

EXHIBIT G

Mortgage.

3. On September 22, 2003, Harel made two investments of \$1.5 million (totaling \$3 million) in Fairfield Sentry Limited (“Fairfield Sentry”). Harel made additional investments on May 1, 2006 of \$4 million in Fairfield Sentry; and July 1, 2007 of \$4.7 million in Fairfield Sentry for a total of \$11.7 million. There were no redemptions.

4. Harel lost \$11.7 million of the principal that was invested in Fairfield Sentry as of December 11, 2008.

5. On December 11, 2008, it was reported that Bernard L. Madoff was arrested for perpetrating a Ponzi scheme. Harel became aware that the overwhelming majority of Fairfield Sentry’s assets were invested with Madoff resulting in a near total loss of its investment. When Harel learned that there were potential claims to recover the investments, Harel sought the advice of and ultimately retained counsel to prosecute this action on its behalf and on behalf of a class of similarly-situated investors in the Funds managed by the FG Defendants.

6. On May 11, 2009, Harel, and several other investors, filed a motion to be appointed lead plaintiffs and on July 7, 2009, this Court appointed Harel and four other plaintiffs, including three of the current proposed class representatives, as Lead Plaintiffs. The Court also approved Lead Plaintiffs’ selection of the Plaintiffs’ Lead Counsel firms.

7. During the course of the litigation, Harel employees have reviewed or been advised of the complaints filed in this action, the briefing in opposition to the motions to dismiss the complaint, and the decisions denying, in substantial part, the

motions to dismiss. Harel employees have reviewed the motion for class certification, and produced documents and gave depositions in support of that motion. Harel employees have spent significant time reviewing these documents and discussing them with counsel. Harel employees have also regularly communicated with counsel to keep informed of the progress of the litigation. Through this process, Harel was well-informed 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.

8. In 2012, Harel employees participated in discussions with respect to the potential partial settlement of this matter through conversations and email with counsel. In particular, we discussed the potential difficulty of obtaining and collecting substantially greater amounts from the FG Defendants from judgment or settlement. We discussed that companies run by the FG Defendants are no longer in business. We also discussed that continuing the action against the FG Defendants through a trial and appeal could take years, during which time the FG Defendants would continue to spend their assets on legal fees and costs and personal expenses.

9. After careful consideration and deliberation, Harel authorized counsel to settle this action for \$80.25 million. The proposed Settlement represents a very good recovery for the class under the circumstances. It provides immediate compensation to class members and avoids the risk of no recovery at all.

10. Counsel have explained to Harel that the Plan of Allocation seeks to allocate the settlement fund on a *pro rata* basis based on the net principal invested and lost by each class member. Harel believes that the Plan of Allocation is fair and reasonable and should be approved.

11. In determining the fairness of Lead Counsel's fee in this action, Harel 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; the advancing of costs in excess of \$1.4 million on a contingent basis. Based on these factors, Harel supports Lead Counsel's current fee request of 25% of the \$50.25 million non-contingent Settlement Fund and for reimbursement of expenses.

12. This action involved both federal securities claims and state common law claims. Harel has been advised 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. Harel further understands that state law allows for the payment of incentive awards to encourage aggrieved persons, such as Harel, to act as class representative plaintiffs.

13. In fulfillment of Harel's responsibilities as a Lead Plaintiff and a class representative, Harel conservatively estimates that its employees have devoted approximately 180 hours of time to this litigation including time spent:

- a. Discussing the facts surrounding Harel's investments in the Fairfield Sentry with counsel, reviewing and discussing complaints, motions and decisions filed in the action. Harel estimates that it spent approximately 40 hours on these tasks;
- b. Harel reviewed the lead plaintiff's motion and submitted a declaration

in support of that motion. Harel estimates that it spent approximately 5 hours on these tasks;

- c. Harel participated in the preparation of the class certification motion, including discussions and correspondence with counsel regarding the declaration submitted by Harel in support of that motion. Harel estimates that it spent approximately 10 hours on these tasks;
- d. Harel also spent a substantial amount of time responding to defendants' discovery requests, including discussing and reviewing the discovery requests with counsel, searching for responsive documents and making copies to provide to counsel, discussions with counsel regarding a search of electronically-stored information responsive to the defendants' discovery requests; discussions and correspondence with counsel in connection with providing interrogatory responses in response to three separate sets of interrogatories. Specifically, Harel provided the hard copy and electronic files of 4 employees to counsel, as well as searching central files, and nearly 10,000 pages of responsive documents were produced on Harel's behalf. Harel estimates that it spent approximately 70 hours on these tasks;
- e. 2 Harel employees were deposed in this action. Mr. Amir Hessel serves as Deputy CEO of Harel and manager of the Harel Insurance Investments & Financial Services Ltd.'s investments. Mr. Hessel made two trips to the United States from Israel totaling 7 days. In the United States, he met with counsel to review documents and prepare

for the depositions. Mr. Hessel sat for two days of depositions, providing testimony in an individual capacity and as a Rule 30(b)(6) witness on behalf of Harel. In addition, he assisted in responding to interrogatory responses during his visit. Mr. Alon Kaufman serves as manager of Harel's nostro investment division. Mr. Kaufman made a single trip to the United States from Israel totaling 5 days. In the United States, he met with counsel to review documents and prepare for his deposition and was deposed in his individual capacity. Harel estimates that it spent approximately 50 hours on these tasks; and

- f. Harel consulted with counsel with respect to the settlement discussions and reviewed documents regarding the settlement. Harel estimates that it spent approximately 5 hours on these tasks.

14. Based on our records, Harel believes that 180 hours is a very conservative estimate of the time Harel spent on this matter to date. With respect to the 2 individuals who traveled to the United States for depositions, Mr. Hessel incurred \$21,000 in lost wages and Mr. Kaufman incurred \$5,000 in lost wages. These lost wages are based on their monthly aggregate remuneration as their employment is not based on an hourly rate. Harel estimates that total lost wages for other employees who assisted in this litigation is over \$40,000.

15. Given the foregoing, Harel considers that \$30,000 is a fair reimbursement for the activities Harel spent on behalf of the Class and represents a significant discount to the amount of lost wages and lost business opportunities Harel employees have foregone during the many hours spent on this litigation as a class

representative and Lead Plaintiff.

16. Accordingly, Harel respectfully requests 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 Harel be awarded \$30,000 as reimbursement for the lost wages incurred as a result of Harel's representation of the Class and as an incentive award for the efforts undertaken by Harel in this Action.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 31 day of January, 2013 in Israel.

Hanan Fridman, Adv.
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Legal Counsel
Harel Insurance Investments Ltd

Hanan Fridman