Limited (collectively, the "FG Entity Defendants"); and Walter M. Noel, Jr., Jeffrey H. Tucker, Andrés Piedrahita, Lourdes Barreneche, Robert Blum, Cornelis Boele, Gregory Bowes, Vianney d'Hendecourt, Yanko Della Schiava, Harold Greisman, Jacqueline Harary, David Horn, Richard Landsberger, Daniel E. Lipton, Julia Luongo, Mark McKeefry, Charles Murphy, Corina Noel Piedrahita, Maria Teresa Pulido Mendoza, Santiago Reyes, Andrew Smith, Philip Toub and Amit Vijayvergiya (collectively, the "FG Individual Defendants").

<sup>4</sup> The "Released Parties" consist of (i) each of the FG Entity Defendants, their respective past, present and future, direct or indirect, parent entities, associates, affiliates, and subsidiaries, each and all of their respective past, present, and future directors, officers, partners, alleged partners, stockholders, predecessors, successors and employees, and in their capacity as such, each and all of their attorneys, advisors, consultants, trustees, insurers, co-insurers, reinsurers, representatives, and assigns; (ii) each of the FG Individual Defendants and their respective present, past and future spouses, parents, siblings, children, grandparents, and grandchildren, the present, past and future spouses of their respective parents, siblings and children, and the present, past and future parents and siblings of their respective spouses, including step and adoptive relationships; (iii) any and all persons, firms, trusts, corporations, and other entities in which any of the FG Defendants has a financial interest or was a founder, settler or creator of the entity, and, in their capacity as such, any and all officers, directors, employees, trustees, beneficiaries, settlers, creators, attorneys, consultants, agents, or representatives of any such person, firm, trust, corporation or other entity; and (iv) in their capacity as such, the legal representatives, heirs, executors, administrators, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns of any of the foregoing. For avoidance of doubt, "Released Parties" does not include the Funds, or auditors, custodians or fund administrators, in their capacity as such, including without limitation PricewaterhouseCoopers International Ltd., PricewaterhouseCoopers LLP, PricewaterhouseCoopers Accountants Netherlands N.V., Citco Fund Services (Europe) B.V., Citco (Canada) Inc., Citco Bank Nederland N.V. Dublin Branch, Citco Global Custody N.V., Citco Fund Services (Bermuda) Ltd., The Citco Group Limited, and GlobeOp Financial Services LLC (the "Service Provider Defendants"), or any of the Service Provider Defendants' respective directors, officers, agents, employees or partners in their capacity as such.

contributing cash or security interests to FGL or FGBL to facilitate the payment into the Escrow Fund. As set forth in more detail in the Stipulation, in the event that any of the FG Defendants settle certain other claims, or a judgment is entered against any of the FG Defendants arising from certain other claims, the Escrow Fund shall be reduced, pursuant to terms of the Stipulation. To the extent that funds remain in the Escrow Fund following the final resolution or disposition (including appeals) of such other claims commenced by June 15, 2016, the balance in the Escrow Fund less any additional attorneys' fee award permitted by the court shall be paid to the Settlement Class pursuant to the Plan of Allocation.

- The Stipulation also provides for an additional amount, up to \$5,000,000 (five million dollars), to be paid into the Settlement Fund by the Settling Defendants if they enter into a cash settlement with the Trustee of the BLMIS liquidation (the "Trustee") that exceeds \$50,125,000 (fifty million one hundred twenty five thousand dollars). This additional payment will be equal to 50% of any amount of such a settlement with the Trustee in excess of \$50,125,000, up to a total of \$5,000,000. Because the payment of \$50,125,000 to the Trustee would exhaust the Escrow Fund, the total consideration under this Settlement may be enhanced either by the net amount of the Escrow Account or the supplemental payment up to \$5 million (or neither), but not both.

- As further additional settlement consideration, subject to the conditions set forth in the Stipulation, the Released Parties agree to waive (i) indemnification claims they hold against the Funds for the amounts paid under the Stipulation, and (ii) \$20,000,000 (twenty million dollars) of indemnification claims they hold against the Funds for legal fees and expenses incurred in defending the Action.

- The Settling Defendants also agreed, as part of the Settlement, to facilitate the Plaintiffs' ability to take deposition or trial testimony of the FG Individual Defendants in connection with the prosecution of the remaining claims in the Action.

- This is a partial settlement only. Plaintiffs will continue to prosecute pending claims against (i) the PwC Defendants (PricewaterhouseCoopers LLP [Canada], PricewaterhouseCoopers Accountants Netherlands N.V), (ii) the Citco Defendants (Citco Fund Services (Europe) B.V., Citco (Canada) Inc., Citco Bank Nederland N.V. Dublin Branch, Citco Global Custody N.V., Citco Fund Services (Bermuda), The Citco Group Limited)) and (iii) and GlobeOp Financial Services LLC ("GlobeOp"). The PwC Defendants were auditors of the Funds. The Citco Defendants were the administrator and custodian of the Funds and Funds' assets at various times. GlobeOp was the administrator of Greenwich Sentry at various times. In the July 29, 2010 and August 18, 2010 Orders, the District Court sustained certain claims against the PwC Defendants, the Citco Defendants, and GlobeOp. The District Court subsequently denied in part two separate motions to reargue the August 18, 2010 Order (800 F. Supp. 2d 571 and 2012 WL 345478). However, the Court, on the second motion to reargue, limited the claims against the PwC Defendants to subsequent investor and holder claims asserted by already existing investors in the Funds. Copies of these decisions are available on the Claims Administrator's website.

- The Settlement provides for a court order barring the Non-Dismissed Defendants and other similarly situated Persons from asserting claims for contribution, indemnification or other similar claims against the Released Parties. To compensate such Persons for the release of these claims against the Released Parties, any judgment that may be obtained by a Settlement Class Member against such Persons shall be reduced, to the extent permitted by applicable law, by the greater of (i) the amount that corresponds to the percentage of responsibility attributed to the Released Parties; and (ii) the gross monetary consideration provided to such Representative Plaintiff or other Settlement Class Member or Members pursuant to this Settlement.

- In addition to amounts that they would receive under the Settlement, Settlement Class Members also are likely to receive additional cash distributions from liquidation or bankruptcy proceedings involving the Funds (including based on distributions from the BLMIS Trustee). Liquidation proceedings involving Sentry, Sigma, and Lambda are pending in the British Virgin Islands (Claim No. 0074/2009 (Lambda), Claim No. 0136/2009 (Sentry), Claim No. 0139/2009 (Sigma)). Bankruptcy proceedings involving Greenwich Sentry and Greenwich Sentry Partners are pending in the U.S. Bankruptcy Court for the Southern District of New York (Case No. 10-16229 (BRL)).

#### **Statement of Settlement Class Members' Recovery**

Estimates of the percentage recovery on the potential claims that may be filed vary depending on a number of factors including (i) the difference between losses at the Fund level (which are estimated to be approximately

\$1.33 billion) compared to losses at the Beneficial Owner level (which are not known), (ii) the number of Settlement Class Members who file claims and the aggregate Net Loss of those claims, and (iii) the ultimate amount distributed to the Settlement Class from the \$30 million Escrow Fund, if any.

The aggregate Net Loss of principal of each possible Settlement Class Member is currently unknown to Plaintiffs because many of the Funds' holders of record are nominees and custodians who aggregate numerous different Beneficial Owners, some of whom have net gains that offset net losses.<sup>5</sup>

Based however on the \$1.33 billion reported losses of investments in BLMIS at the Fund level (*i.e.*, the aggregate Net Loss of principal of the Sentry, Greenwich Sentry and Greenwich Sentry Partners funds), Plaintiffs approximate (assuming that all Settlement Class Members file claims equal in the aggregate to the Funds' losses) that Settlement Class Members will receive from the Settlement Fund, before deduction of Court-awarded attorneys' fees and expenses, approximately 4% to 6% of the Funds' Net Loss of principal, depending on the amount distributed to the Settlement Class from the Escrow Fund, if any. That percentage recovery, however, could be higher if less than all Settlement Class Members file claims and could be lower to the extent the aggregate Net Losses of Settlement Class Members exceeds \$1.33 billion.

Any amounts received from non-settling defendants or from the liquidation and bankruptcy proceedings concerning the Funds, including distributions from the BLMIS Trustee, would be in addition to these settlement amounts.

### **Membership in the Settlement Class**

The Settlement Class consists of Beneficial Owners of shares or limited partnership interests in the Funds as of December 10, 2008 (whether as holders of record or traceable to a shareholder or limited partner account of record) who suffered a Net Loss of principal invested in the Funds. Plaintiffs' Lead Counsel, with the assistance of the Claims Administrator, will in the first instance determine, and make recommendations to the Court, as to the identity of investors who file claim forms who are appropriately Settlement Class Members. Determinations as to membership in the Settlement Class will be reviewable by the Court.

### **Statement of Potential Outcome of Settled Claims**

The Settlement must be compared to the risk of no recovery on the relevant claims after contested dispositive motions, trial and likely appeals. The claims being settled involve numerous complex legal and factual issues, many of which would require expert testimony. Among the many key issues about which Plaintiffs and the Settling Defendants do not agree are: (1) whether any of the FG Defendants violated state or federal law or otherwise engaged in any wrongdoing; (2) whether any of the FG Defendants acted negligently, recklessly, or with intent to defraud; (3) whether any of the FG Individual Defendants could be held liable for the acts and conduct of any of the FG Entity Defendants; (4) whether the misrepresentations and omissions alleged by Plaintiffs were material, false, misleading or otherwise actionable; (5) the extent to which Plaintiffs relied on the FG Defendants' alleged misrepresentations and omissions; (6) whether any of the FG Defendants owed Plaintiffs a fiduciary duty; (7) whether the Fairfield Greenwich Group acted as a legal or de facto partnership and if so, whether the FG Defendants can be held liable for the acts of the partnership as a whole; (8) whether Plaintiffs' state law claims are preempted by the Securities Litigation Uniform Standards Act of 1998; (9) whether Plaintiffs have standing to pursue their state law claims; (10) whether the Plaintiffs' federal securities law claims are barred by recent United States Supreme Court authority; (11) whether a litigation class can be certified (as opposed to a settlement class); (12) where the relevant transactions occurred; and (13) the method for determining whether, and the extent to which, investors suffered injury and damages that could be recovered at trial. In addition, even if Plaintiffs were to obtain a judgment against the FG Defendants that is affirmed on appeal, complex legal and factual issues may be presented by Plaintiffs' efforts to collect such a judgment from the FG Defendants.

### **Reasons for Settlement**

Plaintiffs entered into the proposed partial settlement after almost four years of litigation, when they were fully familiar with the facts and circumstances of the Action. Plaintiffs' Counsel reviewed more than six million

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<sup>5</sup> The Sigma and Lambda funds are not included in this analysis because they were investors in Sentry. Including their net losses or net gains in the analyses would double count their impact on of the Sentry fund.

pages of documents produced by the Settling Defendants and the Non-Dismissed Defendants; and reviewed and produced to counsel for the defendants more than 75,000 pages of documents on behalf of the Representative Plaintiffs and certain other Named Plaintiffs. Plaintiffs' Lead Counsel have conducted approximately thirty depositions of the FG Defendants and former and current employees of the Non-Dismissed Defendants in locations including New York, Miami, Toronto, Bermuda and Amsterdam. Twenty individuals associated with the Representative Plaintiffs and other Named Plaintiffs (including each of the Representative Plaintiffs and other plaintiffs named in the SCAC) were deposed in Arizona, Cleveland, and New York, some of whom traveled from international residences including Israel, Bahrain, and Belgium. Plaintiffs' motion for class certification on claims against the Non-Dismissed Defendants is currently pending, and discovery on the merits of Plaintiffs' claims against the Non-Dismissed Defendants is continuing.

All seven Representative Plaintiffs and all of Plaintiffs' Lead Counsel, who have extensive experience in securities and complex shareholder class-action litigation, believe that the Settlement provides the Settlement Class with significant and certain benefits now and eliminates the risk of no recovery following what would be years of further uncertain litigation, including disposition of the class certification motion on the claims against the FG Defendants, motions for summary judgment, and if summary judgment is not granted to defendants, a contested trial and likely appeals on the claims against the FG Defendants, with the possibility of no recovery at all. In this connection, the FG Defendants vigorously maintain that they did not know about wrongdoing at BLMIS until it was revealed to the public in December 2008, lost more than \$72 million of their own and family members' money in the fraud, maintained a full time professional staff to perform due diligence and risk monitoring, and were among many financial firms and regulators that were fooled by Madoff, including the Securities and Exchange Commission. They also point to the efforts to conceal the fraud by Madoff and seven others who have pleaded guilty to crimes, including creating false trade blotters, trade confirmations and DTC reports which they were shown, and aspects of Madoff's activities that were not typical of a Ponzi scheme, including refusing new investments and redeeming billions of dollars upon request over many years.

Plaintiffs, in proposing that the Court approve the \$50,250,000 minimum and \$30,000,000 contingent partial settlement as fair, reasonable and adequate to the Settlement Class, have considered, among other factors, Plaintiffs' ability to prevail on the contested factual and legal issues summarized in the Statement of Potential Outcome of Settled Claims (above). There was a significant risk that Plaintiffs' claims could have been dismissed or limited prior to or at trial, or on appeal from a jury verdict. In addition, Plaintiffs' Lead Counsel considered that, by reducing the number of defendants and defense counsel in the litigation, and the factual and legal issues in dispute, the Settlement may have a beneficial effect on Plaintiffs' ability to successfully litigate the remaining claims against the Non-Dismissed Defendants, who are believed to have substantial assets that may through settlement or judgment provide significant additional compensation to the Settlement Class.

Plaintiffs' Lead Counsel also considered the likely difficulty of obtaining a significantly larger recovery from the FG Defendants in light of their depleted finances, continued payment of large legal fees and expenses, and the substantial potential difficulties in collecting on a judgment. Among other things, the FG Defendants, as part of the settlement process, provided Plaintiffs' Lead Counsel with written disclosure about their assets and liabilities. No insurance is available to fund the Settlement. Plaintiffs' Lead Counsel determined, based on the financial disclosures provided and their assessment of the legal and factual risks of continuing the Action against the FG Defendants and proving their claims at trial, some of which are discussed above, that the proposed Settlement is in the best interests of the Settlement Class.

Plaintiffs will file with the Court, on or before January 31, 2013, a formal motion for approval of the proposed Settlement further discussing the reasons justifying the settlement.

The FG Defendants have denied and continue to deny each and all of the claims and contentions alleged in the SCAC and believe that they have meritorious defenses to those claims and contentions. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of the FG Defendants or Released Parties with respect to any claim of any fault or liability or wrongdoing or damage to the Representative Plaintiffs, the Settlement Class Members, or any Person.

**Statement of Attorneys’ Fees and Expenses**

Plaintiffs’ Counsel have not received any payment to date for their work or expenses incurred in investigating the facts, conducting this litigation and negotiating the Settlement on behalf of the Representative Plaintiffs and the Settlement Class. Plaintiffs’ Lead Counsel will ask the Court to approve payment from the Settlement Fund of attorneys’ fees of up to 25% of the Settlement Fund and for reimbursement of expenses that were advanced by Plaintiffs’ Counsel through July 31, 2012 in connection with the litigation and for reimbursement of the Representative Plaintiffs’ actual costs and expenses (including lost wages) directly related to their representation of the Settlement Class not to exceed \$1,450,000 and \$225,000, respectively, in the aggregate. Plaintiffs’ Counsel may request additional attorneys’ fees and expense reimbursement to the extent any contingent payments or other amounts are added in the future to the Settlement Fund.

If the above amounts are requested and approved by the Court, based upon current information, fees and expenses are estimated at approximately 28.3% of the Settlement Fund (prior to consideration of the \$30,000,000 Escrow Fund or potential \$5,000,000 supplemental recovery).

**Dismissal and Releases**

If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the “Final Judgment”). The Final Judgment will dismiss with prejudice the claims asserted in the Action against the FG Defendants. The Final Judgment will also provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Parties. The specific terms of the releases, including the meaning of the term “Released Claims,” are set forth in the Stipulation.

Unless you exclude yourself from the Settlement Class, you will be releasing claims you may have against the Released Parties. However, you will not be required to give up any claims you may have against any other individuals or entities (including the Non-Dismissed Defendants) relating to your losses in the Funds.

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## BASIC INFORMATION

### 1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired an investment in Fairfield Sentry Limited, Fairfield Sigma Limited, Fairfield Lambda Limited, Greenwich Sentry, L.P. or Greenwich Sentry Partners, L.P. (the “Funds”).

This Notice was sent because you have a right to know about a proposed partial settlement of a class action lawsuit concerning the Funds, and about all of your options, before the Court decides whether to approve the partial Settlement. If the Court approves the partial Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will recommend that payments be made to those Settlement Class Members who timely submit valid claims in the manner described below. Persons who are not Settlement Class Members may have received this Notice. If you seek to obtain a distribution from the Settlement Fund (or the Escrow Fund) in this Action, it is your responsibility to demonstrate that you are a member of the Settlement Class.

This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Pasha S. Anwar, et al. v. Fairfield Greenwich Limited, et al.*, Civil Action No. 09-cv-118.

Certain of the entities and individuals who brought this action -- Pacific West Health Medical Center Employees Retirement Trust, Harel Insurance Company Ltd., Martin and Shirley Bach Family Trust, Natalia Hatgis, Securities & Investment Company Bahrain, Dawson Bypass Trust, and St. Stephen’s School -- are called Representative Plaintiffs.

Defendants include the FG Defendants, consisting of Fairfield Greenwich Limited (“FGL”), Fairfield Greenwich (Bermuda) Ltd. (“FGBL”), Fairfield Greenwich Group, Fairfield Greenwich Advisors LLC, Fairfield Risk Services Ltd., Fairfield Heathcliff Capital LLC, Fairfield Greenwich (UK) Limited, Walter M. Noel, Jr., Jeffrey H. Tucker, Andrés Piedrahita, Lourdes Barreneche, Robert Blum, Cornelis Boele, Gregory Bowes, Vianney d’Hendecourt, Yanko Della Schiava, Harold Greisman, Jacqueline Harary, David Horn, Richard Landsberger, Daniel E. Lipton, Julia Luongo, Mark McKeefry, Charles Murphy, Corina Noel Piedrahita, Maria Teresa Pulido Mendoza, Santiago Reyes, Andrew Smith, Philip Toub, and Amit Vijayvergiya. All claims against these defendants will be released if the Settlement is approved.

Whether or not the Settlement is approved, Plaintiffs’ Counsel will continue to prosecute the Action against the PwC Defendants, consisting of PricewaterhouseCoopers LLP (“PwC Canada”) and PricewaterhouseCoopers Accountants Netherlands N.V. (“PwC Netherlands”); the Citco Defendants, consisting of Fund custodians/administrators, The Citco Group Limited (“Citco Group”), Citco Fund Services (Europe) B.V. (“Citco Fund Services”), Citco (Canada), Inc. (“Citco Canada”), Citco Global Custody N.V. (“Citco Global”), Citco Bank Nederland, N.V., Dublin Branch (“Citco Bank”), and Citco Fund Services (Bermuda) Limited (“CFSB”); and GlobeOp Financial Services, LLC (“GlobeOp”).

FGL and FGBL are parties to the Settlement and are also called the Settling Defendants. The Settling Parties are the Representative Plaintiffs and the Settling Defendants. The PwC Defendants, Citco Defendants and GlobeOp are not parties to this Settlement and are called the Non-Dismissed Defendants.

**2. What Is This Lawsuit About?**

This lawsuit alleges that the FG Defendants engaged in deceptive conduct, made materially false and misleading statements and omissions, and breached their duties and contractual obligations with respect to the sales and management of shares and partnership interests in the Funds. Defendants deny the allegations.

**3. Why Is This a Class Action?**

In a class action, one or more people or entities, called class representatives (in this case the Representative Plaintiffs), sue on behalf of people who have similar claims. Here, all these people are called a class or class members, and those included in this Settlement are called a Settlement Class or Settlement Class Members. One court resolves the issues for all class members, except for those who timely and validly exclude themselves from the class. United States District Judge, Hon. Victor Marrero, is in charge of this class action.

**4. Why Is There a Partial Settlement?**

The Court did not decide in favor of the Plaintiffs or the FG Defendants. Instead, the Settling Parties agreed to a settlement. This permits them to avoid the cost and uncertainty of a trial, and permits eligible Settlement Class Members who submit valid claims to receive compensation. The Representative Plaintiffs and their attorneys believe the Settlement is in the best interests of all Settlement Class Members. The Settling Defendants have concluded that further defense of the Action would be protracted and expensive, and also have taken into account the uncertainty, risks and distractions inherent in any litigation, especially in a complex case such as the Action. The Settlement is “partial” because there is no settlement with the Non-Dismissed Defendants, and Plaintiffs’ Counsel will continue to prosecute the Action against them.

**WHO IS IN THE SETTLEMENT**

To see if you will receive money from this Settlement, you first have to determine if you are a Settlement Class Member.

**5. How Do I Know if I Am Part of the Settlement?**

For purposes of the Settlement, the Court has provisionally approved the following definition of the Settlement Class:

All Persons who were Beneficial Owners of shares or limited partnership interests in the Funds as of December 10, 2008 (whether as holders of record or traceable to a shareholder or limited partner account of record), and who suffered a Net Loss of principal invested in the Funds.

**6. What Are the Exceptions to Being Included?**

The Settlement Class excludes (i) those Persons who timely and validly request exclusion from the Settlement Class; (ii) Fairfield Sigma Limited, (iii) Fairfield Lambda Limited, (iv) any Person who has been dismissed from this Action with prejudice; and (v) the FG Defendants and any entity in which the FG Defendants have a controlling interest, and the officers, directors, affiliates, legal representatives, immediate family members, heirs, successors, subsidiaries and/or assigns of any such individual or entity in their capacity as such. Fairfield Sigma Limited and Sentry Lambda Limited were both investors in Fairfield Sentry Limited and are excluded from the definition of the Settlement Class because investors in those Funds are already included in the Settlement Class to the extent such investors sustained a Net Loss.

**7. I’m Still Not Sure if I Am Included.**

If you are still not sure whether you are included, you can ask for free help. You can request additional information from the persons identified in Question 25 below. Or you can fill out and return the claim form described in question 10, to see if you qualify.

**THE SETTLEMENT BENEFITS — WHAT YOU GET**

**8. What Does the Settlement Provide?**

The Settling Defendants have agreed to cause to be paid a minimum of \$50,250,000 in cash into the Settlement Fund. The Settlement Fund, after payment of Court-approved attorneys’ fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice Package and the cost of publishing notice (the “Net Settlement Fund”), will be divided among all eligible Settlement Class Members who send in valid claim forms pursuant to the Plan of Allocation described below. The Settling Defendants have also agreed to make contingent payments of up to an additional \$30,000,000 into a separate Escrow Fund. To the extent that funds remain in the Escrow Fund following the final resolution or disposition (including appeals) of certain other claims commenced by June 15, 2016, the balance in the Escrow Fund less any additional attorneys’ fee award permitted by the court shall be paid to the Settlement Class pursuant to the Plan of Allocation.

**9. How Much Will My Payment Be?**

Your share of the Net Settlement Fund will depend on the size of your Net Loss of principal in the Funds compared to the aggregate Net Loss of principal of all Settlement Class Members who submit valid claim forms.

You can calculate your Net Loss in accordance with the explanation below in the Plan of Allocation. After the deadline for submitting a Proof of Claim, the payment you receive will reflect your Net Loss in relation to the Net Loss of all Settlement Class Members who submit a valid Proof of Claim. The Net Loss is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund and Net Escrow Fund will be allocated among all Settlement Class Members who submit valid claims.

**HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM**

**10. How Will I Obtain a Payment?**

To qualify for payment, you must be an eligible Settlement Class Member, submit a valid Proof of Claim, and properly document your claim as described in the Proof of Claim. A Proof of Claim form is enclosed with this Notice. You may also get a Proof of Claim form on the internet at [www.FairfieldGreenwichLitigation.com](http://www.FairfieldGreenwichLitigation.com). Read the instructions carefully, fill out the Proof of Claim, include the documents the form asks for, sign it, and submit it so that it is received by the Claims Administrator no later than April 17, 2013.

Only Beneficial Owners may file a Proof of Claim with respect to each share or limited partnership interest in the Funds. Where a fund, trust, or similar investment vehicle is an investor in one or more of the Funds, the fund, trust, or similar investment vehicle is the Beneficial Owner for purposes of this Settlement, not the underlying investors in the fund or similar investment vehicle. Where the record owner of shares or limited partnership interests is a nominee, custodian, or other Person acting in a materially similar fashion on behalf of one or more Beneficial Owners, that nominee, custodian or other Person is not a Beneficial Owner and may not file a Proof of Claim on behalf of any such Beneficial Owners. However, executors, administrators, guardians, conservators, or other legal representatives may file Proofs of Claim on behalf of Beneficial Owners.

**11. When Will I Receive My Payment?**

The Court will hold a hearing on March 22, 2013 at 11 a.m., to decide whether to approve the Settlement. If Judge Marrero approves the Settlement, there may be appeals. It is always uncertain how these appeals will be resolved, and resolving them can take time, perhaps more than a year. After any approval by Judge Marrero and any appeals are decided favorably, it will take several months for the Claims Administrator to process all of the Proof of Claim forms and to determine and pay the ultimate distribution amounts.

**12. What Am I Giving Up to Receive a Payment?**

Unless you timely exclude yourself from the Settlement Class by the February 15, 2013 deadline, you are a member of the Settlement Class and will be bound by the release of claims against the FG Defendants and the Released Parties. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the FG Defendants or the Released Parties about the Released Claims. The specific terms of the release are included in the Stipulation.

**13. If I Stay in the Settlement Class, May I Still Recover Additional Amounts from Other Sources?**

Yes. If you participate in this class settlement, then you will not be required to give up any claims you may have against any individuals or entities other than the Released Parties. Investors in the Funds may recover on claims against the PwC Defendants, the Citco Defendants and GlobeOp, which Plaintiffs' Counsel are continuing to pursue in this litigation. The Court has limited the claims against the PwC Defendants to claims based on additional investments made by persons who already had an investment in the Funds. Investors in the Funds also are likely to receive distributions from the liquidation or bankruptcy proceedings overseen by the respective liquidators or trustees of the Funds.

**THE LAWYERS REPRESENTING YOU**

**14. Do I Have a Lawyer in This Case?**

The law firms of Boies, Schiller & Flexner LLP, Wolf Popper LLP, and Lovell Stewart Halebian Jacobson LLP brought the Action on behalf of Representative Plaintiffs and they represent you and all other Settlement Class Members. These lawyers are called Plaintiffs' Lead Counsel. You will not be charged for these lawyers, regardless of the outcome of the Settlement Hearing on March 22, 2012 or the motion for attorneys' fees and reimbursement of expenses. If you want to be represented by your own lawyer, you may hire one at your own expense.

## 15. How Will the Lawyers Be Paid?

Plaintiffs' Counsel will ask the Court for attorneys' fees up to 25% of the \$50,250,000 Settlement Fund, and for expenses that were advanced through July 31, 2012 by Plaintiffs' Counsel in connection with the litigation, and to reimburse the Representative Plaintiffs for their actual costs and expenses (including lost wages) directly related to their representation of the Settlement Class, not to exceed \$1,450,000 and \$225,000, respectively, in the aggregate. Such sums as may be approved by the Court will be paid from the Settlement Fund. Plaintiffs' Counsel may seek additional attorneys' fees at a later date based on any other recoveries, including any funds distributed to the Settlement Class from the Escrow Fund. *Settlement Class Members are not personally liable for any such fees or expenses.*

The attorneys' fees and expenses requested represent payment to Plaintiffs' Lead Counsel and other such counsel involved in the Action on behalf of the Plaintiffs (collectively "Plaintiffs' Counsel") for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in 2008, Plaintiffs' Counsel has undertaken extensive work necessary to prepare the case for trial. Plaintiffs' Counsel has conducted all of the investigation, drafted the SCAC, reviewed millions of documents, taken and defended dozens of depositions, employed experts, performed an enormous amount of legal research and filed many legal briefs on novel and complex issues, including opposing dismissal of the claims, supporting class certification and arguing discovery issues. To date, Plaintiffs' Counsel have not been paid for their services in conducting this litigation on behalf of the Representative Plaintiffs and the Settlement Class, nor for their substantial expenses. Plaintiffs' Counsel have expended through July 31, 2012 in excess of 58,000 hours of attorney and paralegal time and have incurred through July 31, 2012 in excess of \$1,450,000 in expenses in prosecuting the Action. The fees requested will compensate Plaintiffs' Counsel in part for their work and expenses in achieving the Settlement.

Plaintiffs' Lead Counsel shall file a motion with the Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses by January 31, 2013. Copies of that motion will be posted on the Claim Administrator's website. The Settling Defendants take no position with respect to the request for attorneys' fees and reimbursement of expenses. The Court determines the amount counsel should receive from the Settlement Fund for fees and expenses separately from its determination of whether the Settlement is fair, reasonable and adequate, and may award less than the amount Plaintiffs' Lead Counsel has requested.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

### 16. How Do I Exclude Myself From the Settlement?

If you want to retain the right to sue, or to continue to sue, the Released Parties on your own about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as opting out of the Settlement Class, and persons who do so are referred to as "Opt-Outs".

Excluding yourself is not the same as doing nothing in response to this Notice. Each member of the Settlement Class shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable, unless such a Person delivers to the Claims Administrator a written request for exclusion from the Settlement Class, so that it is received by the Claims Administrator by February 15, 2013 addressed to:

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting, Inc.  
P.O. Box 2874  
Faribault, MN 55021-8674  
(by regular mail)

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting  
201 Lyndale Ave. S  
Faribault, MN 55021  
(by courier)

No Person may exclude himself, herself or itself from the Settlement Class after that date. In order to be valid, each request for exclusion by a Person seeking to opt-out must state the name, address and telephone number of the Person seeking exclusion; state that the Person "requests exclusion from the Settlement Class in *Pasha S. Anwar, et al. v. Fairfield Greenwich Limited, et al.*, Case No. 09-cv-118," and state (i) the full name of the Fund(s) purchased, (ii) the number and dollar amount of shares or limited partnership interests purchased, and redeemed if applicable, (iii) the dates and amounts of each purchase and any redemption transactions, any other recoveries received by the Person on the Person's investment in the Fund(s), and (iv) the number of shares or limited partnership interests held by the Person in the Fund(s) as of December 10, 2008. Each Person seeking to opt-out must also supply documentary proof of each purchase and redemption transaction and of the Person's membership in the Settlement Class. Any such request for exclusion must be signed by the Person requesting exclusion.

Requests for exclusion shall not be effective unless the request includes the required information and documentation and is made within the time period stated above, or the exclusion is otherwise accepted by the Court. Only Beneficial Owners may file a request for exclusion with respect to each share or limited partnership interest in the Funds. Where the record owner of shares or limited partnership interests is a nominee, custodian, or other Person acting in a materially similar fashion

on behalf of one or more Beneficial Owners, that nominee, custodian or other Person is not a Beneficial Owner and may not file a request for exclusion on behalf of any such Beneficial Owners.

If you ask to be excluded, you will not receive any payment from this Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action with respect to Released Claims and may be able to sue, or continue to sue, the Released Parties in the future. Even if you ask to be excluded from the Settlement Class, you will be entitled to participate in the continuing litigation against the Non-Dismissed Parties. In the event a class is certified as to the claims asserted against the Non-Dismissed Parties, you will be given a subsequent opportunity to request exclusion from that class.

Any Settlement Class Member who submits a Request for Exclusion shall not be deemed to have submitted to the jurisdiction of any Court in the United States for any matter on account of such submission, and any Settlement Class Member who submits a Proof of Claim thereby submits to the jurisdiction of this Court with respect only to the subject matter of such Proof of Claim and all determinations made by this Court thereon and shall not be deemed to have submitted to the jurisdiction of this Court or of any court in the United States for any other matter on account of such submission.

Except where a Settlement Class Member who submits a Request for Exclusion commences or otherwise prosecutes or pursues a Released Claim against a Released Party, all information submitted by a Settlement Class Member in a Request for Exclusion or a Proof of Claim shall be treated as confidential protected information and may not be disclosed by the Claims Administrator, its affiliates or the Settling Parties to any third party absent a further order of this Court upon a showing of necessity, and any such information that is submitted to the Court shall be filed under seal.

If the aggregate Net Loss of Opt-Outs exceeds the threshold specified in a separate "Supplemental Agreement" between the Settling Parties, then the Settling Defendants shall have, in their sole and absolute discretion, the option to terminate this Settlement and to render it null and void in accordance with the procedures set forth in the Supplemental Agreement.

**17. If I Do Not Exclude Myself From the Settlement, Can I Sue the Released Parties For the Same Thing Later?**

No. Unless you exclude yourself, you give up any rights to bring a lawsuit or claim in any forum asserting any of the Released Claims against the Released Parties. If you have a pending lawsuit or claim in any forum that you believe concerns the Released Claims or the same matters alleged in this case, speak to your lawyer immediately. You will likely have to exclude yourself from the Settlement Class if you wish to continue your own lawsuit or claim. Remember, the exclusion deadline is February 15, 2013.

**18. If I Exclude Myself, Can I Get Money From This Settlement?**

No. You will, however, retain any right you may have to bring a lawsuit, to continue to pursue an existing lawsuit, or to be part of a different lawsuit asserting a Released Claim against a Released Party.

**OBJECTING TO THE SETTLEMENT**

**19. How Do I Tell the Court that I Do Not Like the Settlement or the Request for Attorneys' Fees and Reimbursement of Expenses?**

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees or expenses. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must submit a letter saying that you object to the Settlement in *Pasha S. Anwar, et al. v. Fairfield Greenwich Limited, et al.*, Civil Action No. 09-cv-118. Be sure to include your name, address, telephone number, your signature, the full name of the Fund(s) purchased, the dates and number and dollar amounts of shares or limited partnership interests purchased, and redeemed if applicable, and other recoveries you have received on your investment in the Fund(s), and to supply documentary proof of the purchase or any redemption transactions and of your membership in the Settlement Class, and the reasons you object. Any objection letter must be delivered such that it is received by **each** of the following on or before February 15, 2013:

<u>Court:</u>	<u>Plaintiffs' Counsel Designee:</u>	<u>Settling Defendants' Counsel Designee:</u>
Clerk of the Court	Robert C. Finkel, Esq.	Mark G. Cunha, Esq.
UNITED STATES DISTRICT COURT	Wolf Popper LLP	Simpson Thacher & Bartlett LLP
SOUTHERN DISTRICT OF NEW YORK	845 Third Avenue	425 Lexington Avenue
Daniel Patrick Moynihan	New York, NY 10022	New York, NY 10017-3954
United States Courthouse		
500 Pearl Street		
New York, NY 10007-1312		

**20. What is the Difference between Objecting and Requesting Exclusion?**

Objecting is simply telling the Court that you do not like something about the proposed Settlement. Objecting does not prevent you from participating and recovering money in the Settlement. However, you can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

**THE COURT’S SETTLEMENT HEARING**

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

**21. When and Where Will the Court Decide Whether to Approve the Settlement?**

The Court will hold a Settlement Hearing at 11 a.m., on March 22, 2013, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312, Courtroom 11B. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will also consider Plaintiffs’ Lead Counsel’s application for fees and expenses and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

**22. Do I Have to Come to the Hearing?**

No. Plaintiffs’ Lead Counsel will answer questions Judge Marrero may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

**23. May I Speak at the Hearing?**

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a letter saying that it is your intention to appear in *Pasha S. Anwar, et al. v. Fairfield Greenwich Limited, et al.*, Civil Action No. 09-cv-118. Be sure to include your name, address, telephone number, your signature, the full name of the Fund(s) purchased, the number and dollar amount of shares or limited partnership interests purchased, and redeemed if applicable, to supply documentary proof of the purchase and any redemption transactions and of your membership in the Settlement Class, and other recoveries you have received on your investment in the Fund(s), and the reasons you want to speak at the hearing. Your notice of intention to appear must be received no later than February 15, 2013, by the Clerk of the Court, Plaintiffs’ Counsel Designee and Settling Defendants’ Counsel Designee, at the three addresses listed in question 19.

**IF YOU DO NOTHING**

**24. What Happens If I Do Nothing at All?**

If you do nothing, all of your claims against the Released Parties will be released, but you will not receive any money from this Settlement, because in order to receive money it is necessary to submit a valid Proof of Claim.

**GETTING MORE INFORMATION**

**25. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of November 6, 2012, as amended by the Amendment to the Stipulation of Settlement dated as of December 12, 2012. You can obtain a copy of the Stipulation of Settlement and Amendment or more information about the Settlement by contacting the Claims Administrator.

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting, Inc  
P.O. Box 2874  
Faribault, MN 55021-8674  
(by regular mail)

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting  
201 Lyndale Ave. S  
Faribault, MN 55021  
(by courier)

[info@FairfieldGreenwichLitigation.com](mailto:info@FairfieldGreenwichLitigation.com)  
[www.FairfieldGreenwichLitigation.com](http://www.FairfieldGreenwichLitigation.com)  
Toll Free Number: 1-855-263-3450  
Foreign Callers: 1-612-359-7949

or Plaintiffs' Counsel:

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1-212-608-1900

or by visiting [www.FairfieldGreenwichLitigation.com](http://www.FairfieldGreenwichLitigation.com).

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street  
New York, NY 10007-1312

***PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE***

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### **PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The Net Settlement Fund shall be distributed to Settlement Class Members who submit a valid Proof of Claim ("Authorized Claimants") according to the terms below. The purpose of this Plan of Allocation of the Net Settlement Fund ("Plan of Allocation" or "Plan") is to establish a reasonable and equitable method of distributing the Net Settlement Fund among Authorized Claimants. The Plan is not intended to replicate an assessment of damages that could have been recovered had the Representative Plaintiffs prevailed at trial.

Because the Net Settlement Fund is less than the total losses alleged to be suffered by Settlement Class Members, the formulas described below for calculating Net Losses are not intended to estimate the amount that will actually be paid to Authorized Claimants. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed among Authorized Claimants.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved. The Plan of Allocation set forth herein is the plan that is being proposed by Representative Plaintiffs and Plaintiffs' Lead Counsel to the Court for approval. The Settling Defendants take no position with respect to the Plan of Allocation. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, [www.FairfieldGreenwichLitigation.com](http://www.FairfieldGreenwichLitigation.com).

Payment pursuant to the Plan of Allocation approved by the Court shall be final and conclusive against all Settlement Class Members. No person shall have any claim of any kind against the FG Defendants or their counsel with respect to the administration of the settlement, including the Plan of Allocation. No person shall have any claim against

Representative Plaintiffs, Plaintiffs' Counsel, or the Claims Administrator or other agent designated by Plaintiffs' Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. Representative Plaintiffs, the FG Defendants, their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund consistent with the terms of the Stipulation, the Plan of Allocation, or the determination, administration, calculation, or payment of any Proof of Claim or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement (including the resolution of any appeals) pursuant to the following terms:

a. The Net Loss for each Authorized Claimant will be the Net Loss of principal with respect to each Fund. Net Loss means the total cash investment made by a Beneficial Owner in a Fund, directly or indirectly through one or more intermediaries, less the total amount of any redemptions or withdrawals or recoveries by that Beneficial Owner from or with respect to the same Fund. A Settlement Class Member may have a Net Loss on more than one Fund. Any transactions in foreign securities will be converted to a Net Loss in U.S. dollars at the exchange rate in effect as of the date of the Final Hearing.

b. For the avoidance of doubt, where a fund, trust, or similar investment vehicle was a registered shareholder or limited partner of record or otherwise invested in a Fund, the fund, trust or similar investment vehicle is the Beneficial Owner for purposes of this Stipulation, not the underlying investors in the fund or similar investment vehicle. Only one Proof of Claim or request for exclusion can be submitted with respect to each share or limited partnership interest in the Funds.

c. Only those Authorized Claimants who suffered a Net Loss of principal with respect to a Fund are entitled to a payment from the Net Settlement Fund with respect to that Fund.

d. Please note that the term "Net Loss" is used solely for calculating the amount of participation by Authorized Claimants in the Net Settlement Fund. It is not the actual amount an Authorized Claimant can expect to recover.

e. The Claims Administrator will determine each Authorized Claimant's share of the Net Settlement Fund. Each Authorized Claimant will receive a disbursement determined by multiplying the Net Settlement Fund by a fraction, the numerator of which is the Authorized Claimant's Net Loss and the denominator of which is the sum total of all Authorized Claimants' Net Losses with respect to all of the Funds.

f. If there is any balance remaining in the Net Settlement Fund (whether by reason of unclaimed funds, tax refunds, uncashed checks, or otherwise), at a date one hundred eighty (180) days from the later of (a) the date on which the Court enters an order directing the Net Settlement Fund to be distributed to Authorized Claimants, or (b) the date the Settlement is final and becomes fully effective, then Plaintiffs' Counsel shall, upon approval of the Court, disburse such balance among Authorized Claimants as many times as is necessary, in a manner consistent with this Plan of Allocation, until each Authorized Claimant has received its Net Loss (but no greater than its Net Loss) as defined in this Plan. If Plaintiffs' Lead Counsel determines that it is not cost-effective to conduct such further disbursement, or following such further disbursement any balance still remains in the Net Settlement Fund, Plaintiffs' Counsel shall, upon approval of the Court, and without further notice to Settlement Class Members, cause the remaining balance to be disbursed *cy pres*. Plaintiffs' Lead Counsel shall also consider the potential for additional distributions to be made from the Escrow Fund or other settlements or judgments in proposing supplemental distributions from the Net Settlement Fund.

DATED: December 17, 2012

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Fairfield Greenwich Securities Litigation  
c/o Rust Consulting, Inc.  
P.O. Box 2874  
Faribault, MN 55021-8674

**IMPORTANT COURT DOCUMENTS**