

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

ANWAR, *et al.*,

Plaintiffs,

v.

FAIRFIELD GREENWICH LIMITED, *et al.*,

Defendants.

This Document Relates To: 09 cv 118 (VM)

File No. 09 CV 118 (VM)

**JOINT DECLARATION OF LEAD COUNSEL IN SUPPORT OF
THE PROPOSED CITCO CLASS ACTION SETTLEMENT
AND FEE AND EXPENSE REQUESTS**

David A. Barrett, Robert C. Finkel and Victor E. Stewart, being duly admitted to the practice of law in the State of New York and to the Bar of this Court, do hereby declare under the penalties of perjury of the State of New York and the United States of America, as follows:

I. INTRODUCTION

1. We are members of the law firms Boies, Schiller & Flexner LLP, Wolf Popper LLP, and Lovell Stewart Halebian Jacobson LLP, respectively, and Co-Lead Counsel for the Representative Plaintiffs (“Lead Counsel”).¹ Our firms are responsible for the prosecution of the claims in this Action.

2. We make this Joint Declaration in support of the Representative Plaintiffs’ motion pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, for final approval of (i)

¹ The Representative Plaintiffs are Pacific West Health Medical Center Employees Retirement Trust, Harel Insurance Company Ltd., Martin and Shirley Bach Family Trust, Natalia Hatgis, Securities & Investment Company Bahrain (“SICO”), Dawson Bypass Trust, and St. Stephen’s School. The Representative Plaintiffs are referred to herein as “Plaintiffs.”

certification of the Citco Settlement Class² for purposes of the Settlement as defined in ¶ 1(hh) of the Stipulation, (ii) the Citco Stipulation of Settlement, dated August 12, 2015 (the “Stipulation”) (Dkt No. 1398), providing for payment of \$125,000,000 to establish a settlement fund (the “Citco Settlement Fund”); (iii) the proposed Plan of Allocation of the Net Settlement Fund among Settlement Class Members who submit valid claims as set forth in the Notice of Proposed Partial Settlement mailed to Settlement Class Members (Dkt No. 1398-2 at 22-23); and (iv) Lead Counsel’s application for an award of attorneys’ fees in the amount of 30% of the Settlement Amount and reimbursement of expenses of \$4,438,320. Also submitted herewith is a Memorandum of Law In Support of Plaintiffs’ Motion for Final Approval of the Citco Settlement and Award of Attorneys’ Fees and Expenses.

3. The Stipulation is between the Plaintiffs, on behalf of the Citco Settlement Class, and defendants Citco Fund Services (Europe) B.V., Citco (Canada) Inc., Citco Bank Nederland N.V. Dublin Branch and Citco Global Custody N.V., Citco Fund Services (Bermuda Limited), The Citco Group Limited, Brian Francoeur, and Ian Pilgrim (collectively “Citco” or the “Citco Defendants”).

4. The Stipulation defines the Citco Settlement Class as “all Persons who were Beneficial Owners of shares or limited partnership interests in the Funds as of December 10, 2008 (whether as holders of record or traceable to a shareholder or limited partner account of record) and who suffered a Net Loss of principal invested in the Funds, excluding (i) Opt-Outs, (ii) any Persons who have been dismissed from this Action with prejudice or who are barred by prior judgment or settlement from asserting any of the claims against the Citco Defendants set

² Unless otherwise indicated, all capitalized terms are defined in the Citco Stipulation of Settlement filed with the Court on August 12, 2015.

forth in the SCAC; (iii) Fairfield Sigma Limited; (iv) Fairfield Lambda Limited; and (v) the Defendants and any entity in which the Defendants have a controlling interest, and the officers, directors, affiliates, legal representatives, attorneys, immediate family members (as defined in 17 C.F.R. 240.16a-1(e)), heirs, successors, subsidiaries and/or assigns of any such individual or entity in their capacity as such (except for any of the Citco Defendants in their role as nominee or record shareholder for any investor).”

5. The Stipulation resolves all direct claims against Citco that were asserted or could have been asserted against Citco by limited partners or shareholders in the Fairfield Sentry Limited (“Sentry”), Fairfield Sigma Limited (“Sigma”), Fairfield Lambda Limited (“Lambda”), Greenwich Sentry L.P., and Greenwich Sentry Partners, L.P. (together the “Funds”).

6. Plaintiffs’ claims against Citco arise out of Citco’s role as the administrator and subsequently as custodian of the largest group of feeder funds to the Bernard L. Madoff Investment Securities (“Madoff” or “BLMIS”) Ponzi scheme from October 31, 1997 until Madoff’s arrest in December 2008. Plaintiffs contend that as the administrator and custodian of the Funds, Citco had fiduciary and professional responsibilities to verify the existence of the Funds’ assets, including by contacting sources that were independent of Madoff. Plaintiffs contend that Citco’s failure to verify the existence of those assets and misrepresentations and omissions of material facts caused Plaintiffs’ losses.

7. The \$125 million Settlement is an excellent recovery against the Citco Defendants’ determined opposition. To bring the case to this point, Plaintiffs were required to succeed on four motions to dismiss and two motions for class certification on novel issues as far ranging as (i) whether the Securities Litigation Uniform Standards Act of 1998 (“SLUSA”)

precluded Plaintiffs' claims under state law; (ii) whether New York's Martin Act pre-empted Plaintiffs' New York state law non-fraud claims; (iii) whether the U.S. Supreme Court's decision in *Morrison v. National Australia Bank*, 130 S. Ct. 2869 (2010) barred application of the U.S. securities fraud statutes against Citco; (iv) whether Plaintiffs' claims against Citco could be asserted directly or only derivatively on behalf of the Funds; (v) whether Citco had a contractual or fiduciary obligation to verify account data provided by BLMIS and the Fairfield Greenwich (FG) Defendants, or whether Citco was entitled to rely on that information in the absence of manifest error; (vi) whether Plaintiffs were third party beneficiaries of administrative and custody agreements between the Citco Defendants and the Funds, and whether Citco breached those agreements; (vii) whether class certification was not warranted, among other things, because individual issues of reliance predominated over common issues of law or fact; (viii) whether investors had conducted their own due diligence and were responsible for failing to recognize the Madoff Ponzi scheme; (ix) whether other persons, including Madoff, the FG Defendants, and the Funds' auditors had a greater percentage of culpability for Plaintiffs' losses than Citco; and (x) whether Plaintiffs' losses were mitigated by the recovery in the FG and GlobeOp Settlements, tax benefits, recoveries and anticipated recoveries in bankruptcy and liquidation proceedings, and from the Madoff Victim Fund. Moreover, Plaintiffs litigated these issues for over six years against three law firms, most recently Paul Weiss Rifkind Wharton & Garrison LLP, one of country's leading litigation firms.

8. The issues described above not only required exhaustive legal research and briefing of complex legal issues under U.S. and New York law, but under the law of multiple foreign countries. In the course of litigation, Plaintiffs submitted declarations of eight foreign law experts, and consulted with a number of others, including experts in the law of The

Netherlands, British Virgin Islands, Great Britain and Commonwealth countries and many European and Asian countries.

9. Although Plaintiffs had significant arguments in opposition to Citco with respect to all of the foregoing issues, and were and are confident of our position on these issues, Plaintiffs recognized that serious litigation risks existed, including that they could lose one or more of these issues at trial, or on appeal, and that there was a possibility that class members would obtain no recovery whatsoever.

10. In addition to significant risks of prevailing against the Citco Defendants' factual and legal defenses, Lead Counsel also considered the likely difficulty of actually recovering substantially more than \$125 million from the Citco Defendants after a successful trial and appeals. Such a judgment would have to be collected by means of execution in foreign countries from companies that are subject to foreign banking regulations and to potential intervention by government authorities. Moreover, it likely would have taken years to defend a judgment in post-trial and appellate proceedings and to enforce a judgment overseas. The Settlement, however, provides substantial and certain recovery now, as compared to uncertain recovery years in the future.

11. The Settlement was reached through mediation after six years of hard-fought litigation, as a result of which Lead Counsel were fully familiar with the issues, strengths and weaknesses of Plaintiffs' claims, among other things, having (i) litigated the initial motions to dismiss the SCAC, multiple motions to reargue the Court's decision on that motion and two motions and an appeal pertaining to class certification; (ii) having reviewed millions of pages of documents produced by Citco and other parties, and having conducted 30 depositions of Citco witnesses, as well as approximately 60 depositions of FG, PwC and third party witnesses;

and defending 18 depositions of Representative and other Named Plaintiffs; (iii) having worked thousands of hours with eight expert liability and damages witnesses to prepare expert reports, dissect the reports of Citco and PwC's 13 expert witnesses, and take and defend depositions of these experts; and (iv) having prepared three mediation statements, analyzed Citco's mediation submissions and met for three full day mediation sessions and conducted further extensive communications in connection with mediation.

12. Plaintiffs' claims against the PwC Defendants (PricewaterhouseCoopers LLP Canada and PricewaterhouseCoopers Accountants N.V.) (Netherlands) (collectively, "PwC") are not resolved by the Citco Settlement and will continue to be prosecuted. Lead counsel believe that the Citco Settlement is further beneficial in that it will simplify continued litigation of the Action and enable Plaintiffs to concentrate their efforts at trial against the PwC Defendants.

13. The Citco Settlement is the third partial settlement in this Action. The Court previously approved settlement of Plaintiffs' claims against the Fairfield Greenwich ("FG") Defendants (the "FG Settlement") and GlobeOp Financial Services LLC (the "GlobeOp Settlement"). Under the FG Settlement, \$50,250,000, less approved attorneys' fees and expenses, has been distributed to class members and additional contingent cash consideration of up to \$30,000,000 continues to be held in escrow. The Court approved the FG Settlement by Final Judgment and Order dated March 25, 2013 (Dkt No.1097), which was affirmed after Plaintiffs prevailed on three appeals, including one by the BLMIS Trustee who sought to seize the entire FG settlement fund. On November 22, 2013, the Court entered a Final Order approving the settlement of Plaintiffs' claims against GlobeOp (Dkt No. 1232) for \$5,000,000;

that amount less fees and expenses has been distributed to investors in the Domestic Funds, which were the only Funds to which GlobeOp provided services.

14. Lead Counsel estimate that the \$125,000,000 cash settlement is equivalent to approximately 3.8% of provable damages against Citco based on the claims submitted in the FG Settlement. It will add to the benefits that Citco Settlement Class members will receive from the FG and GlobeOp Settlements, and further recoveries from the Funds' bankruptcy and liquidation proceedings, and from the Madoff Victim Fund. It is, in our view, an excellent result given the certainty that continued litigation against Citco will entail years of delay, and the legal, factual and practical obstacles to any greater recovery.

15. Notice of the Citco Settlement was mailed to Citco Settlement Class Members on August 27, 2015. In addition, a summary notice was published in the international editions of *The Wall Street Journal* (excluding North America) on September 9 and 10, 2015 and was issued over *PR Newswire* worldwide on September 9, 2015. See accompanying Affidavit of Jason Rabe of Rust Consulting, Inc. dated September 29, 2015. Pursuant to 28 U.S.C. § 1715, Citco provided notice of the settlement to the appropriate State and Federal officials on August 17, 2015.

16. The last date to file objections to the proposed Settlement or the request for fees and expenses is October 16, 2015. To date, there have been no objections filed to the proposed settlement or to the request for fees and expenses.

17. The Settlement, if consummated, will provide an immediate cash benefit to the Settlement Class defined in the Stipulation, which counsel and the Representative Plaintiffs believe significantly outweighs the risks and certain delay of continued litigation against Citco.

18. Lead Counsel have prosecuted this Action on a fully contingent basis and have advanced or incurred all litigation expenses. The complex nature and broad scope of the facts and law underlying the violations alleged and the protracted proceedings for over six years required the investment of over 107,000 hours of attorney and paralegal time valued at over \$69.3 million. Lead Counsel compiled these hours from contemporaneous time records.

19. The fee application for 30% of the \$125,000,000 Settlement Fund is within the range of fees awarded in these types of actions and is entirely justified in light of the substantial benefits conferred on the Class, the exceptional risks undertaken, the quality of representation, and the nature and extent of legal services performed.

20. The 30% fee request represents a discount of over 30% to the uncompensated lodestar of Plaintiffs' Counsel for their work from inception of this Action through July 31, 2015.

21. Plaintiffs' Counsel also seek reimbursement from the Settlement Fund of \$4,438,320 in expenses incurred in prosecuting this Action through July 31, 2015. This amount includes costs associated with experts on merits, damages and foreign law issues, electronic hosting and reproduction of discovery materials, electronic research, scores of depositions taken and defended and the ultimately successful mediation efforts. These expenses were reasonably and necessarily incurred to successfully prosecute the Class claims and to obtain the Settlement.

22. Plaintiffs' Counsel have excluded from the requested reimbursement in excess of \$1.4 million in expenses that are directly related to the prosecution of this Action against the PwC Defendants, such as fees paid to consultants and experts with respect to the claims against PwC.

II. HISTORY OF THE ACTION

A. The Funds

23. The Funds invested virtually all their assets with BLMIS. These investments were lost because, as revealed in December 2008 when Madoff was arrested, BLMIS was operating a Ponzi scheme and the assets purportedly controlled by BLMIS did not exist. Citco acted as the administrator of Sentry beginning in October 1997, subsequently becoming the custodian of Sentry's assets and the administrator and custodian of Sigma and Lambda upon their formation in the 2000s. Citco also became the administrator of Greenwich Sentry, L.P. and Greenwich Sentry Partners, L.P, beginning in September 2006. Citco acted in those capacities until Madoff's arrest in December 2008.

B. The Action and Consolidation

24. Plaintiffs' claims against Citco are part of the consolidated *Anwar* class action, the first constituent action of which was filed on December 19, 2008, by plaintiffs Pasha S. Anwar and Julia Anwar, on behalf of themselves and all others similarly situated, in the Supreme Court of the State of New York, entitled *Anwar v. Fairfield Greenwich Group, et al.*, No. 603769/2008 ("*Anwar*"). On January 7, 2009, *Anwar* was removed by Defendants to this Court (Dkt No. 1).

25. On January 30, 2009 the Court consolidated the three then-pending related actions and appointed Boies, Schiller & Flexner LLP, Wolf Popper LLP, and Lovell Stewart Halebian Jacobson LLP as Interim Co-Lead Counsel to act on behalf of all Plaintiffs in the Action pursuant to Fed. R. Civ. P. 23(g)(3) (Dkt No. 40). Numerous other actions against Defendants were subsequently filed and consolidated under the *Anwar* action.

C. The Initial Consolidated Complaint

26. Lead Counsel conducted a detailed investigation of the facts, including the disclosures and statements made to investors in the Funds and the conduct of the various defendants in their duties in connection with the offering and management of the Funds. Among other things, Lead Counsel investigated Citco's relationship with the Funds, the Fairfield Greenwich Group, and Madoff; Madoff's role in the management and custody of the Funds' assets; and indicators of potential fraud in Madoff's investment advisory and asset management operation that were or should have been known to Citco and in many cases were not known to investors. Lead Counsel also consulted with foreign law experts and analyzed Citco's legal obligations and duties and the potential causes of action available to Plaintiffs.

27. On April 24, 2009, Lead Counsel filed the Consolidated Amended Complaint (the "Consolidated Complaint"), asserting common law claims under New York law against Citco (Dkt No. 116).

28. On May 11, 2009, Lead Counsel on behalf of their respective clients, filed a motion for appointment of lead plaintiff and approval of Lead Plaintiff's selection of lead counsel with respect to federal securities claims filed under the Private Securities Litigation Reform Act ("PSLRA"). Dkt Nos. 133-35, 154, 163.

29. On July 7, 2009, the District Court entered an order appointing certain of the Plaintiffs the Lead Plaintiff in the federal securities actions and approving their selection of Lead Counsel (Dkt No. 178).

30. On September 29, 2009, Plaintiffs filed the SCAC, which consolidated federal securities claims and claims against PwC and asserted claims in one consolidated complaint on behalf of a proposed class of investors in the two Domestic Funds and two off-shore funds

against the FG Defendants, PwC, Citco and GlobeOp (Dkt No. 273). Plaintiffs asserted claims against Citco in the SCAC for third- party beneficiary breach of contract (Count 20), breach of fiduciary duty (Count 21), gross negligence (Count 22), negligence (Count 23), aiding and abetting breach of fiduciary duty (Count 24), aiding and abetting fraud (Count 25), securities fraud under Sections 10(b) (Count 26) and 20(a) of the Securities Exchange Act of 1934 (Count 27). The SCAC alleged that investors in the Funds would have avoided their ultimate losses if the Citco Defendants had not breached their contractual and fiduciary duties and acted fraudulently or negligently in their capacities as administrators and custodians of the Funds. The claims asserted against Citco included investor and holder claims on behalf of all investors who held shares in the Funds and who suffered a net loss on their investments as of December 10, 2008.

D. Defendants’ Motions to Dismiss

31. On December 22, 2009, all Defendants moved to dismiss the SCAC, filing voluminous briefing and exhibits in support. Citco Fund Services (Europe) (the “Citco Administrator”) in its motion to dismiss (Dkt Nos. 330, 331) asserted multiple arguments including:

- a. Plaintiffs’ state law non-fraud claims were barred by the New York State Martin Act;
- b. Plaintiffs failed to allege facts sufficient to support a claim of fraud or gross negligence;
- c. Plaintiffs failed to adequately allege that Citco owed them a duty (fiduciary or otherwise), which is an essential element of breach of fiduciary duty, negligence and gross negligence claims;
- d. Plaintiffs’ claims were derivative and belonged to the Funds, and as such Plaintiffs were required either to make a demand on the Funds or plead facts demonstrating that such demand would be futile;

e. The New York State economic loss rule barred Plaintiffs' tort claims.

32. The Citco Defendants also filed separate memoranda on behalf of Brian Francoeur (Dkt No. 318), Citco Bank Nederland N.V. Dublin Branch and Citco Global Custody N.V. (the "Citco Custodian") (Dkt No. 340), Ian Pilgrim and Citco Fund Services (Bermuda) Limited (Dkt No. 334), and the Citco Group (Dkt Nos. 345, 346).

33. On March 23, 2010, Plaintiffs filed a 107-page opposition to all Defendants' motions to dismiss the SCAC (Dkt No. 418), as well as separate oppositions to the Citco motions (Dkt Nos. 419, 420). The principal opposition brief addressed the issues in common among defendants' motions, including Citco's motions. Plaintiffs also filed the affidavit of a foreign law expert. (Dkt No. 415).

34. On May 21, 2010, Citco filed Reply Memoranda in Further Support of its Motions to Dismiss (Dkt Nos. 453, 457, 458, 462, 464), and Plaintiffs subsequently filed a Sur-Reply Brief (Dkt No. 476).

35. On June 24, 2010, after Defendants' motion to dismiss the SCAC was fully briefed, the Supreme Court decided *Morrison v. Nat'l Australia Bank Ltd.*, 130 S. Ct. 2869 (2010), holding that only sales of securities in the United States or on U.S. exchanges could be challenged under U.S. securities laws. Defendants promptly raised the *Morrison* decision as a further ground for dismissing the SCAC and the parties submitted letter briefs on the application of *Morrison* (Dkt Nos. 500-02).

36. Additional detail on Lead Counsel's preparation of the SCAC and opposition to the Defendants' Motions to Dismiss is contained in the Joint Declaration of Lead Counsel in support of the FG Settlement, which is respectfully incorporated herein. See Dkt Nos. 1038 at ¶¶ 34-52, 54, 57.

E. The Court's Decisions on the Motions to Dismiss

37. In July and August 2010, the Court granted in part and denied in part Citco's motions to dismiss the SCAC. The July 29, 2010 Order, 728 F. Supp. 2d 354, rejected defendants' arguments that the Martin Act preempted all of Plaintiffs' common law claims except for fraud. The August 18, 2010 Order, 728 F. Supp. 2d 372, addressed the balance of the Citco Defendants' motion to dismiss arguments, ruling, *inter alia*, that (i) Plaintiffs' state law claims were not pre-empted by SLUSA (at 397-99); (ii) Plaintiffs had standing to bring direct actions against Citco, although the standing argument was "ripe for further factual development and is more properly decided at the class certification or summary judgment stage" (*Id.* at 400-02); (iii) Plaintiffs sufficiently set forth the factual bases for grouping certain of Citco Defendants together (*id.* at 422-23); (iv) the SCAC sufficiently alleged primary and control person federal securities liability (*id.* at 423-28); (v) Plaintiffs' federal securities claims were time-barred to the extent investments were made prior to January 12, 2004 (*id.* at 428); (vi) Plaintiffs' third-party beneficiary breach of contract claim could proceed against the Citco Administrator but not against the Citco Custodian (*id.* at 428-31); (vii) Plaintiffs' negligence, gross negligence, and negligent misrepresentation claims were sustained against the Administrator, but not against the Custodian (*id.* at 431-35); (viii) Plaintiffs' claims for breach of fiduciary duty, and aiding and abetting the breach of fiduciary duty and fraud were sustained (*id.* at 437-38); and (ix) Plaintiffs' holder claims were sustained (*id.* at 443-45). The Court deferred ruling on *Morrison* pending the development of a further factual record. *Id.* at 405. The Court dismissed the two individual Citco defendants.

38. The Court on July 27, 2011 denied defendants' motions to reargue the August 18, 2010 Order (800 F. Supp. 2d 571).

39. On August 6, 2012, the Court granted renewed motions by the Citco Defendants (and other Defendants) to dismiss all negligence-based claims made by initial investors in the Funds. 884 F. Supp. 2d 92. Plaintiffs thereafter amended the SCAC to add further allegations against the Citco Defendants, and on the basis of those amendments, the Court on May 13, 2014, reinstated Plaintiffs' negligence-based claims for initial investments against the Citco Defendants (Dkt No. 1267).

40. In May 2015, in response to a decision by the Second Circuit Court of Appeals in another Madoff feeder fund case concerning the application of SLUSA, *In re Kingate Management Ltd. Litig.*, 784 F.3d 128, Plaintiffs withdrew Count 25 of the SCAC (aiding and abetting fraud) against the Citco Defendants. Thereafter, the Citco and PwC Defendants filed renewed motions to dismiss Plaintiffs' remaining non-federal claims pursuant to SLUSA (Dkt No. 1386). Plaintiffs opposed that motion (Dkt No. 1387), which was *sub judice* at the time the Settling Parties signed a term sheet to settle Plaintiffs' claims against the Citco Defendants.³

F. Plaintiffs' Motion for Class Certification

41. On January 11, 2012, the Representative Plaintiffs served a motion for class certification requesting the Court to certify the Action as a class action and to appoint them as class representatives (Dkt Nos. 775-78). That motion was accompanied by six separate declarations of foreign law experts opining that various foreign jurisdictions were more likely than not to give full faith and credit to a U.S. class action judgment (Dkt Nos. 779-84).

³ On July 29, 2015, the Court entered an Order on the PwC Defendants' motion which dismissed Plaintiffs' claims of negligent misrepresentation and sustained Plaintiffs' claims of negligence. In the same decision, the Court sustained breach of fiduciary duty, negligence, and gross negligence claims asserted by plaintiffs in the consolidated Standard Chartered cases. 2015 U.S. Dist. LEXIS 100773. Thus, although it was not known by Plaintiffs at the time the settlement in principle with Citco was reached, all of Plaintiffs' claims, with the exception of negligent misrepresentation, likely would have survived Citco's renewed SLUSA motion.

42. Defendants, including Citco, sought extensive discovery in connection with the class certification motion, including from the proposed Representative Plaintiffs and additional non-class representative Named Plaintiffs who had joined the SCAC in an individual capacity.⁴

43. Plaintiffs opposed discovery of Named Plaintiffs other than the Representative Plaintiffs and the parties exchanged letter briefs before Magistrate Judge Theodore Katz on Defendants' entitlement to take discovery of the non-Representative Plaintiffs.

44. At a hearing on April 19, 2011, Judge Katz ordered that Defendants be limited to identifying twenty non-Class Named Plaintiffs to respond to paper discovery. Plaintiffs subsequently agreed to produce five of those twenty Named Plaintiffs for deposition. All told, 18 depositions of Representative Plaintiffs and Named Plaintiffs were defended by Lead Counsel.

45. Following the extensive discovery on class certification issues, all defendants, including Citco, opposed the Motion for Class Certification, filing a joint brief in opposition, as well as separate opposition briefs and voluminous exhibits on January 13, 2012 (filed under seal). Included in the opposition papers were affidavits submitted by 13 foreign law experts opining that certain foreign jurisdictions were not likely to give full faith and credit to a U.S. class action judgment.

46. Defendants, including Citco, in opposing class certification, repeated many of the same arguments as on the motion to dismiss, including that certain of Plaintiffs' claims were derivative and belonged to the Funds. In addition, Citco argued that (i) individual issues

⁴ Because it was uncertain at various times whether the court would certify a class (or the composition of that class), and whether the statute of limitations would have run against investors if a class was not certified (or if those investors were not members of the certified class), Lead Counsel encouraged absent Class Members to join the action as non-representative Named Plaintiffs. Thus, an additional 300 Named Plaintiffs were joined as plaintiffs in the SCAC, and by so ordered stipulations among the parties. *See* Dkt Nos. 597, 600, 611, and 1169.

of reliance and damages precluded class certification; and (ii) individual issues precluded certification of fiduciary duty or negligence claims.

47. On April 27, 2012, the Class Representatives filed reply submissions in further support of class certification (filed under seal). Defendants were permitted to file a Sur-Reply dated May 29, 2012 (filed under seal).

48. In a Decision and Order on February 25, 2013 (289 F.R.D. 105), this Court certified a litigation class consisting of investors who had asserted claims against Citco and the other defendants as follows:

All shareholders/limited partners in Fairfield Sentry Limited, Fairfield Sigma Limited, Greenwich Sentry, L.P. and Greenwich Sentry Partners, L.P. as of December 10, 2008 who suffered a net loss of principal invested in the Funds.⁵

The Court also appointed Plaintiffs' Lead Counsel to serve in that capacity.

49. On March 11, 2013, the Citco, PwC and GlobeOp Defendants filed motions pursuant to Fed. R. Civ. P. 23(f) with the Second Circuit Court of Appeals seeking interlocutory review of the February 25, 2013 Order. Because the FG Defendants had agreed by that time to a settlement in principle, they did not appeal, and GlobeOp later withdrew its motion after agreeing to a settlement. The Second Circuit granted the Citco and PwC motions pursuant to Rule 23(f) and the appeal proceeded.

50. On June 19, 2014, the Court of Appeals vacated the District Court's class certification order and remanded for additional factual findings. 570 F. App'x 37 (2d Cir. 2014). On August 1, 2014, Plaintiffs renewed their class certification motion against the Citco and PwC Defendants (filed under seal). The Citco and PwC Defendants opposed that motion.

⁵ The class certification decision excluded from the litigation class investors from certain foreign countries.

In an order and opinion dated March 3, 2015, this Court made additional factual findings and further addressed legal issues, again finding that the class should be certified (306 F.R.D. 134).

51. On March 16 and 17, 2015, the PwC and Citco Defendants, respectively, again filed motions pursuant to Fed. R. Civ. P. 23(f) with the Second Circuit seeking interlocutory review of the March 3, 2015 class certification order. The Citco Defendants' motion was still pending when, on July 20, 2015, Citco and Plaintiffs signed a term sheet agreeing to the instant Settlement.

52. The PwC Defendants' Rule 23(f) motion is still pending in the Court of Appeals and the Citco Defendants' motion is being held in abeyance pending this Court's decision on approval of this Settlement (orders dated August 12 and 14, 2015; Second Circuit Dkt No. 15-806).

G. Merits Discovery

53. Upon substantial denial of the motions to dismiss, the parties engaged in extensive merits discovery. Among other things, the parties exchanged their initial disclosures pursuant to Rule 26(a), and Plaintiffs served requests for the production of documents on the defendants.

54. Plaintiffs engaged in extensive negotiations with defense counsel (including Citco's counsel) concerning the scope, timing and procedure for the production of documents, including the search terms to be used in conducting electronic discovery.

55. Defendants subsequently produced, and Plaintiffs' Counsel reviewed, more than nine million pages of documents, produced by defendants and non-parties. Plaintiffs' Lead Counsel reviewed and produced to defense counsel more than 75,000 pages of documents on behalf of the Representative Plaintiffs and other Named Plaintiffs.

56. Because of the volume of defendants' document production, Plaintiffs' Counsel established an electronic database with an outside vendor that allowed Plaintiffs' Counsel to review, code, organize, search, and retrieve the documents electronically. Examination and analysis of the documents required a massive effort by teams of attorneys to review the millions of pages of documents, to analyze, code, and organize them, to identify the documents that proved Plaintiffs' allegations, to identify relevant witnesses, and to establish and execute procedures to identify and ascertain additional necessary information.

57. Through the completion of merits discovery in 2013, Plaintiffs conducted or participated in approximately ninety depositions of defendants and third-party witnesses, including approximately 30 depositions of Citco witnesses.

58. Defendants learned in discovery that Citco had serious suspicions that Madoff was operating an illegal enterprise and was frustrated by its inability to verify the existence of Fund transactions and assets as reported by Madoff. Notwithstanding these concerns, Citco failed to investigate further, such as by verification with independent third parties. Nor did Citco resign from its lucrative retention.

59. Plaintiffs continually pressed Citco on discovery. Among other things, on May 28, 2013, Plaintiffs filed a letter brief seeking to compel Citco to produce documents relating to Renger Boonstra, who served as general counsel of the Citco Administrator, but was not admitted to the practice law in the Netherlands. On July 8, 2013, following briefing and submission of expert affidavits on Dutch law, Magistrate Judge Frank Maas entered an order compelling Citco to produce Boonstra's documents. After further briefing, this Court affirmed Judge Maas's order on November 8, 2013. Citco also filed an unsuccessful mandamus petition to the Second Circuit. *See* Dkt No. 1268. The Boonstra documents, and his continued

deposition that Plaintiffs thereby obtained, provided significant confirmatory evidence of Citco's culpability.

H. Expert Discovery

60. After the completion of merits discovery, Plaintiffs submitted reports from expert witnesses on issues relating to the Citco Defendants' liability⁶ and an expert report on damages.⁷ Plaintiffs' experts opined that it was industry practice for administrators and custodians to obtain data from independent sources to verify occurrence of trades and the existence of assets; and that in the absence of Citco's ability or willingness to obtain such information from parties other than Madoff, Citco should have resigned as administrator of the Funds and custodian of the Funds' assets. Plaintiffs' experts further opined that the information available to Citco was sufficient to demonstrate "manifest error" and that Citco acted in reckless disregard of known facts.

61. Plaintiffs' experts opined that the information that Madoff provided to Citco concerning the Funds' purported transactions and holdings was replete with errors from which a diligent administrator or custodian would have suspected fraud. Plaintiffs' experts concluded that Citco's conduct fell far below industry standards and contractual requirements.

62. Citco submitted reports from seven experts on liability issues, one expert on damages and one expert on foreign law.⁸ Citco's experts opined generally that Citco had no duty by virtue of its agreements with the Funds to verify information provided by third parties (including Madoff) in the absence of manifest error and that the financial information available

⁶ Plaintiffs' liability experts were Tanya Beder, Glenn Sloat, Anthony J. Leitner and Howell E. Jackson.

⁷ Plaintiffs' damages expert report was Marianne DeMario.

⁸ Citco's liability experts were Boris Onefator, David K.A. Mordecai, Hans-Juergen Petersen, Joseph P. Belanger, Louis J. Freeh, Raymond O'Neill, and Steve Thel. Citco's damages expert was Paul Gompers. The foreign law expert was Elizabeth Anne Weaver.

to Citco did not evidence manifest error. Citco's experts further opined that it was accepted industry practice for Citco to have relied on information provided to it by Madoff and the FG Defendants, and by the PwC Defendants in the form of their annual "clean" audits of the Funds' financial statements. Citco's experts (including Louis J. Freeh, a former director of the FBI and former federal court judge) opined that Citco was exonerated because the SEC had been unable to determine that Madoff was operating a Ponzi scheme, even though it had subpoena power, had received substantial information casting suspicion on Madoff's legitimacy and had interviewed Madoff, and deposed and interviewed other persons.

63. Citco's damage expert opined, among other things, that because Plaintiffs' experts had only concluded that Citco should have resigned as administrator and custodian, Plaintiffs had not sufficiently demonstrated loss causation because other administrators or custodians would have stepped in to act in those capacities.

64. Plaintiffs, in response, submitted two rebuttal reports from additional experts (Steven P. Feinstein and Robert J. Lindquist) and five rebuttal reports from their previously designated experts. All seven of Plaintiffs' experts and all eight of Citco's liability and damages experts were deposed at length in expert discovery. Plaintiffs and the PwC Defendants also exchanged expert reports on liability and damages issues and conducted depositions of each other's experts.

I. Summary Judgment and Trial

65. On April 22, 2015, the Court entered an Order that scheduled September 1, 2015 as the deadline for the parties to file summary judgment motions and set January 4, 2016 as the date for commencement of trial of the Action. Other dates were scheduled for filing of *Daubert* motions, motions *in limine*, and a Pre-Trial Order (Dkt No. 1368). If not for the

Settlement, the Citco Defendants would have filed *Daubert* motions seeking to limit or exclude Plaintiffs' expert witnesses, and summary judgment motions and motions *in limine* seeking dismissal or the limitation of the remaining Counts against them in the SCAC.⁹

II. SETTLEMENT NEGOTIATIONS, STIPULATION AND PRELIMINARY APPROVAL ORDER

A. Negotiations

66. Beginning in August 2013, at the suggestion of the Court and with the assistance of retired U.S. District Judge Layn Phillips, a highly experienced mediator, Plaintiffs and the Citco Defendants engaged in extensive arm's-length negotiations, including three separate full-day meetings conducted over a two year period. In addition, Judge Phillips spoke repeatedly to the parties, and counsel engaged in numerous communications, including meeting in person. During the mediation process, Judge Phillips made a mediator's proposal that was ultimately accepted by the parties.

67. On July 20, 2015, the Settling Parties signed a term sheet agreeing to fully and finally settle the Action as against the Citco Defendants for \$125 million. On August 12, 2015 the parties executed the Stipulation which formalized the settlement terms.

B. The Stipulation of Settlement and Preliminary Approval

68. On August 12, 2015, the Settling Parties filed the Stipulation of Settlement providing for the settlement of all claims asserted against Citco in this Action (Dkt No. 1398), and a letter request for preliminary approval of the Settlement. On August 13, 2015, the Court entered a Preliminary Approval Order providing for class notice and scheduling a hearing to consider final approval of the Settlement for November 20, 2015 (Dkt No. 1402).

⁹ By Order dated August 28, 2015 (Dkt No. 1406), the date to file motions for summary judgment and certain other dates were extended because of the continued pendency of the PwC Defendants' Rule 23(f) Petition in the Second Circuit; the trial date of January 4, 2016 was not changed.

69. The Preliminary Approval Order appointed Rust Consulting, Inc. as the Claims Administrator and directed the mailing of Notice and Proof of Claim forms, the publication of Summary Notice in the international editions of *The Wall Street Journal* (excluding North America) and issuance of a press release globally (including North America) over *PR Newswire*.

70. The Notice was mailed to over 4000 potential Settlement Class members by the Claims Administrator on August 27, 2015. The Summary Notice was published in the international editions of *The Wall Street Journal* on September 9 and 10, 2015 and over *PR Newswire* (worldwide) on September 9, 2015. The mailed Notice provided investors with detailed information with respect to the proposed Citco Settlement, and the request of Plaintiffs' Counsel for payment of fees and expenses. Among other things, Class Members were advised of the dates to request exclusion from the Class (October 16, 2015), to object to the proposed Settlement or fee and expense requests (October 16, 2015) and to file a Proof of Claim (December 28, 2015).

71. Being filed herewith is the Affidavit of Mailing of Jason Rabe of Rust Consulting, dated September 29, 2015, attesting to the mailing and publication of the Notice and Summary Notice pursuant to the Preliminary Approval Order.

72. To date, Lead Counsel have received no objections to the proposed Citco Settlement or requests for exclusion from the Class. The Preliminary Approval Order directs that Lead Counsel respond to objections no later than November 6, 2015. Lead Counsel will address any objections at that time, if necessary.

C. Terms of the Stipulation

73. Pursuant to the terms of the proposed Settlement, Citco paid \$125,000,000 into the Citco Settlement Fund on September 18, 2015. If the Settlement is approved, these funds (less Court-approved attorneys' fees and reimbursement of expenses) will be paid to the Citco Settlement Class pursuant to the Plan of Allocation. The Citco Settlement Class is defined in the Stipulation ¶ 11h to include "all persons who were beneficial owners of shares or limited partnership interests in the Funds as of December 10, 2008 (whether as holders of record or traceable to a shareholder or limited partners account of record), who suffered a Net Loss of principal invested in the Funds."

74. In addition to amounts that they will receive under the Citco Settlement, eligible Settlement Class Members will have received distributions from the FG and GlobeOp settlements; investors in the Domestic Funds have received distributions from the bankruptcy proceedings for those funds; and investors in the off-shore funds are likely to receive additional cash distributions from the liquidation proceedings in those funds.

75. In addition, class members will receive additional recoveries from the Madoff Victim Fund. In December 2012, the U.S. Department of Justice appointed Richard C. Breeden to serve as its Special Master in administering the distribution of approximately \$2.35 billion in forfeitures that had been obtained by the United States Attorney's Office for the Southern District of New York in cases related to the Madoff Ponzi scheme. On January 7, 2014 the U.S. Attorney announced an additional \$1.7 billion would be paid to the Madoff Victim fund from the settlement of criminal charges against JPMorgan Chase Bank, N.A. relating to the bank's nearly 20 year period as banker for Madoff Securities.

76. The Madoff Victim Fund announced in May 2015, in an update on its website

(<http://www.madoffvictimfund.com>) that initial claims of \$77.3 billion had been filed against the Fund, but that approximately \$18.5 billion of these claims already had been determined to be ineligible. The maximum eligible claims under the Madoff Victim Fund are estimated to be \$58.8 billion and with current Fund assets of \$4.05 billion, the minimum proration would be approximately 6.9%.

77. The Citco Settlement provides for a court order barring the Non-Settling Defendants and other similarly situated Persons from asserting claims for contribution, indemnification or other similar claims against Citco and other Released Parties. In light of the release of these potential claims against Citco, the Stipulation provides, as is required by the PSLRA and New York law, that any judgment obtained against the PwC Defendants “shall be reduced, to the extent permitted by applicable law, by the greater of (i) the amount that corresponds to the percentage of responsibility attributed to the [Citco Defendants]; or (ii) the gross monetary consideration provided to such Representative Plaintiff or other Citco Settlement Class Member or Members pursuant to this Settlement.” *See* Stipulation, ¶ 19. Provisions of this nature are customary and were approved by this Court in entering the Final Judgments for the FG and GlobeOp Settlements. *See* Dkt Nos. 1097, 1232.

78. The Stipulation contains provisions that are intended to ensure that the Settlement here will have no effect on pending or potential derivative or direct claims being prosecuted by or on behalf of the Funds against Citco. Paragraph 4 of the Stipulation provides that the Citco Defendants cannot seek indemnification or contribution from the Funds for costs incurred in the *Anwar* litigation or for the Settlement payment. Paragraph 4 also states that it does not preclude the Citco Defendants from arguing that the settlement proceeds in this case are an offset against claims that may be made against them in other proceedings.

79. Paragraph 16 of the Stipulation further provides:

This release does not include any claims asserted or which may be asserted by the Funds, or the pending (though dismissed) derivative litigation brought in connection with the Funds; provided, however, that to the extent that any such claims have been or may be asserted, nothing in this paragraph or any provision herein shall prevent the Released Parties from asserting any defenses or raising any argument as to liability or damages with respect to such claims or, with the exception of the provisions of paragraph 4, prevent the Released Parties from asserting any rights, remedies or claims against the Funds or in the pending (though dismissed) derivative litigation.¹⁰

80. These provisions have been incorporated into the proposed Final Judgment and Order of Dismissal (Dkt No. 1398-5 at ¶¶ 16 and 19).

D. Citco's Right to Terminate the Settlement

81. Under the Stipulation, Citco Settlement Class Members may request exclusion from the Settlement on or before October 16, 2015.

82. The Stipulation provides for a customary “blow” provision that allows Citco to terminate the Settlement in the event that Settlement Class Members with aggregate Net Losses above a certain threshold request exclusion, since Citco did not want to settle Plaintiffs’ claims for substantial consideration and still be subject to continuing litigation by investors with substantial losses who may opt-out of the Settlement Class.

¹⁰ By letter dated August 21, 2015, the New Greenwich Litigation Trustee, LLC, as Successor Trustee of the Greenwich Sentry and Greenwich Sentry Partners Litigation Trusts, sought to intervene in this Action for purposes of objecting to ¶ 4 of the Stipulation on grounds that it somehow prejudiced the Trustee’s rights in pending (albeit dismissed) litigation against Citco. By Decision and Order on September 15, 2015, this Court denied the motion, holding that the Trustee’s arguments were “speculative and thus not sufficient to demonstrate formal legal prejudice.” (Dkt No. 1413 at 6). Lead Counsel confirm in this motion and will reconfirm at the Final Hearing that nothing in the Stipulation was intended to prejudice whatever rights the Trustee has in litigation with Citco, or to take any position on whether there are any offset effects of the Settlement on any other claims.

83. Lead Counsel anticipate a number of exclusion requests may be filed by members of a group pursuing litigation against Citco in The Netherlands; to date, two requests have been received.

E. Plaintiffs' Percentage Recovery from the Settlement

84. In connection with the FG Settlement, some 2,960 Settlement Class Members filed Claim Forms aggregating to \$3,265,638,105 of Net Losses. Citco Settlement Class Members can elect to utilize the information that they submitted on FG Claim Forms to participate in the Citco Settlement, as long as they confirm its accuracy and sign the Citco Release. In the event that Settlement Class members with Net Losses of \$3,265,638,105 file claims in this Settlement, the proration, prior to payment of attorneys' fees or expenses, would be approximately 3.8%. If the Court approves the requested attorneys' fees and expenses, and assuming the same claims amount, the minimum net proration recovery would be approximately 2.5%

85. Any amounts received by Settlement Class Members from continued proceedings against the PwC Defendants, from the FG Settlement Escrow Fund, and from liquidation and bankruptcy proceedings concerning the Funds, as well as distributions from the Madoff Victim Fund, would be in addition to the foregoing amounts from the Citco Settlement.

III. REASONS FOR THE SETTLEMENT

86. All seven Plaintiffs and all of Plaintiffs' Lead Counsel, who have extensive experience in securities and complex shareholder class-action litigation, believe that the Settlement is fair, reasonable and adequate. Among other factors, the Settlement provides the Settlement Class with real and certain benefits now and eliminates the risk of obtaining no additional recovery after still more years of uncertain litigation, including disposition of class

certification appeals, a hotly contested trial, likely appeals and potential difficulties of collecting a judgement. *See, e.g.*, ¶¶ 9-10, *supra*. In addition, by reducing the number of defendants and defense counsel in the litigation, and the factual and legal issues in dispute, the Settlement will enhance Plaintiffs' ability to successfully litigate the remaining claims against the PwC Defendants.

87. Cornerstone Research, a well-known firm that studies securities class actions, in its Securities Class Action Settlements 2014 Review and Analysis,¹¹ estimated that median settlements as a percentage of "estimated damages" for 2014 was 2.2% and ranged for 2005 through 2014 between a high of 3.1% to a low of 1.8%. *Id.* at 8. Cornerstone also concluded that cases with larger "estimated damages" statistically settle for a lower percentage of "estimated damages," and that from 2005-14, the median settlement percentage in cases with estimated damages of between \$1 billion and \$4.999 billion was 1.1%. *Id.* at 9. The Cornerstone data only takes into account settlements, and does not consider the large number of cases that are dismissed with no recoveries for the plaintiff class. The settlement amounts used by Cornerstone in its studies are amounts prior to deduction of attorneys' fees and expenses.

88. Here, excluding the \$5 million GlobeOp settlement which related only to the Domestic Funds, recoveries from the FG Settlement (\$50 million, excluding \$30 million held in escrow) and the Citco settlement (\$125 million) total 5.4% of the \$3,265,638,105 in claims approved in the FG Settlement. This is in addition to actual and anticipated recoveries in bankruptcy and liquidation proceedings, the Madoff Victim Fund, or from the remaining PwC claims. Thus, notwithstanding all of the challenges and complexities of this Action, Plaintiffs

¹¹ Available at <http://securities.stanford.edu/research-reports/1996-2014/Settlements-Through-12-2014.pdf>.

have achieved a recovery that is about five times the median recovery in other actions with estimated damages in a comparable range.

89. For these, and a variety of other reasons, Plaintiffs' Lead Counsel determined, based on their assessment of the legal, factual and practical risks of continuing the Action against Citco, proving their claims at trial, sustaining a judgment on appeal and actually collecting damages from Citco, that the proposed settlement is in the best interests of the Settlement Class.

IV. THE PLAN OF ALLOCATION

90. Pursuant to the Order Preliminarily Approving Settlement and Providing for Notice of Proposed Settlement entered by this Court on August 13, 2015, and as set forth in the Notice of Proposed Partial Settlement of Class Action and Settlement Fairness Hearing (at 8), all Class Members who wish to participate in the distribution of the Citco Settlement Fund must submit a valid Proof of Claim form so that it is received by the Claims Administrator no later than December 28, 2015.

91. Under the Plan of Allocation, the Net Loss for each Settlement Class Member who submits a valid Proof of Claim is the Net Loss of principal with respect to each Fund. Net Loss is defined in the Plan of Allocation as "the total cash investment made by a Claimant in a Fund, directly or indirectly through one or more intermediaries, less the total amount of any redemptions or withdrawals or recoveries by that Claimant from or with respect to the same Fund." If approved, the Plan of Allocation will govern how the proceeds of the Net Settlement Fund will be distributed among Class Members who submit timely, valid Proof of Claim forms.

92. Each Settlement Class Member will receive as their share of the Net Settlement Fund the percentage amount derived from dividing such member's Net Loss by the aggregate Net Loss of all Settlement Class Members.

93. Lead Counsel submit that the Plan of Allocation is fair, reasonable, and adequate and should be approved by the Court.

V. LEAD COUNSEL'S APPLICATION FOR ATTORNEYS' FEES AND REQUEST FOR REIMBURSEMENT OF EXPENSES IS REASONABLE

A. Request for Attorneys' Fees and Reimbursement of Expenses

94. The Class Notice informed Settlement Class Members that Plaintiffs' Lead Counsel would ask the Court to approve payment from the Settlement Fund of attorneys' fees of up to 30% of the Settlement Fund and for reimbursement of expenses that were advanced by Plaintiffs' Counsel relating to litigation of the claims against Citco not to exceed \$5,500,000. Excluded from Plaintiffs' expense request are those expenses relating directly to the remaining PwC claims, such as fees related to accounting expert testimony. To date, Plaintiffs have received no objections to the fee and expense request.

95. The attorneys' fees and expenses requested represent payment to Plaintiffs' Lead Counsel and other counsel involved in the Action for their efforts in achieving this Settlement and the risk in undertaking this representation on a wholly contingent basis. Since the case began in 2008, Plaintiffs' Counsel have undertaken enormous work necessary to prepare the case against Citco for trial.

96. Because the legal and factual issues with respect to Plaintiffs' claims were litigated in a single consolidated action, Plaintiffs' Counsel did not keep separate time records by defendant. Lead Counsel believe, however, that a great percentage of the work expended on the Action since its inception contributed to the resolution of the claims against Citco, and that

most of the work on the case could not feasibly be separately allocated to the claims against a particular defendant. During this time, Lead Counsel have, *inter alia*: (i) conducted an extensive investigation of public and non-public information with respect to the Class' claims including the claims against Citco; (ii) prepared initial complaints, the Consolidated Amended Complaint, and the subsequent SCAC; (iii) overcome in large part Citco's motions to dismiss the SCAC; (iv) served and responded to discovery demands, including third party subpoenas; (v) conducted discovery and review of millions of documents produced by Defendants; (vi) responded to detailed interrogatories served on the Representative Plaintiffs and some 20 additional Named Plaintiffs, (vi) conducted approximately 90 depositions of persons affiliated with Defendants and non-party witnesses, including some 30 depositions of Citco witnesses, and defended 18 depositions of Representative and other Named Plaintiffs; (vii) successfully litigated twice the class certification motion; (viii) briefed three motions by Defendants to reargue denial of dismissal of the SCAC; (ix) participated with defense counsel in dozens of meet and confer sessions with respect to document, deposition, and other aspects of discovery; (x) prepared letter-briefs and argued to Magistrate Judges Katz and Maas multiple discovery disputes, including prevailing on the novel Boonstra motion to compel; (xi) retained and consulted with experts on investment fund administration and damages, and assisted in the preparation of expert reports, and as well as analyzing Defendants' expert reports and conducting and defending extensive expert depositions; (xii) successfully negotiated the settlement with Citco and (xiii) otherwise vigorously represented the interests of putative class members in this extraordinarily complex dispute.

97. Accompanying this Joint Declaration as Exhibits A through C are lodestar and expense charts for Boies, Schiller & Flexner LLP, Wolf Popper LLP, and Lovell Stewart

Halebian Jacobson LLP, respectively, through July 31, 2015, the approximate date on which the Settling Parties signed an agreement in principle. We individually attest to the accuracy of our respective law firm's records. These charts provide the lodestar of the respective firm at their standard hourly rates at the time this application is being made. The hours and lodestar of Lead Counsel, in the aggregate, equals 107,798 and \$69,376,217, respectively (*see* Exhibit D).

98. In connection with the FG Settlement, by order entered March 27, 2013, this Court previously awarded Plaintiffs' Counsel attorneys' fees of \$12,562,500 and reimbursement of \$1,279,242 in expenses incurred through July 31, 2012 (Dkt No. 1099). In a separate order dated November 22, 2013 (Dkt No. 1233), the Court awarded a fee of \$1,250,000 and expenses of \$19,825.42 in connection with the GlobeOp settlement.

99. The \$37.5 million fee request is thus less than 70% percent of Lead Counsel's combined unreimbursed lodestar of \$55,563,717 (excluding the lodestar of non-Lead Counsel).

100. The fee application for 30% of the \$125,000,000 Citco Settlement Fund is well within the range of fees awarded in these types of actions and is entirely justified in light of the substantial benefits conferred on the Class, the exceptional risks undertaken, the quality of representation, and the nature and extent of legal services performed.

101. Lead Counsel also are requesting reimbursement of \$4,438,320 in unreimbursed expenses relating to the prosecution of the claims against Citco. These expenses consist primarily of deposition expenses, including transcripts, video recordings, and travel expenses incurred subsequent to July 31, 2012 and attributable to the claims against Citco. The expenses for which reimbursement is requested are detailed in Exhibits A-C and aggregated in Exhibit D.

102. Plaintiffs' Counsel made every reasonable attempt to allocate the work among them, working closely to avoid duplication of effort and to ensure efficient prosecution. They also worked to limit expenses.

103. Plaintiffs' Counsel may seek additional attorneys' fees at a later date based on future recoveries.

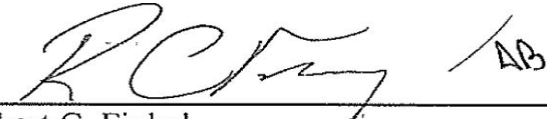
VI. CONCLUSION

104. Lead Counsel submit that this is an excellent settlement taking into consideration all of the circumstances. We respectfully request the Court to approve the Citco Settlement as fair, reasonable, and adequate to the Citco Settlement Class and approve the requested attorneys' fees and expenses.

Dated: October 1, 2015



David A. Barrett



Robert C. Finkel



Victor E. Stewart