

**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-0118 (VM)

This Document Relates To: 09-cv-118 (VM)

**DECLARATION OF KATHERINE LLOYD IN SUPPORT OF CLASS PLAINTIFFS'
MOTION FOR DISTRIBUTION OF THE GLOBEOP NET SETTLEMENT FUND**

KATHERINE LLOYD, does hereby declare, under the penalties of perjury, that:

1. I submit this declaration to provide the Court with information regarding the processing of GlobeOp Proof of Claim and Release forms (“Claims”), the allowance and rejection of Claims, and the calculation of Recognized Losses in connection with the \$5 million partial settlement between Plaintiffs and Defendant GlobeOp Financial Services LLC (“GlobeOp”) in this Action. I am over 21 years of age and am not a party to this action.

2. Rust Consulting, Inc. (“Rust”) was appointed Claims Administrator pursuant to paragraph 8 of this Court’s GlobeOp Preliminary Approval Order, dated September 10, 2013 (Dkt. No. 1189), in connection with the GlobeOp Settlement (“GlobeOp Settlement”), to supervise and administer the GlobeOp notice and claims procedure. I am the Client Services Director at Rust, responsible for supervising securities litigation administration. I was responsible for the supervision of Rust’s administration of the GlobeOp Settlement.

3. The following statements are based on my personal knowledge and information

provided by other Rust employees working under my supervision, and if called on to do so, I could and would testify competently thereto.

4. The Court, on November 22, 2013, entered the GlobeOp Final Judgment and Order of Dismissal (the “GlobeOp Final Judgment”) (Dkt. No. 1232), granting final approval to the \$5 million settlement between the GlobeOp Settlement Class and defendant GlobeOp Financial Services, LLC. The GlobeOp Settlement Class was defined as:

All Persons who purchased or held interests in Greenwich Sentry, L.P. or Greenwich Sentry Partners, L.P. (the “Greenwich Sentry Funds”) from October 31, 2003 through September 1, 2006, who were investors in the Funds as of December 10, 2008, and suffered a Net Loss of principal on their investment, excluding (i) those Persons who timely and validly requested exclusion from the GlobeOp Settlement Class and who did not validly revoke such request for exclusion; (ii) those Persons who have been dismissed from this Action with prejudice; and (iii) the FG Defendants, GlobeOp, or the Non-Settling Defendants, and any entity in which those Persons have a controlling interest, and their officers, directors, affiliates, employees, legal representatives, and immediate family members, and heirs, successors, subsidiaries and assigns of such Persons.

5. Rust also is administering the settlement of Plaintiffs’ claims against the Fairfield Greenwich (“FG”) Defendants, as approved by the Court by Order dated March 25, 2013 (the “FG Settlement”) (Dkt. No. 1097), which is currently on appeal.

6. Rust’s services in connection with the GlobeOp Settlement have included providing notice to the potential members of the GlobeOp Settlement Class, as discussed in the Affidavit of Daniel J. Polizzi, dated October 11, 2013, previously filed with the Court (Dkt. No. 1205-1); (ii) processing GlobeOp Proof of Claim and Release forms submitted by potential GlobeOp Settlement Class Members; and (iii) calculating Authorized Claimants’ Recognized Losses, as defined in the Plan of Allocation approved by the Court (Dkt. No. 1232, ¶ 21).

CLAIMS PROCESSING

7. Rust has received and processed 108 Claims from potential members of the GlobeOp Settlement Class. The information received from these potential Class Members concerning transactions in the Funds was entered by Rust and retained in a confidential database for this Action.

8. Of the 108 GlobeOp Claims received and processed by Rust, 105 GlobeOp Claims were filed by claimants who had previously filed Claims in the FG Settlement and who requested that the information and data contained in their FG Settlement Claim Forms be used in the GlobeOp Settlement. For the remaining three (3) GlobeOp Claims, separate documentation was submitted.

9. Through June 5, 2014, Rust mailed Notices of Rejection (a sample letter is attached hereto as Exhibit A) to certain claimants who appeared to be ineligible, *i.e.*, who did not document any holdings of the eligible Greenwich Sentry Funds as of September 1, 2006 and/or on December 10, 2008; did not document a Net Loss; filed a duplicate claim; or were deemed an excluded party. As a result, these claimants did not meet the GlobeOp Settlement Class requirements to receive any share in the GlobeOp Settlement under the terms of the GlobeOp Final Judgment.

10. A schedule identifying the 71 ineligible Claims (with names redacted) and the reasons for their ineligibility is attached hereto as Exhibit B.

CALCULATION OF ACCEPTED CLAIM AMOUNTS

11. Rust determined that 37 of the Claims submitted were supported by appropriate documentation evidencing ownership of interests in the Greenwich Sentry Funds as of

September 1, 2006 and December 10, 2008 and a Net Loss, thereby demonstrating membership in the GlobeOp Settlement Class. The respective Recognized Loss of each of these 37 “Authorized Claimants” was calculated in accordance with the Plan of Allocation in the aggregate sum of \$38,461,421. Rust then compared the respective Recognized Loss of each Authorized Claimant to the total Recognized Losses for all Authorized Claimants.

12. The names of the Authorized Claimants and each claimant’s respective *pro-rata* share of the GlobeOp Net Settlement Fund is attached hereto as Exhibit C. To protect the privacy of these claimants, their names have been redacted.

13. Included in Exhibit C are two (2) claimants (Claim nos. 3387 and 3388) who filed Claims postmarked February 18, 2014 and received February 24, 2014, who are otherwise eligible to receive a distribution of the Net Settlement Fund.

RUST’S FEES AND EXPENSES

14. Pursuant to the terms of the GlobeOp Settlement Stipulation (Dkt. No. 1184, ¶¶ C.8), Rust has been paid a total of \$17,950 in fees (\$16,441) and expenses (\$1,509) for work performed in connection with the GlobeOp Settlement from inception (June 2013) through November 30, 2013. Rust requests payment of additional fees and expenses billed from December 1, 2013 through May 31, 2014 in the amount of \$7,901. Attached as Exhibit D is an invoice summarizing Rust’s fees and expenses from June 1, 2013 through May 31, 2014.

15. The fees and expenses requested by Rust are not only for the standard processing of Claims, claimant correspondence and deficiency responses, but also are attributable to additional tasks necessitated by the GlobeOp Settlement, such as: (a) the non-standard

programming of the Plan of Allocation for calculating losses; (b) re-review of processed GlobeOp Claims after the submission of new Fairfield Greenwich Claims or Fairfield Greenwich deficiency responses; (c) processing of deficiency responses by email, which in many cases required processing multiple piecemeal responses from claimants; (d) multiple attempts to urge claimants to cure deficient Claims; (e) working with Plaintiffs' Co-Lead Counsel to attempt to cure deficient Claims; (f) special reporting on remaining deficiencies; (g) special handling of certain Rejected Claims; and (h) informing new claimants that filed in the FG Settlement of their eligibility to file in the GlobeOp Settlement. Among other things, because investments in the Greenwich Sentry Funds for many of the GlobeOp Class Members dated back to the 1990s, and many Class Members lacked documentation for their original investments, Rust had to work in detail with Class Members and Plaintiffs' Co-Lead Counsel to ensure that Class Members were being compensated based on their Net Loss of principal and not for any "phantom income" or other non-compensable events.

16. Rust further estimates that additional fees of \$5,341 and expenses of \$3,468, for a total of \$8,809, will be incurred to complete the distribution of the GlobeOp Net Settlement Fund, responding to claimant inquiries regarding the distribution, and for future tax preparation services and filing the necessary tax returns. Attached hereto as Exhibit E is Rust's estimate of costs for completion of these matters. If less than this amount is incurred, any remaining amount will be returned to the GlobeOp Settlement Fund for further distribution.

SETTLEMENT PRO-RATION

17. The Net Settlement Fund, as of June 30, 2014, is valued at \$3,692,215 in cash, including interest, calculated as follows:

Settlement Fund	\$ 5,000,000
Attorneys' Fees Awarded by the Court, plus interest earned on the fee award	(\$1,250,135)
Attorneys' Expenses Awarded by the Court	(\$19,825)
Amount Paid to Date to Rust Consulting	(\$17,950)
Rust's Outstanding Fees and Expenses	(\$7,901)
Reserve for Rust's Additional Fees and Expenses	(\$8,809)
Bank Escrow Fees	(\$4,000)
Interest through June 30, 2014	\$835
Net Settlement Fund	----- \$3,692,215

18. The Settlement Fund has continued to earn interest and has paid Federal Taxes as a Qualified Settlement Fund under section 1.468(b) of the IRS Regulations. There is no need for a reserve for payment of future taxes.

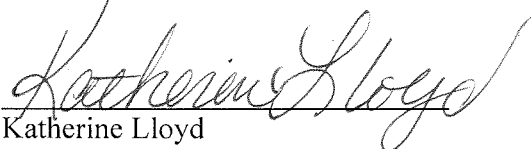
19. Inasmuch as the GlobeOp Net Settlement Fund contains \$3,692,215 and the aggregate value of Authorized Claims is \$38,461,421, Rust estimates that each Authorized Claimant will receive a pro-rated amount of approximately 9.6% of its Recognized Loss from the GlobeOp Settlement.

20. Upon entry of an Order providing for distribution of the GlobeOp Net Settlement Fund by this Court, Rust intends to send checks to all Authorized Claimants, based on each Authorized Claimant's Recognized Loss as set forth in Exhibit C. In Rust's experience, not all of the checks distributed to Authorized Claimants will be cashed promptly. In order to

encourage Authorized Claimants to promptly cash their distribution checks and to avoid or reduce future expenses relating to uncashed checks, Rust intends to include a notation with the distributed checks stating "CASH PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT CASHED WITHIN 90 DAYS AFTER ISSUE DATE."

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 25th day of July, 2014 in Palm Beach Gardens, Florida.


Katherine Lloyd