

January 23, 2013

VIA HAND DELIVERY

Judge Victor Marrero
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

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DATE FILED: 1/25/13

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OFFICE OF
JUDGE MARRERO

Re: ***Anwar, et al. v. Fairfield Greenwich Limited, et al.***
Master File No. 09-CV-00118 (VM) (THK)

Dear Judge Marrero:

We write jointly on behalf of the Representative Plaintiffs and the Settling Defendants to advise the Court that, pursuant to paragraph 60 of the Stipulation of Settlement which the Court preliminarily approved on November 30, 2012 (the "Stipulation"), the Settling Parties have agreed to the following modifications in the form and timing of payment of the settlement consideration.

Under paragraph 4 of the Stipulation, the Settling Defendants were required to deposit \$49,750,000 into the Account holding the Settlement Fund by January 17, 2013.¹ However, some uncertainty has arisen as a result of the pendency of the motion for a preliminary injunction enjoining the Settlement that has been filed by the BLMIS Trustee which, among other things, if successful would block settlement payments to Settlement Class Members. As a result, the Settling Parties agree to modify the Stipulation as follows:

First, the Settling Defendants have provided Plaintiffs' Lead Counsel with a bank guarantee for \$25,000,000. In the event that the Court enters a Final Judgment approving the Settlement, either the Settling Defendants will fund \$25,000,000 in cash or the bank will be directed to pay on the guarantee within ten business days thereafter. This will ensure that the money will be in the Account as soon as it is needed to implement the Settlement.²

¹ All capitalized terms not defined herein have the same meaning as in the Stipulation. As provided in paragraph 3 of the Stipulation, the Settling Defendants transferred \$500,000 into the Account on December 7, 2012, to cover expenses of class notice and administration.

² The Settling Defendants also agree to transfer to the Account an amount equal to the interest that would have been earned on \$49,500,000 if that amount had been on deposit in the Account from January 17, 2013 to the date of its actual receipt into the Account.

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Second, the Settling Defendants will transfer or cause to be transferred \$24,500,000 in cash to the Account holding the Settlement Fund at least five business days prior to the Settlement Hearing on final approval of the Settlement, which is scheduled for March 22, 2013. This will ensure that the funds will be held in escrow at the time that the Court determines whether to grant final approval to the Settlement.³

In addition, under paragraph 5 of the Stipulation, the Settling Defendants are required to transfer or cause to be transferred \$30,000,000 into a separate escrow account holding the Escrow Fund by March 4, 2013. The Settling Parties agree to modify this provision in the same manner as paragraph 4 discussed above. Accordingly, the Settling Defendants will provide a bank guarantee for \$15,000,000 on or before March 4, 2013, and will transfer or cause to be transferred \$15,000,000 (in the form of cash or, subject to approval of Plaintiffs' Lead Counsel which shall not be unreasonably withheld, security interests in assets) into the separate escrow account at least five business days prior to the Settlement Hearing.⁴

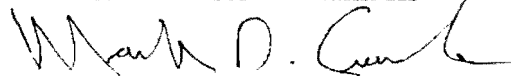
The Settling Parties may seek further modifications of the timing and mechanics of funding the Settlement depending on the disposition and timing of the BLMIS Trustee's motion to enjoin the Settlement.

The Settling Parties respectfully request that the Court "so order" the foregoing modifications to the Stipulation. These changes do not require any changes to the Notice to Settlement Class Members that has been sent pursuant to the Preliminary Approval Order. We thank the Court for its consideration of this matter.

Respectfully yours



David A. Barrett
 Co-Lead Counsel for Plaintiffs



Mark G. Cunha
 Counsel for the Settling Defendants

SO ORDERED.

1-24-13
 DATE


 VICTOR MARRERO, U.S.B.J.

cc: All counsel in *Anwar* (by email)
 Mark A. Kornfeld, Esq. (by email)

³ The remaining \$250,000 of the Settlement Fund is already held by Plaintiffs' Lead Counsel in an escrow account.

⁴ With respect to cash transferred to the Escrow Fund account after March 4, 2013, the Settling Defendants agree to transfer or cause to be transferred to the Escrow Fund account an amount equal to the interest that would have been earned on such cash amount from March 4, 2013 to the date of actual receipt of such amount into the Escrow Fund account.