

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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ANWAR, et al.,

Plaintiffs,

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

-against-

FAIRFIELD GREENWICH LIMITED, et al.,

Defendants.

This Document Relates To: All Actions

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**ANSWER AND AFFIRMATIVE DEFENSES OF
DEFENDANT CITCO FUND SERVICES (BERMUDA) LIMITED**

Defendant Citco Fund Services (Bermuda) Limited (“CFSB”), by and through undersigned counsel, hereby files this Answer and Affirmative Defenses to the Second Consolidated Amended Complaint (“SCAC”).

1. CFSB denies the allegations set forth in paragraph 1 of the SCAC.
2. CFSB denies the allegations set forth in paragraph 2 of the SCAC.
3. CFSB denies the allegations set forth in paragraph 3 of the SCAC.
4. CFSB denies the allegations set forth in paragraph 4 of the SCAC.
5. CFSB admits only that at least one plaintiff is a citizen of a foreign state. CFSB denies the remaining allegations set forth in paragraph 5 of the SCAC.
6. CFSB denies the allegations set forth in paragraph 6 of the SCAC.
7. CFSB denies the allegations set forth in paragraph 7 of the SCAC.
8. CFSB denies the allegations set forth in paragraph 8 of the SCAC.

1. - 116.¹ CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraphs 1 through 116 of the SCAC, and therefore denies same.

117. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 117 of the SCAC, and therefore denies same.

118. CFSB admits only that FGL is a company incorporated under the laws of the Cayman Islands and that FGL served as Placement Agent for Fairfield Sentry and Fairfield Sigma, Investment Manager of Fairfield Sentry, and was the General Partner of Greenwich Sentry. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 118 of the SCAC, and therefore denies same.

119. CFSB admits only that FGBL is a corporation organized under the laws of Bermuda and that FGBL served as Investment Manager and Investment Advisor for Fairfield Sigma and was the General Partner of Greenwich Sentry and Greenwich Sentry Partners. CFSB denies that “Citco” (as that term is defined in the SCAC) calculated the monthly NAV. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 119 of the SCAC, and therefore denies same.

120. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 120 of the SCAC, and therefore denies same.

121. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 121 of the SCAC, and therefore denies same.

122. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 122 of the SCAC, and therefore denies same.

¹ On page 4 of the SCAC, plaintiffs have restarted the numbering of the paragraphs of the SCAC from number 1.

123. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 123 of the SCAC, and therefore denies same.

124. CFSB admits only that Walter M. Noel, Jr. was a director of Fairfield Sentry and Fairfield Sigma. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 124 of the SCAC, and therefore denies same.

125. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 125 of the SCAC, and therefore denies same.

126. CFSB admits only that Andres Piedrahita is a Director and President of FGBL. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 126 of the SCAC, and therefore denies same.

127. CFSB admits only that Amit Vijayvergiya was President of FGBL. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 127 of the SCAC, and therefore denies same.

128. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 128 of the SCAC, and therefore denies same.

129. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 129 of the SCAC, and therefore denies same.

130. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 130 of the SCAC, and therefore denies same.

131. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 131 of the SCAC, and therefore denies same.

132. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 132 of the SCAC, and therefore denies same.

133. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 133 of the SCAC, and therefore denies same.

134. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 134 of the SCAC, and therefore denies same.

135. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 135 of the SCAC, and therefore denies same.

136. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 136 of the SCAC, and therefore denies same.

137. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 137 of the SCAC, and therefore denies same.

138. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 138 of the SCAC, and therefore denies same.

139. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 139 of the SCAC, and therefore denies same.

140. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 140 of the SCAC, and therefore denies same.

141. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 141 of the SCAC, and therefore denies same.

142. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 142 of the SCAC, and therefore denies same.

143. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 143 of the SCAC, and therefore denies same.

144. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 144 of the SCAC, and therefore denies same.

145. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 145 of the SCAC, and therefore denies same.

146. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 146 of the SCAC, and therefore denies same.

147. Paragraph 147 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 147 of the SCAC.

148. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 148 of the SCAC, and therefore denies same.

149. CFSB denies the allegations set forth in paragraph 149 of the SCAC.

150. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 150 of the SCAC, and therefore denies same.

151. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 151 of the SCAC, and therefore denies same.

152. Paragraph 152 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 152 of the SCAC.

153. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 153 of the SCAC, and therefore denies same.

154. CFSB admits only that PwC Canada was the auditor for the Funds. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 154 of the SCAC, and therefore denies same.

155. CFSB admits only that PwC Netherlands was the auditor for Fairfield Sentry, Fairfield Sigma and Greenwich Sentry. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 155 of the SCAC, and therefore denies same.

156. CFSB denies the allegations set forth in paragraph 156 of the SCAC.

157. CFSB admits only that Citco Fund Services (Europe) B.V. (“CFSE”) is incorporated in The Netherlands, that CFSE served as administrator, registrar, and transfer agent for Fairfield Sentry and Fairfield Sigma and that CFSE served as administrator for Greenwich Sentry and Greenwich Sentry Partners. CFSB denies plaintiffs’ characterizations of CFSE’s responsibilities to the extent that they exceed the scope of or are inconsistent with the Administration Agreements that govern the respective relationships between CFSE and the Funds.² CFSB denies the remaining allegations set forth in paragraph 157 of the SCAC.

158. CFSB admits only that Citco (Canada) Inc. (“CCI”) is a corporation organized under the laws of Canada with its principal place of business in Toronto, Ontario and that CFSE delegated to CCI certain administrative responsibilities subject to the terms and conditions of the Administration Agreements. CFSB denies plaintiffs’ characterizations of CCI’s responsibilities to the extent that they exceed the scope of or are inconsistent with the Administration

² CFSE entered into agreements titled “Administration Agreement” with Fairfield Sentry, Fairfield Sigma, Greenwich Sentry, and Greenwich Sentry Partners including as follows: Fairfield Sigma Administration Agreement, dated February 20, 2003; Fairfield Sentry Administration Agreement, dated February 20, 2003; Greenwich Sentry Administration Agreement, dated August 10, 2006; Greenwich Sentry Partners Administration Agreement, dated August 10, 2006. Such agreements are referred to as the “Administration Agreements.”

Agreements that govern the respective relationships between CCI and the Funds. CFSB denies the remaining allegations set forth in paragraph 158 of the SCAC.

159. CFSB admits only that Citco Global Custody N.V. (“CGC”) is incorporated in The Netherlands and that CGC has served as custodian and depository for Fairfield Sentry and as custodian for Fairfield Sigma. CFSB denies plaintiffs’ characterizations of CGC’s responsibilities to the extent that they exceed the scope of or are inconsistent with the Custodian Agreements that govern the respective relationships between CGC and Fairfield Sentry and Fairfield Sigma.³ CFSB denies the remaining allegations set forth in paragraph 159 of the SCAC.

160. CFSB admits only that Citco Bank Nederland N.V. Dublin Branch (“CBN”) is incorporated in The Netherlands and that CBN has served as bank and custodian for Fairfield Sentry and as bank for Fairfield Sigma. CFSB denies plaintiffs’ characterizations of CBN’s responsibilities to the extent that they exceed the scope of or are inconsistent with the Custodian Agreements that govern the respective relationships between CBN and Fairfield Sentry and Fairfield Sigma. CFSB denies the remaining allegations set forth in paragraph 160 of the SCAC.

161. CFSB admits only that it is a corporation organized under the laws of Bermuda with its principal place of business in Hamilton, Bermuda and that it employed Ian Pilgrim and Brian Francoeur. CFSB denies the remaining allegations set forth in paragraph 161 of the SCAC.

³ CBN and CGC entered into agreements with Fairfield Sentry and Fairfield Sigma including as follows: Fairfield Sentry Custodian Agreement, dated July 3, 2006; Fairfield Sentry Brokerage and Custody Agreement, dated July 17, 2003; Fairfield Sigma Brokerage and Custody Agreement, dated August 12, 2003. Such agreements are referred to as the “Custodian Agreements.”

162. Paragraph 162 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 162 of the SCAC.

163. CFSB admits only that Francoeur was employed by CFSB and that Francoeur was a director of FGBL. CFSB denies the remaining allegations set forth in paragraph 163 of the SCAC.

164. CFSB admits only that Pilgrim was employed by CFSB and that Pilgrim was a director of FGBL. CFSB denies the remaining allegations set forth in paragraph 164 of the SCAC.

165. CFSB admits only that GlobeOp was the administrator of Greenwich Sentry. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 165 of the SCAC, and therefore denies same.

166. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 166 of the SCAC, and therefore denies same.

167. CFSB admits only that Bernard L. Madoff was arrested and charged in an 11-count criminal complaint, that Bernard L. Madoff admitted he operated a Ponzi scheme, and that Bernard L. Madoff was sentenced to 150 years in prison. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 167 of the SCAC, and therefore denies same.

168. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 168 of the SCAC, and therefore denies same.

169. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 169 of the SCAC, and therefore denies same.

170. CFSB admits only that Fairfield Sentry was incorporated in 1990 as an international business company in the Territory of the British Virgin Islands, that Madoff (as defined in the SCAC) served as execution agent and sub-custodian for Fairfield Sentry, that Fairfield Sentry was primarily marketed to foreign investors and investments in Fairfield Sentry were made from outside New York, and that on July 21, 2009 the Eastern Caribbean Supreme Court in the High Court of Justice (the “BVI Court”) ordered Fairfield Sentry to be wound up and appointed Christopher Stride and Kenneth Krys as joint liquidators. CFSB denies the remaining allegations set forth in paragraph 170 of the SCAC.

171. CFSB admits only that Fairfield Sigma was an international business company organized under the laws of the BVI, that Fairfield Sigma was marketed to foreign investors and investments in Fairfield Sigma were made from outside New York, and that on July 21, 2009 the BVI Court ordered Fairfield Sigma to be wound up and appointed Christopher Stride and Kenneth Krys as joint liquidators. CFSB denies the remaining allegations set forth in paragraph 171 of the SCAC.

172. CFSB admits only that Greenwich Sentry is a Delaware limited partnership organized on December 27, 1990 under the name Aspen/Greenwich Limited Partnership, that its name was changed to Greenwich Sentry, L.P., that Greenwich Sentry commenced operations on January 1, 1993, and that Madoff (as defined in the SCAC) served as the execution agent and custodian for Greenwich Sentry. CFSB denies the remaining allegations set forth in paragraph 172 of the SCAC.

173. CFSB admits only that Greenwich Sentry Partners is a Delaware limited partnership organized on April 11, 2006, which commenced operations on May 1, 2006 and that

Madoff (as defined in the SCAC) was custodian for Greenwich Sentry Partners. CFSB denies the remaining allegations set forth in paragraph 173 of the SCAC.

174. Paragraph 174 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 174 of the SCAC.

175. CFSB denies the allegations set forth in paragraph 175 of the SCAC.

176. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 176 of the SCAC, and therefore denies same.

177. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 177 of the SCAC, and therefore denies same.

178. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 178 of the SCAC, and therefore denies same.

179. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 179 of the SCAC, and therefore denies same.

180. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 180 of the SCAC, and therefore denies same.

181. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 181 of the SCAC, and therefore denies same.

182. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 182 of the SCAC, and therefore denies same.

183. CFSB denies the allegations set forth in paragraph 183 of the SCAC.

184. CFSB denies the allegations set forth in paragraph 184 of the SCAC.

185. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 185 of the SCAC, and therefore denies same.

186. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 186 of the SCAC, and therefore denies same.

187. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 187 of the SCAC, and therefore denies same.

188. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 188 of the SCAC, and therefore denies same.

189. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 189 of the SCAC, and therefore denies same.

190. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 190 of the SCAC, and therefore denies same.

191. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 191 of the SCAC, and therefore denies same.

192. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 192 of the SCAC, and therefore denies same.

193. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 193 of the SCAC, and therefore denies same.

194. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 194 of the SCAC, and therefore denies same. CFSB refers to the referenced Placement Memoranda for a complete statement of their contents.

195. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 195 of the SCAC, and therefore denies same. CFSB refers to the referenced Placement Memoranda for a complete statement of their contents.

196. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 196 of the SCAC, and therefore denies same.

197. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 197 of the SCAC, and therefore denies same.

198. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 198 of the SCAC, and therefore denies same.

199. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 199 of the SCAC, and therefore denies same.

200. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 200 of the SCAC, and therefore denies same.

201. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 201 of the SCAC, and therefore denies same.

202. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 202 of the SCAC, and therefore denies same.

203. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 203 of the SCAC, and therefore denies same.

204. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 204 of the SCAC, and therefore denies same.

205. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 205 of the SCAC, and therefore denies same.

206. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 206 of the SCAC, and therefore denies same.

207. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 207 of the SCAC, and therefore denies same.

208. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 208 of the SCAC, and therefore denies same.

209. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 209 of the SCAC, and therefore denies same.

210. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 210 of the SCAC, and therefore denies same.

211. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 211 of the SCAC, and therefore denies same.

212. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 212 of the SCAC, and therefore denies same.

213. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 213 of the SCAC, and therefore denies same.

214. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 214 of the SCAC, and therefore denies same.

215. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 215 of the SCAC, and therefore denies same.

216. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 216 of the SCAC, and therefore denies same.

217. CFSB denies the allegations set forth in paragraph 217 of the SCAC.

218. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 218 of the SCAC, and therefore denies same.

219. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 219 of the SCAC, and therefore denies same.

220. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 220 of the SCAC, and therefore denies same.

221. CFSB denies the allegations set forth in paragraph 221 of the SCAC.

222. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 222 of the SCAC, and therefore denies same.

223. CFSB denies the allegations set forth in paragraph 223 of the SCAC and in the unnumbered paragraph on page 71 following subheading E.6.

224. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 224 of the SCAC, and therefore denies same.

225. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 225 of the SCAC, and therefore denies same.

226. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 226 of the SCAC, and therefore denies same.

227. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 227 of the SCAC, and therefore denies same.

228. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 228 of the SCAC, and therefore denies same.

229. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 229 of the SCAC, and therefore denies same.

230. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 230 of the SCAC, and therefore denies same.

231. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 231 of the SCAC, and therefore denies same.

232. CFSB denies the allegations set forth in paragraph 232 of the SCAC.

233. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 233 of the SCAC, and therefore denies same.

234. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 234 of the SCAC, and therefore denies same.

235. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 235 of the SCAC, and therefore denies same.

236. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 236 of the SCAC, and therefore denies same.

237. CFSB admits only that the referenced PPMs contain provisions regarding placement fees. CFSB refers to the referenced PPMs for a complete statement of their contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 237 of the SCAC, and therefore denies same.

238. CFSB admits only that the referenced PPMs contain provisions regarding performance fees. CFSB refers to the referenced PPMs for a complete statement of their contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 238 of the SCAC, and therefore denies same.

239. CFSB admits only that the referenced PPMs contain provisions regarding management fees. CFSB refers to the referenced PPMs for a complete statement of their

contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 239 of the SCAC, and therefore denies same.

240. CFSB admits only that the referenced PPM contains a provision regarding fees for administrative services and back office support. CFSB refers to the referenced PPM for a complete statement of its contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 240 of the SCAC, and therefore denies same.

241. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 241 of the SCAC, and therefore denies same.

242. CFSB admits only that the referenced PPMs contain provisions regarding fees and expense reimbursements. CFSB refers to the referenced PPMs for a complete statement of their contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 242 of the SCAC, and therefore denies same.

243. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 243 of the SCAC, and therefore denies same.

244. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 244 of the SCAC, and therefore denies same.

245. CFSB admits only that the referenced COMs contain provisions regarding incentive allocations. CFSB refers to the referenced COMs for a complete statement of their contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 245 of the SCAC, and therefore denies same.

246. CFSB admits only that the referenced COMs contain provisions regarding management fees. CFSB refers to the referenced COMs for a complete statement of their

contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 246 of the SCAC, and therefore denies same.

247. CFSB admits only that the referenced COMs contain provisions regarding fees for administrative services and back office support. CFSB refers to the referenced COMs for a complete statement of their contents. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 247 of the SCAC, and therefore denies same.

248. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 248 of the SCAC, and therefore denies same.

249. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 249 of the SCAC, and therefore denies same.

250. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 250 of the SCAC, and therefore denies same.

251. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 251 of the SCAC, and therefore denies same.

252. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 252 of the SCAC, and therefore denies same.

253. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 253 of the SCAC, and therefore denies same.

254. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 254 of the SCAC, and therefore denies same.

255. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 255 of the SCAC, and therefore denies same.

256. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 256 of the SCAC, and therefore denies same.

257. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 257 of the SCAC, and therefore denies same.

258. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 258 of the SCAC, and therefore denies same.

259. CFSB admits only that PwC Netherlands and PwC Canada were auditors for the Funds. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 259 of the SCAC, and therefore denies same.

260. CFSB admits only that PwC Netherlands and PwC Canada provided auditing services to the Funds. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 260 of the SCAC, and therefore denies same.

261. CFSB admits only that PwC Netherlands issued an unqualified audit opinion for the financial statements of Greenwich Sentry for the year ended December 31, 2005 and certified that the financial statements were presented in conformity with United States generally accepted accounting principles (“GAAP”) and the audit was conducted in accordance with United States generally accepted auditing standards (“GAAS”). CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 261 of the SCAC, and therefore denies same.

262. CFSB admits only that PwC Canada issued an unqualified audit opinion for the financial statements of Greenwich Sentry for the years ended December 31, 2006 and 2007 and certified that the financial statements were presented in conformity with GAAP and the audit was

conducted in accordance with GAAS. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 262 of the SCAC, and therefore denies same.

263. CFSB admits only that PwC Netherlands issued an unqualified audit opinion for the financial statements of Fairfield Sentry for the years ended December 31, 2002, 2003, 2004 and 2005 and certified that the financial statements were presented in conformity with International Financial Reporting Standards (“IFRS”) and the audit was conducted in accordance with International Standards of Auditing (“ISA”). CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 263 of the SCAC, and therefore denies same.

264. CFSB admits only that PwC Canada issued an unqualified audit opinion for the financial statements of Fairfield Sentry for the years ended December 31, 2006 and 2007 and certified that the financial statements were presented in accordance with IFRS and the audit was conducted in accordance with GAAS. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 264 of the SCAC, and therefore denies same.

265. CFSB admits only that PwC Netherlands issued an unqualified audit opinion for the financial statements of Fairfield Sigma for the years ended December 31, 2003, 2004 and 2005 and certified that the financial statements were presented in conformity with IFRS and the audit was conducted in accordance with ISA. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 265 of the SCAC, and therefore denies same.

266. CFSB admits only that PwC Canada issued an unqualified audit opinion for the financial statements of Fairfield Sigma for the years ended December 31, 2006 and 2007 and certified that the financial statements were presented in conformity with IFRS and the audit was conducted in accordance with GAAS. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 266 of the SCAC, and therefore denies same.

267. CFSB admits only that PwC Canada issued an unqualified audit opinion for the financial statements of Greenwich Sentry Partners for the years ended December 31, 2006 and 2007 and certified that the financial statements were presented in conformity with GAAP and the audit was conducted in accordance with GAAS. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 267 of the SCAC, and therefore denies same.

268. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 268 of the SCAC, and therefore denies same.

269. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 269 of the SCAC, and therefore denies same.

270. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 270 of the SCAC, and therefore denies same.

271. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 271 of the SCAC, and therefore denies same.

272. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 272 of the SCAC, and therefore denies same.

273. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 273 of the SCAC, and therefore denies same.

274. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 274 of the SCAC, and therefore denies same.

275. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 275 of the SCAC, and therefore denies same.

276. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 276 of the SCAC, and therefore denies same.

277. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 277 of the SCAC, and therefore denies same.

278. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 278 of the SCAC, and therefore denies same.

279. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 279 of the SCAC, and therefore denies same.

280. Paragraph 280 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 280 of the SCAC, and therefore denies same.

281. Paragraph 281 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 281 of the SCAC, and therefore denies same.

282. Paragraph 282 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 282 of the SCAC, and therefore denies same.

283. Paragraph 283 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 283 of the SCAC, and therefore denies same.

284. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 284 of the SCAC, and therefore denies same.

285. Paragraph 285 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 285 of the SCAC, and therefore denies same.

286. Paragraph 286 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 286 of the SCAC, and therefore denies same.

287. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 287 of the SCAC, and therefore denies same.

288. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 288 of the SCAC, and therefore denies same.

289. Paragraph 289 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 289 of the SCAC, and therefore denies same.

290. Paragraph 290 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 290 of the SCAC, and therefore denies same.

291. Paragraph 291 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 291 of the SCAC, and therefore denies same.

292. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 292 of the SCAC, and therefore denies same.

293. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 293 of the SCAC, and therefore denies same.

294. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 294 of the SCAC, and therefore denies same.

295. Paragraph 295 contains no allegations of fact, and therefore no response is required. To the extent that a response is deemed to be required, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 295 of the SCAC, and therefore denies same.

296. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 296 of the SCAC, and therefore denies same.

297. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 297 of the SCAC, and therefore denies same.

298. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 298 of the SCAC, and therefore denies same.

299. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 299 of the SCAC, and therefore denies same.

300. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 300 of the SCAC, and therefore denies same.

301. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 301 of the SCAC, and therefore denies same.

302. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 302 of the SCAC, and therefore denies same.

303. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 303 of the SCAC, and therefore denies same.

304. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 304 of the SCAC, and therefore denies same.

305. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 305 of the SCAC, and therefore denies same.

306. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 306 of the SCAC, and therefore denies same.

307. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 307 of the SCAC, and therefore denies same.

308. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 308 of the SCAC, and therefore denies same.

309. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 309 of the SCAC, and therefore denies same.

310. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 310 of the SCAC, and therefore denies same.

311. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 311 of the SCAC, and therefore denies same.

312. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 312 of the SCAC, and therefore denies same.

313. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 313 of the SCAC, and therefore denies same.

314. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 314 of the SCAC, and therefore denies same.

315. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 315 of the SCAC, and therefore denies same.

316. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 316 of the SCAC, and therefore denies same.

317. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 317 of the SCAC, and therefore denies same.

318. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 318 of the SCAC, and therefore denies same.

319. CFSB denies the allegations set forth in paragraph 319 of the SCAC.

320. CFSB denies the allegations set forth in paragraph 320 of the SCAC.

321. CFSB denies the allegations set forth in paragraph 321 of the SCAC.

322. CFSB denies the allegations set forth in paragraph 322 of the SCAC.

323. CFSB denies the allegations set forth in paragraph 323 of the SCAC.

324. CFSB denies the allegations set forth in paragraph 324 of the SCAC.

325. CFSB denies the allegations set forth in paragraph 325 of the SCAC.

326. CFSB denies the allegations set forth in paragraph 326 of the SCAC.

327. CFSB admits only that CFSE entered into the referenced Administration Agreements. CFSB refers to the referenced Administration Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 327 of the SCAC.

328. CFSB admits only that CFSE entered into the referenced Administration Agreements and that subscriptions were processed in accordance with the terms thereof. CFSB refers to the referenced Administration Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 328 of the SCAC.

329. CFSB admits only that CFSE entered into the referenced Administration Agreements. CFSB refers to the referenced Administration Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 329 of the SCAC.

330. CFSB admits only that CBN and CGC entered into the referenced Custodian Agreements. CFSB refers to the referenced Custodian Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 330 of the SCAC.

331. CFSB admits only that CBN and CGC entered into the referenced Custodian Agreements. CFSB refers to the referenced Custodian Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 331 of the SCAC.

332. CFSB denies the allegations set forth in paragraph 332 of the SCAC.

333. CFSB denies the allegations set forth in paragraph 333 of the SCAC.

334. CFSB denies the allegations set forth in paragraph 334 of the SCAC.

335. CFSB denies the allegations set forth in paragraph 335 of the SCAC.

336. CFSB denies the allegations set forth in paragraph 336 of the SCAC.

337. CFSB denies the allegations set forth in paragraph 337 of the SCAC.

338. CFSB denies the allegations set forth in paragraph 338 of the SCAC.

339. CFSB denies the allegations set forth in paragraph 339 of the SCAC.

340. CFSB denies the allegations set forth in paragraph 340 of the SCAC.

341. CFSB denies the allegations set forth in paragraph 341 of the SCAC.

342. CFSB denies the allegations set forth in paragraph 342 of the SCAC.

343. CFSB denies the allegations set forth in paragraph 343 of the SCAC.

344. CFSB admits only that GlobeOp provided administrative services to Greenwich Sentry. CFSB is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations set forth in paragraph 344 of the SCAC, and therefore denies same.

345. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 345 of the SCAC, and therefore denies same.

346. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 346 of the SCAC, and therefore denies same.

347. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 347 of the SCAC, and therefore denies same.

348. CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in paragraph 348 of the SCAC, and therefore denies same.

349. CFSB denies the allegations set forth in paragraph 349 of the SCAC.

350. CFSB denies the allegations set forth in paragraph 350 of the SCAC.

351. CFSB denies the allegations set forth in paragraph 351 of the SCAC and denies that class certification is appropriate.

352. CFSB denies the allegations set forth in paragraph 352 of the SCAC and denies that class certification is appropriate.

353. CFSB denies the allegations set forth in paragraph 353 of the SCAC and denies that class certification is appropriate.

Count 1
Fraud against Fairfield Fraud Claim Defendants (Purchaser Claims)

354.-359.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 354, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 355 through 359, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 2
Fraud against Fairfield Fraud Claim Defendants (Holder Claims)

360.-366.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 360, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 361 through 366, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 3
Violation of Section 10(b) and Rule 10b-5 against Fairfield Fraud Claim Defendants

367.-374.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 367, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 368 through 374, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 4
Violation of Section 20(a) against Fairfield Fraud Claim Defendants and Defendants Landsberger, Murphy, and Smith

375.-378.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 375, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 376 through 378, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 5
Negligent Misrepresentation against Fairfield Defendants (Purchaser Claims)

379.-386.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 379, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 380 through 386, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 6
Negligent Misrepresentation against Fairfield Defendants (Holder Claims)

387.-394.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 387, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 388 through 394, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 7
Gross Negligence against Fairfield Defendants

395.-401.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 395, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 396 through 401, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 8
Breach of Fiduciary Duty against Fairfield Defendants

402.-409.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 402, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 403 through 409, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 9
Third-Party Beneficiary Breach of Contract against Fairfield Defendants and Fairfield Fee Claim Defendants

410.-416.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 410, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 411 through 416, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 10
Constructive Trust against Fairfield Defendants and Fairfield Fee Claim Defendants

417.-420.

Count 10 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 11
Mutual Mistake against Fairfield Defendants and Fairfield Fee Claim Defendants

421.-425.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 421, CFSB repeats and reincorporates

by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 422 through 425, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 12
Gross Negligence against PricewaterhouseCoopers

426.-432.

Count 12 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 13
Negligence against PricewaterhouseCoopers

433.-437.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 433, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 434 through 437, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 14
Negligent Misrepresentation against PricewaterhouseCoopers

438.-445.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 438, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 439 through 445, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 15
Third-Party Beneficiary Breach of Contract against PricewaterhouseCoopers

446.-450.

Count 15 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 16
Aiding and Abetting Breach of Fiduciary Duty against PricewaterhouseCoopers

451.-454.

Count 16 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 17
Aiding and Abetting Fraud against PricewaterhouseCoopers

455.-459.

Count 17 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 18
Violation of Section 10(b) and Rule 10b-5 against PwC Canada and PwC Netherlands

460.-468.

Count 18 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 19
Violation of Section 20(a) against PricewaterhouseCoopers International

469.-472.

Count 19 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 20
Third-Party Beneficiary Breach of Contract against Citco⁴

473. CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs of the SCAC as if set forth fully herein.

⁴ CFSB believes that Count 20 was dismissed as to it by Order of the Court dated August 18, 2010, and therefore no response to this Count is required by CFSB. However, CFSB is answering this Count in an abundance of caution.

474. CFSB admits only that CFSE entered into Administration Agreements.⁵ CFSB denies the remaining allegations set forth in paragraph 474 of the SCAC.

475. CFSB denies the allegations set forth in paragraph 475 of the SCAC.

476. CFSB admits only that CFSE entered into the referenced Administration Agreements. CFSB refers to the referenced Administration Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 476 of the SCAC.

477. CFSB admits only that CFSE entered into the referenced Administration Agreements. CFSB refers to the referenced Administration Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 477 of the SCAC.

478. CFSB denies the allegations set forth in paragraph 478 of the SCAC.

479. CFSB admits only that CFSE entered into the referenced Administration Agreements. CFSB refers to the referenced Administration Agreements for a complete statement of their contents. CFSB denies the remaining allegations set forth in paragraph 479 of the SCAC.

480. Pursuant to the Court's Order dated August 18, 2010, dismissing the third-party beneficiary breach of contract claim as it relates to the Custodian Agreements, no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 480 of the SCAC.

⁵ In its Order dated August 18, 2010, the Court dismissed this claim to the extent that it related to the Custodian Agreements. Thus, the only agreements arguably relevant to this Count are the Administration Agreements.

481. Pursuant to the Court's Order dated August 18, 2010, dismissing the third-party beneficiary breach of contract claim as it relates to the Custodian Agreements, no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 481 of the SCAC.

482. Pursuant to the Court's Order dated August 18, 2010, dismissing the third-party beneficiary breach of contract claim as it relates to the Custodian Agreements, no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 482 of the SCAC.

483. Pursuant to the Court's Order dated August 18, 2010, dismissing the third-party beneficiary breach of contract claim as it relates to the Custodian Agreements, no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 483 of the SCAC.

484. CFSB denies the allegations set forth in paragraph 484 of the SCAC.

485. Pursuant to the Court's Order dated August 18, 2010, dismissing the third-party beneficiary breach of contract claim as it relates to the Custodian Agreements, no response is required. To the extent that a response is deemed to be required, CFSB denies the allegations set forth in paragraph 485 of the SCAC.

486. CFSB denies the allegations set forth in paragraph 486 of the SCAC.

Count 21
Breach of Fiduciary Duty against Citco

487.-500.

Pursuant to the Court's Order dated August 18, 2010, dismissing the breach of fiduciary duty claim against CFSB, no response to this Count by CFSB is required. To the extent that a response is deemed to be required, as to paragraph 487, CFSB repeats and reincorporates by

reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 488 through 500, CFSB denies the allegations set forth in these paragraphs.

Count 22
Gross Negligence against Citco

501.-504.

Pursuant to the Court's Order dated August 18, 2010, dismissing the gross negligence claim against CFSB, no response to this Count by CFSB is required. To the extent that a response is deemed to be required, as to paragraph 501, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 502 through 504, CFSB denies the allegations set forth in these paragraphs.

Count 23
Negligence against Citco

505. -508.

Pursuant to the Court's Order dated August 18, 2010, dismissing the negligence claim against CFSB, no response to this Count by CFSB is required. To the extent that a response is deemed to be required, as to paragraph 505, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 506 through 508, CFSB denies the allegations set forth in these paragraphs.

Count 24
Aiding and Abetting Breach of Fiduciary Duty against Citco

509. CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs of the SCAC as if set forth fully herein.

510. CFSB denies the allegations set forth in paragraph 510 of the SCAC.

511. CFSB denies the allegations set forth in paragraph 511 of the SCAC.

512. CFSB denies the allegations set forth in paragraph 512 of the SCAC.

513. CFSB denies the allegations set forth in paragraph 513 of the SCAC.

514. CFSB denies the allegations set forth in paragraph 514 of the SCAC.

Count 25

Aiding and Abetting Fraud against Citco

515. CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs of the SCAC as if set forth fully herein.

516. CFSB denies the allegations set forth in paragraph 516 of the SCAC.

517. CFSB denies the allegations set forth in paragraph 517 of the SCAC.

518. CFSB denies the allegations set forth in paragraph 518 of the SCAC.

519. CFSB denies the allegations set forth in paragraph 519 of the SCAC.

520. CFSB denies the allegations set forth in paragraph 520 of the SCAC.

Count 26

Violation of Section 10(b) and Rule 10b-5 against Citco Fund Services and Citco Canada

521.-526.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 521, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 522 through 526, CFSB denies the allegations set forth in these paragraphs.

Count 27

Violation of Section 20(a) against Citco Group

527.-530.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 527, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 528 through 530, CFSB denies the allegations set forth in these paragraphs.

Count 28

Negligent Misrepresentation against Citco Fund Services, Citco Canada, and Citco Group

531.-540.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 531, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 532 through 540, CFSB denies the allegations set forth in these paragraphs.

Count 29

Breach of Fiduciary Duty against GlobeOp

541.-549.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 541, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 542 through 549, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 30

Gross Negligence against GlobeOp

550.-553.

Count 30 was dismissed in its entirety by Order of the Court dated August 18, 2010.

Count 31

Negligence against GlobeOp

554.-557.

This Count is not directed at CFSB, and therefore no response is required. To the extent that a response is deemed to be required, as to paragraph 554, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to

paragraphs 555 through 557, CFSB is without sufficient knowledge or information to form a belief as to the truth of the allegations set forth in these paragraphs, and therefore denies same.

Count 32
Breach of Fiduciary Duty against Francoeur, Pilgrim and Citco

558.-565.

Pursuant to the Court's Order dated August 18, 2010, dismissing this claim against Brian Francoeur, Ian Pilgrim and "Citco," no response is required. To the extent that a response is deemed to be required, as to paragraph 558, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 559 through 565, CFSB denies the allegations set forth in these paragraphs.

Count 33
Unjust Enrichment against All Defendants

566.-572.

Pursuant to the Court's Order dated August 18, 2010, dismissing the unjust enrichment claim against CFSB, no response to this Count by CFSB is required. To the extent that a response is deemed to be required, as to paragraph 566, CFSB repeats and reincorporates by reference its responses to the foregoing paragraphs as if set forth fully herein. As to paragraphs 567 through 572, CFSB denies the allegations set forth in these paragraphs.

PRAYER FOR RELIEF

CFSB denies each of the allegations set forth in paragraphs "a" through "i" of the "Prayer for Relief" found on pages 201-202 of the SCAC.

AFFIRMATIVE DEFENSES

Without in any way admitting any of the allegations of the SCAC and without admitting or suggesting that CFSB bears the burden of proof on any of the following issues, as separate and independent affirmative defenses, CFSB asserts as follows:

First Affirmative Defense

Plaintiffs' claims against CFSB are barred because the SCAC fails to state a claim upon which relief can be granted.

Second Affirmative Defense

Plaintiffs' claims against CFSB are barred by the applicable statute of limitations.

Third Affirmative Defense

This Court lacks subject matter jurisdiction over the claims asserted in the SCAC.

Fourth Affirmative Defense

Venue is improper in the Southern District of New York for this matter.

Fifth Affirmative Defense

The Southern District of New York constitutes an inconvenient forum for this matter, and thus this matter should be dismissed pursuant to the doctrine of *forum non conveniens*.

Sixth Affirmative Defense

Forum is improper in the Southern District of New York to the extent that the governing contracts contain forum selection clauses calling for a different venue.

Seventh Affirmative Defense

Some or all of the plaintiffs lack standing and/or capacity to assert the claims asserted in the SCAC.

Eighth Affirmative Defense

Plaintiffs' common law claims against CFSB are barred because they are derivative.

Ninth Affirmative Defense

Plaintiffs' claims against CFSB are barred by operation of the doctrine of laches.

Tenth Affirmative Defense

Plaintiffs' claims against CFSB are barred by operation of the doctrine of unclean hands.

Eleventh Affirmative Defense

Plaintiffs' claims against CFSB are barred by operation of the doctrines of waiver and/or estoppel.

Twelfth Affirmative Defense

Plaintiffs' common law claims against CFSB are barred because they are preempted by the Martin Act, N.Y. Gen. Bus. Law, Art. 23-A, §§ 352 et seq.

Thirteenth Affirmative Defense

Plaintiffs' common law claims against CFSB are barred because they are preempted by the Securities Litigation Uniform Standards Act, 15 U.S.C. § 78bb(f)(1).

Fourteenth Affirmative Defense

Plaintiffs' claims against CFSB are barred because of the contributing and/or comparative negligence and fault of plaintiffs.

Fifteenth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs knowingly and voluntarily assumed the risks inherent in the investments at issue.

Sixteenth Affirmative Defense

Plaintiffs' claims against CFSB are barred to the extent that plaintiffs invested in the Funds in violation of the applicable laws or regulations of its, his, or her country of origin.

Seventeenth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs did not actually rely on any representation, omission, or act by CFSB or any person or entity acting or purporting to act on its behalf.

Eighteenth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs did not reasonably or justifiably rely on any representation, omission, or act by CFSB or any person or entity acting or purporting to act on its behalf.

Nineteenth Affirmative Defense

Plaintiffs' common law claims against CFSB are barred by the economic loss rule because any obligations of or services to be provided by CFSE and CCI and/or CBN and CGC are expressly set forth in the relevant contracts between those parties and the Funds.

Twentieth Affirmative Defense

Plaintiffs' common law claims against CFSB are barred because any duties owed by CFSE and CCI in connection with the administrative services at issue and by CBN and CGC in connection with the custodian services were contractual duties owed to the Funds pursuant to the pertinent Administration Agreements and Custodian Agreements, and thus CFSB or any person or entity acting or purporting to act on its behalf was not in privity with, and did not owe any duty to, the plaintiffs.

Twenty-First Affirmative Defense

Plaintiffs' claims against CFSB are barred because CFSB, or any person or entity acting or purporting to act on its behalf, acted in good faith and with due care and diligence and did not, directly or indirectly, participate in, or aid and abet, or induce any act constituting any alleged violation of law or breach of duty claimed in the SCAC.

Twenty-Second Affirmative Defense

Plaintiffs' claims against CFSB are barred because, to the extent that CFSB is found to owe any duty to the plaintiffs, any alleged liability of CFSB is limited by the exculpatory clauses contained in the pertinent Administration Agreements and/or Custodian Agreements.

Twenty-Third Affirmative Defense

Plaintiffs' claims against CFSB are barred because the alleged fraudulent conduct of Bernard L. Madoff, Bernard L. Madoff Investment Securities LLC and/or their employees or agents was not foreseeable.

Twenty-Fourth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs' injuries, if any, were the result of the intervening or superseding conduct of third parties.

Twenty-Fifth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs failed to mitigate their damages, if any.

Twenty-Sixth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs' damages, if any, are remote, uncertain, speculative and without basis in law or in fact.

Twenty-Seventh Affirmative Defense

CFSB is entitled to an offset of any and all recoveries by plaintiffs, including, but not limited to, the following: (i) all proceeds plaintiffs have received or will receive in settlement of all or some of their claims; (ii) any payments that plaintiffs have recovered or will recover from others; (iii) any payments that plaintiffs have recovered or will recover from insurance; (iv) any payments that plaintiffs have recovered or will recover in any bankruptcy, liquidation or other legal proceeding in the United States or any other jurisdiction; and (v) any redemptions received from the Funds.

Twenty-Eighth Affirmative Defense

Any damages recoverable from CFSB by the plaintiffs are limited to the percentage of fault attributable to CFSB. CFSB cannot be held liable for damages corresponding to the percentages of fault due to the negligence and/or wrongdoing of others, including: (i) Bernard Madoff, Bernard L. Madoff Investment Securities, LLC, and/or their agents and employees; (ii) the other defendants identified in the SCAC, namely, Fairfield Greenwich Group, Fairfield Greenwich Limited, Fairfield Greenwich (Bermuda) Ltd., Fairfield Greenwich Advisors LLC, Fairfield Risk Services Ltd., Fairfield Heathcliff Capital LLC, Lion Fairfield Capital Management Ltd., Walter M. Noel, Jr., Jeffrey H. Tucker, Andres Piedrahita, Amit Vijayvergiya, Daniel E. Lipton, Mark McKeefry, Richard Landsberger, Maria Teresa Pulido Mendoza, David Horn, Andrew Smith, Charles Murphy, Yanko Della Schiava, Philip Toub, Lourdes Barreneche, Cornelis Boele, Vianney d'Hendecourt, Jacqueline Harary, Santiago Reyes, Julia Luongo, Harold Greisman, Corina Noel Piedrahita, Robert Blum, Gregory Bowes, PricewaterhouseCoopers International Limited, PricewaterhouseCoopers LLP,

PricewaterhouseCoopers Accountants Netherlands N.V., and GlobeOp Financial Services, LLC; and (iii) any other non-parties who may be identified through discovery in this matter.

Twenty-Ninth Affirmative Defense

Pursuant to New York General Obligations Law § 15-108, in the event a release or covenant not to sue or not to enforce a judgment is given by plaintiffs to any other person liable or claimed to be liable in tort for the same injury that is the subject of the SCAC, then plaintiffs' claims against CFSB should be reduced by the amount stipulated by the release or the covenant, or in the amount of the consideration paid for it, or the amount of the released tortfeasor's equitable share of the damages under Article 14 of the civil practice law and rules, whichever is greatest.

Thirtieth Affirmative Defense

Plaintiffs' claims that derive from the obligations set forth in the Administration Agreements with Fairfield Sentry and Fairfield Sigma are barred under the law of the British Virgin Islands, which governs those claims.

Thirty-First Affirmative Defense

Plaintiffs' claims that derive from the obligations set forth in the Custodian Agreements are barred under the law of The Netherlands, which governs those claims.

Thirty-Second Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs are not third party beneficiaries of the Administration Agreements, which do not establish rights enforceable by the shareholders of the Funds.

Thirty-Third Affirmative Defense

Plaintiffs' claims against CFSB are barred by operation of the doctrine of *in pari delicto*.

Thirty-Fourth Affirmative Defense

Plaintiffs' claims against CFSB are barred because plaintiffs cannot establish loss causation.

Dated: October 1, 2010

Respectfully submitted,

/s/ Lewis N. Brown

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