

February 7, 2013

***By Overnight Delivery and CM/ECF***

Honorable Victor Marrero  
United States District Judge  
Daniel Patrick Moynihan U.S. Courthouse  
500 Pearl Street  
New York, New York 10007-1312

**Re: Standard Chartered Cases – *Anwar v. Fairfield Greenwich Limited, et al.*, Case No. 09-CV-118 (VM), United States District Court, Southern District of New York**

Dear Judge Marrero:

I write on behalf of Headway Investment Corp (“Headway”). In accordance with the December 17, 2012 Notice of Proposed Partial Settlement of Class Action and Settlement Fairness Hearing, and Motion for Attorneys’ Fees and Reimbursement of Expenses, Headway objects to the proposed Settlement between the named Plaintiffs and the Fairfield Settling Defendants in the action styled *Anwar v. Fairfield Greenwich Limited, et al.*, Case No. 09-CV-118 (VM).

The proposed Settlement Fund, including the maximum amount of potential future funding, would represent no more than 6% of the estimated \$1.33 billion of reported losses. The amount proposed to be made available now, on a claims-made basis, would represent less than 3% of those losses after deduction for payment of the fees and expenses requested by Plaintiff’s counsel. This is a paltry recovery from the issuers, sellers (and control persons of the issuers and sellers) of the bogus securities in question.

Headway is well aware of the risks that attend class-action securities litigation in general, and ponzi-scheme cases in particular. However, as a result of issuing and selling the bogus securities in question, the Fairfield Defendants received in excess of \$ 748 million in purported “performance” and “management” fees from 2002 through June 2008. The record demonstrates that those “fees” were paid for nothing more than funneling investor money into a ponzi scheme. Consequently, and quite apart from their potential legal liability for the total losses suffered by

putative class members, the Fairfield Defendants are profiteers, from whom equity requires disgorgement of all profits they made on the ponzi scheme. *See, e.g., Anwar v. Fairfield Greenwich Ltd.*, 728 F. Supp. 2d 372, 421 (S.D.N.Y. 2010). The proposed total Settlement Fund (including the contingent, speculative future amount), represents a mere 10.7% of the profits the Fairfield Defendants made from the ponzi scheme, even before deductions for counsel fees and expenses. Consequently, Headway objects to the proposed Settlement.

Headway purchased and redeemed the following shares:

**Fairfield Sentry:**

Date of Investment: **January 31, 2003**

Amount (cost) of Investment: **US \$ 4,000,000**

Number of Shares in the Sentry Fund acquired: **4000 shares**

Date of Investment: **November 1, 2003**

Amount (cost) of Investment: **US \$ 2,500,000**

Number of Shares in the Sentry Fund acquired: **2,324.81 shares**

Date of Investment: **July 1, 2005**

Amount (cost) of Investment: **US \$ 2,000,000**

Number of Shares in the Sentry Fund acquired: **1,893.29 shares**

Date of Redemption: **July 25, 2005**

Amount (cost) of Investment: **US \$ 7,474,273.76 (redeemed to purchase Fairfield Sigma. See below.)**

Number of Shares in Sentry Fund redeemed: **7066.27 shares**

**Fairfield Sigma:**

Date of Investment: **July 25, 2005**

Amount (cost) of Investment: **EUR 6,200,000**

Number of Shares in the Sigma Fund acquired: **38,825.22 shares**

Date of Investment: **August 25, 2005**

Amount (cost) of Investment: **Eur 1,749,828**

Number of Shares in Sigma Fund acquired: **10,955.60 shares**

Attached as Composite Appendix A is documentary proof, which demonstrate Headway's standing as a putative member of the proposed Settlement Class. Headway reserves all rights as a putative member of the proposed Settlement Class, including the rights to modify, supplement or withdraw this objection, or to opt-out of the proposed Settlement Class.

Yours truly,



For Alan H. Rolnick  
Counsel for Headway Investment  
Corporation

Enclosure

cc: All counsel in *Anwar* (by email)