

# **EXHIBIT F**

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

-----X  
PASHA ANWAR, *et al.*,  
  
  Plaintiffs,  
  
                v.  
  
FAIRFIELD GREENWICH LIMITED, *et al.*,  
  
  Defendants.  
-----X

MASTER FILE NO. 09-CV-0118 (VM)

**DECLARATION OF HARVEY M. STONE ON BEHALF OF THE ST. STEPHEN'S  
SCHOOL IN SUPPORT OF MOTION FOR FINAL APPROVAL OF PARTIAL  
CLASS ACTION SETTLEMENT WITH THE FG DEFENDANTS, PLAN OF  
ALLOCATION, AND AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT  
OF EXPENSES**

I, HARVEY M. STONE, declare, under penalty of perjury, as follows:

1. I am a member of the Board of the St. Stephen's School (the "School"), one of the court-appointed Lead Plaintiffs and a proposed class representative in this action. As a long-standing member of the School's Board, I am fully familiar with the facts and circumstances surrounding the School's investments in the funds that are the subject of this litigation and the subsequent steps taken by the School in participating in this class action litigation. I make this Declaration in support of our motion for final approval of the proposed partial Settlement with the FG Defendants, in amount up to \$80.25 million, and in support of Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses. I also make this Declaration in support of the School's request for reimbursement for its many Board members and employees for lost wages (in the form of lost business opportunities) in the amount of \$25,000.00.

2. My office address is: Schlam Stone & Dolan LLP, 26 Broadway, 19<sup>th</sup> Floor, New York, New York 10004. I am a name partner of my law firm.

3. St. Stephen's School is a non-denominational, co-educational, international boarding and day school, located in Rome, Italy, enrolling approximately 240 students from age 14-19 in grades 9-12 and for a postgraduate year. Founded in 1964, the School provides a demanding classical and liberal arts college-preparatory curriculum. The School offers the International Baccalaureate Diploma Program in grades 11 and 12, as well as the American High School Diploma and a selection of Advanced Placement examinations. The School depends upon the conservative investment of its endowment funds as an integral part of its future educational planning and faculty support, and it was those same endowment funds that were largely lost through the wrongdoing of defendants complained of in this action.

4. In the early 2000s, the School formed an Investment Committee chaired by Duncan Pollock, and in consultation with the School's then Chairman of the Board, Rick Routhier, they decided to invest both the School's Long Term Investment Fund and the School's Faculty Fund in the Fairfield Sigma Fund (the "Fund"), investing \$643,609.15 and \$524,335.16 respectively on December 1, 2005. Neither Mr. Pollock nor Mr. Routhier were sophisticated in the ways of Wall Street or had significant investment experience, but were guided by the advice given them by representatives of the Fairfield Greenwich Group. The School monies invested were transferred from earlier investments that the School had made in the Fairfield Investment Fund Ltd. Class A and Fairfield Investors (Euro) Limited Class A funds. The School wished to obtain a higher and more certain yield than those funds were producing, and when

representatives of the Fairfield Greenwich Group suggested an investment in the Fairfield Sigma Fund, the School was induced by the representations contained in the Fairfield Sigma offering documents regarding safety of principal and a steady, high rate of return to make the investment in the Fairfield Sigma fund. After that date, the School made one further investment of 99,965 EUR in the Fairfield Sigma fund on or about September 28, 2006 on behalf of the School's Long Term Investment Fund. The School never made any redemptions from either account.

5. All told, the School lost the entire amount of principal that it had invested in the Fund. Based upon the School's very limited endowment, these losses were catastrophic to the School's ability to meet its planning goals both in terms of educational programs and faculty hiring and retention without finding significant new support on an emergency basis.

6. On December 11, 2008, it was reported that Bernard L. Madoff ("Madoff") was arrested for perpetrating a Ponzi scheme. When the School's Board of Directors learned that there were potential claims to recover the School's investment, the School sought the advice of and ultimately retained counsel, Lovell Stewart Halebian Jacobson LLP, to prosecute the securities litigation on the School's behalf and on behalf of a class of similarly-situated investors in the Fund.

7. On January 30, 2009, this Court issued an Order consolidating the various actions pending against the Fairfield Greenwich Group and other defendants, and also designated Plaintiffs' Lead Counsel as interim Co-Lead Counsel pursuant to Fed. R. Civ. P. 23(g).

8. On May 11, 2009, the School and several other investors filed a motion

to be appointed lead plaintiffs in the securities litigation, and on July 7, 2009, this Court appointed the School and the six other proposed class representatives as Lead Plaintiffs pursuant to the Securities Exchange Act. The Court also approved Lead Plaintiffs' selection of the Plaintiffs' Lead Counsel firms.

9. In fulfillment of the School's responsibilities as Lead Plaintiff, the School and its representatives have reviewed the consolidated amended complaints, the briefing in opposition to the motions to dismiss the complaint, and the decisions denying, in substantial part, the motions to dismiss. The School's representatives have also reviewed the motion for class certification, and searched for and produced hundreds of documents on two continents and gave two depositions in support of that motion. The School's representatives spent significant time reviewing these documents and discussing them with the School's counsel. The School's representatives have also regularly communicated with the School's counsel to keep abreast of the activity in the Action. Through this process the School has remained well-informed and well aware of the strengths and weaknesses of our claims against the FG Defendants, as well as the risks of prosecuting those claims through trial and appeal.

10. On behalf of the School, I participated in discussions with respect to the potential partial settlement of this matter through conversations and email with the School's counsel. In particular, we discussed the potential difficulty of obtaining substantially greater amounts from the FG defendants from judgment or settlement and the possible dissipation or unavailability of their assets.

11. After careful consideration and deliberation by the School's representatives, the School authorized counsel to settle this action for \$80.25 million.

The proposed settlement is a very strong recovery for the class under the circumstances. It provides immediate compensation to class members and avoids the risk of no recovery at all.

12. In determining the fairness of counsel's fee in this action, the School's representatives considered the quality of counsel's representation of the class; the size of the recovery on behalf of the class; the difficult, complex and novel issues presented by the litigation, the enormous amount of time and effort devoted to the litigation by counsel with no guarantee of payment; and the advancing of costs in excess of \$1.4 million on a contingent basis. Based on the School's consideration of these factors, the School supports Lead Counsel's current fee request of 25% of the \$50.25 million non-contingent Settlement Fund and for reimbursement of expenses.

13. This action involved both federal securities claims and state common law claims. The School is informed that the Private Securities Litigation Reform Act of 1995 provides for the reimbursement of costs and expenses (including lost wages) incurred or otherwise absorbed by a lead plaintiff in connection with services rendered in the litigation. The School further understands that state law allows for the payment of incentive awards to encourage aggrieved persons, such as the School, to act as class representative plaintiffs.

14. I conservatively estimate that I and various representatives of the School have devoted well in excess of 200 hours of time to this litigation including time spent:

- a. Reviewing the First and Second Consolidated Amended Complaints filed in this action and discussing those complaints with counsel;
- b. Reviewing and discussing with counsel defendants' motions to dismiss

the Second Consolidated Amended Complaint, and our opposition to those motions;

- c. Reviewing the decisions on the motions to dismiss;
- d. Participating in the class motion, including meetings with counsel;
- e. Discussing, searching for and producing documents in response to the defendants' extensive discovery requests, including but not limited to:
  - i) Extensive searches through electronic files and other Board records by current Board Chair Jeff Schon in Connecticut, leading to the production of numerous minutes of annual and other Board meetings, Executive Committee meetings and other committee reports and documents covering a five year period;
  - ii) Extensive searches of the School's New York office for any possible files or telephone records relevant to defendants' wide-ranging discovery requests;
  - iii) Extensive searches of the School's Rome campus by the School's Headmaster Lesley Murphy, including the School's physical and electronic archives, for any documents relating to the School's investment decisions and review of same;
  - iv) Searches made by the School's former Headmaster, Philip Allen, of his email archives and files for any information responsive to defendants' wide-ranging discovery requests,

including research and confirmation that the School's email accounts both in Rome and the United States had not been used for investment business;

- f. Numerous consultations by email, telephone and in person with then Investment Committee Chairman and Board member Duncan Pollock and his traveling to the New York offices of co-lead counsel for deposition preparation and his deposition;
- g. Numerous consultations by email, telephone and in person with former Board Chairman Rick Routhier and his traveling to the New York offices of co-lead counsel for deposition preparation and his deposition;
- h. Consulting between counsel and Grenville Craig and other friends and advisors of the School regarding this action and litigation strategy going forward;
- i. Discussing progress of the litigation at Board meetings and at other times with Board members, and occasionally asking counsel to address the Board and give a progress report on litigation developments;
- j. Consulting with counsel with respect to merits discovery; and
- k. Consulting with counsel with respect to the settlement discussions and settlement.

15. I have consulted with the School's counsel in this action who confirm that, based on their time records, including extensive communications, correspondence and emails with me and the aforesaid School representatives, 200 hours is a very

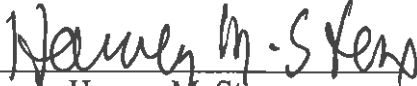


conservative estimate of the time that I and representatives of the School have spent on this matter. That time, if not for this litigation, could have been devoted to income producing activities by the various individuals involved.

16. I estimate conservatively that the average value of the professional time of the various individuals involved is at least \$200 an hour. I consider that \$25,000 is fair reimbursement for my activities and those of the School's representatives on behalf of the Class.

17. Accordingly, I respectfully request that the \$80.25 million cash settlement be approved as fair reasonable and adequate to the Class, that counsel be awarded their requested fees and expenses, that the Plan of Allocation be approved, and that the School be awarded \$25,000 as reimbursement for the lost wages incurred as a result of the School's representation of the Class and as an incentive award for the School's efforts in this Action.

18. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 30<sup>th</sup> day of January, 2013 at New York City.

  
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Harvey M. Stone