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

ANWAR, *et al.*

Plaintiffs,

v.

FAIRFIELD GREENWICH LTD., *et al.*

Defendants.

MASTER FILE NO.

09-CV-00118 (VM)

**JURY TRIAL DEMANDED**

**DEFENDANT PRICEWATERHOUSECOOPERS ACCOUNTANTS N.V.’S  
ANSWER AND AFFIRMATIVE DEFENSES TO PLAINTIFFS’  
SECOND CONSOLIDATED AMENDED COMPLAINT**

Defendant PricewaterhouseCoopers Accountants N.V. (“PwC Netherlands”), by its undersigned counsel, hereby answers the Second Consolidated Amended Complaint (the “Complaint”) as to itself, based on its present knowledge. PwC Netherlands reserves the right to supplement and amend this Answer and reserves the right to add additional defenses of which it becomes aware through discovery or other investigation.

The filing of this Answer is without waiver of the arguments presented in PwC Netherlands’ Motion to Dismiss, which are expressly adopted herein and asserted against the Complaint.

All allegations not specifically admitted are denied.

To the extent that the contents of plaintiffs' "Glossary of Defined Terms" are intended to allege a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that plaintiffs utilize group pleading as a basis to impose liability on PwC Netherlands, PwC Netherlands denies those allegations.

PwC Netherlands denies the first, unnumbered paragraph of the Complaint to the extent that plaintiffs purport to assert that there is a basis in fact or law for their claims against PwC Netherlands. PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations relating to the investigative efforts of plaintiffs' counsel, and, for that reason, denies them.

With respect to the numbered paragraphs of the Complaint, PwC Netherlands answers as follows:

### **NATURE OF THE ACTION**

1. PwC Netherlands admits that the Complaint purports to allege claims in connection with a fraud orchestrated by Bernard Madoff, and that plaintiffs purport to bring this action on behalf of investors in funds allegedly operated and marketed by Fairfield Greenwich Group ("FGG"). PwC Netherlands otherwise denies the remaining allegations in Paragraph 1. PwC Netherlands further denies that plaintiffs have suffered any damages as a result of any conduct by PwC Netherlands.

2. PwC Netherlands admits that plaintiffs purport to be shareholders or equity holders of the following funds: Fairfield Sentry Limited ("Fairfield Sentry"), Fairfield Sigma Limited ("Fairfield Sigma"), Greenwich Sentry, L. P. ("Greenwich Sentry") and Greenwich Sentry Partners, L.P. ("Greenwich Partners") (collectively, the "Funds"), and otherwise denies the remaining allegations in Paragraph 2.

3. PwC Netherlands denies the allegations in Paragraph 3, and further denies that plaintiffs have suffered any damages as a result of any conduct by PwC Netherlands or any other defendant.

4. The allegations in Paragraph 4 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 4 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

### **JURISDICTION AND VENUE**

5. Paragraph 5 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to premise jurisdiction over the subject matter of this action on the statutes cited in Paragraph 5, states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations concerning the citizenship of plaintiffs and other defendants, and otherwise denies the remaining allegations in Paragraph 5. PwC Netherlands further states that, pursuant to the Court's Decision and Order dated August 18, 2010 (the "*Anwar II* Order"), the Court dismissed, as to PwC Netherlands, plaintiffs' claims under Section 10(b) of the Exchange Act<sup>1</sup> and Rule 10b-5<sup>2</sup> promulgated thereunder.

6. Paragraph 6 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands admits that

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1. The Securities Exchange Act of 1934 15 U.S.C. § 78j(b) is herein referred to as the "Exchange Act."

2. 17 C.F.R. § 240.10b-5.

plaintiffs purport to premise jurisdiction over the subject matter on the cited statutes, and otherwise denies the remaining allegations in Paragraph 6.

7. Paragraph 7 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to premise venue on the cited statutes, and otherwise denies the remaining allegations in Paragraph 7. PwC Netherlands further states that it is without knowledge or information sufficient to form a belief as the truth or falsity of plaintiffs' allegations regarding the principal places of business of other defendants.

### **PARTIES**

8. To the extent that the allegations in Paragraph 8 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

#### **A. Plaintiffs**<sup>3</sup>

1-116.<sup>4</sup> PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraphs 1 through 116, and, for that reason, denies them.

#### **B. Defendants**

117. PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 117, and, for that reason, denies them.

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3. To the extent that any of the contents of headings in the Complaint are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

4. The Complaint contains two sets of allegations numbered 1-8. Accordingly, for the purposes of this Answer, PwC Netherlands conforms its responses to mirror the numbering system used by plaintiffs in the Complaint.

118. PwC Netherlands admits that Fairfield Greenwich Limited (“FGL”) is a company incorporated under the laws of the Cayman Islands and registered to do business in New York, and that, at certain times alleged in the Complaint, FGL served as the Investment Manager of Fairfield Sentry and was the General Partner of Greenwich Sentry. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 118, and, for that reason, denies them.

119. PwC Netherlands admits that Fairfield Greenwich (Bermuda) Ltd. (“FGBL”) is a corporation organized under the laws of Bermuda, and that FGBL was, at certain times alleged in the Complaint, the Investment Manager for Fairfield Sentry, the Investment Manager and Investment Advisor for Fairfield Sigma and the General Partner of Greenwich Sentry. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 119, and, for that reason, denies them.

120. PwC Netherlands admits that Fairfield Greenwich Advisors LLC (“FGA”) is a Delaware limited liability company, and that, at certain times alleged in the Complaint, FGA provided administrative and other services to the Funds. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 120, and, for that reason, denies them.

121. PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 121, and, for that reason, denies them.

122. PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 122, and, for that reason, denies them.

123. PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 123, and, for that reason, denies them.

124. PwC Netherlands admits that Walter M. Noel, Jr. (“Noel”) was, at certain times alleged in the Complaint, affiliated with the Fairfield Funds. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 124, and, for that reason, denies them.

125. PwC Netherlands admits that Jeffrey H. Tucker (“Tucker”) was, at certain times alleged in the Complaint, affiliated with the Fairfield Funds. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 125, and, for that reason, denies them.

126. PwC Netherlands admits that Andres Piedrahita (“Piedrahita”) was, at certain times alleged in the Complaint, affiliated with the Fairfield Funds. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 126, and, for that reason, denies them.

127. PwC Netherlands admits that Amit Vijayvergiya (“Vijayvergiya”) was, at certain times alleged in the Complaint, affiliated with the Fairfield Funds. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 127, and, for that reason, denies them.

128. PwC Netherlands admits that Daniel E. Lipton (“Lipton”) was, at certain times alleged in the Complaint, affiliated with the Fairfield Funds. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 128, and, for that reason, denies them.

129-146. PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraphs 129-146, and, for that reason, denies them.

147. Paragraph 147 contains no factual allegations requiring a response. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to the defendants listed in Paragraphs 124-146 as the “Individual Defendants,” and otherwise denies the remaining allegations in Paragraph 147.

148. PwC Netherlands admits that plaintiffs purport to refer to a chart derived from an exhibit in the Massachusetts Proceeding,<sup>5</sup> and refers to that document for the contents thereof. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 148, and, for that reason, denies them.

149. PwC Netherlands admits that plaintiffs purport to refer to a chart derived from an exhibit in the Massachusetts Proceeding, and refers to that document for the contents thereof. PwC Netherlands states that it is otherwise without knowledge or information sufficient

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5. *In the Matter of Fairfield Greenwich Advisors LLC and Fairfield Greenwich (Bermuda) Ltd*, Docket No. 2009-0028 (Commonwealth of Massachusetts, Securities Division), Complaint filed Apr. 1, 2009, is herein referred to as “the Massachusetts Proceeding.”

to form a belief as to the truth or falsity of the remaining allegations in Paragraph 149, and, for that reason, denies them.

150. PwC Netherlands admits that plaintiffs refer to FGG, FGL, FGBL, FGA, FRS, FHC, LFCM, Noel, Tucker, Piedrahita, Vijayvergiya, Lipton, McKeefry, Landsberger, Pulido Mendoza, Smith and Murphy collectively as the “Fairfield Defendants,” and assert against them claims for negligent misrepresentation, gross negligence, breach of fiduciary duty and breach-of-contract. Paragraph 150 otherwise alleges conclusions of law as to which no response is required. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

151. PwC Netherlands admits that plaintiffs refer to FGG, FGL, FGBL, FGA, FRS, Noel, Tucker, Piedrahita, Vijayvergiya, Lipton, and McKeefry collectively as the “Fairfield Fraud Claim Defendants,” and assert against them, in addition, claims for fraud. Paragraph 151 otherwise alleges conclusions of law to which no response is required. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Fraud Claim Defendants engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.



152. PwC Netherlands admits that plaintiffs refer to Della Schiava, Toub, Barrenche, Horn, Boele, d’Hendecourt, Harary, Reyes, Luongo, Griesman, Corina Piedrahita, Blum and Bowes collectively as the “Fairfield Fee Claim Defendants,” and assert against them claims for the recovery of certain fees. Paragraph 152 otherwise contains no factual allegations requiring a response. To the extent that a response is deemed to be required, PwC Netherlands denies the remaining allegations in Paragraph 152.

153. PwC Netherlands admits that PricewaterhouseCoopers International Limited (“PwC International”) is a private membership-based company organized under the laws of England and Wales with its registered office in London, England, and that the chairman of PwC International maintains an office in New York, New York, refers the Court to the referenced website for a complete and accurate record of the contents thereof, and otherwise denies the remaining allegations in Paragraph 153.

154. PwC Netherlands admits that PricewaterhouseCoopers LLP (“PwC Canada”) has an office in Ontario, Canada, that it is a member of the network of member firms of PwC International, and that it audited the Funds for the fiscal years-ended December 31, 2006 and 2007, and otherwise denies the remaining allegations in Paragraph 154.

155. PwC Netherlands admits that it is a Dutch legal entity with its registered office in Amsterdam, The Netherlands, that it is a member of the network of member firms of PwC International, and that it audited Fairfield Sentry for the fiscal years-ended December 31, 2002, 2003, 2004 and 2005, Fairfield Sigma for the fiscal years-ended December 31, 2003, 2004, and 2005 and Greenwich Sentry for the fiscal year-ended December 31, 2005 only, and otherwise denies the remaining allegations in Paragraph 155.

156. PwC Netherlands admits that Citco Group Limited (“Citco Group”) is a global organization providing financial services, and that it maintains offices in the United States and elsewhere. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 156, and, for that reason, denies them.

157. PwC Netherlands admits that Citco Fund Services (Europe) B.V. (“Citco Fund Services”) is incorporated in The Netherlands, and that, at certain times alleged in the Complaint, Citco Fund Services served as administrator, registrar, and transfer agent for Fairfield Sentry and Fairfield Sigma, and as administrator for Greenwich Sentry and Greenwich Sentry Partners. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 157, and, for that reason, denies them.

158. PwC Netherlands admits that Citco (Canada), Inc. (“Citco Canada”) is a corporation organized under the laws of Canada, that Citco Canada maintains an office in Toronto, Ontario, and that, at certain times alleged in the Complaint, Citco Canada performed administrative services for Greenwich Sentry and Greenwich Sentry Partners. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 158, and, for that reason, denies them.

159. PwC Netherlands admits that Citco Global Custody N.V. (“Citco Global”) is incorporated in The Netherlands, and that, at certain times alleged in the Complaint, Citco Global served as Custodian and/or Depositary for Fairfield Sentry and Fairfield Sigma. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a

belief as to the truth or falsity of the remaining allegations in Paragraph 159, and, for that reason, denies them.

160. PwC Netherlands admits that Citco Bank Nederland, N.V., Dublin Branch (“Citco Bank”) is a branch of Citco Bank Netherlands N.V., a company organized under the laws of The Netherlands, and operating as a registered branch of that company in the Republic of Ireland, and that, at certain times alleged in the Complaint, Citco Bank served as the Bank, Custodian and/or Depository for Fairfield Sentry and Fairfield Sigma. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 160, and, for that reason, denies them.

161. PwC Netherlands admits that Citco Fund Services (Bermuda) Limited (“CFSB”) is a corporation organized under the laws of Bermuda, and that CFSB maintains offices in Hamilton, Bermuda. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 161, and, for that reason, denies them.

162. Paragraph 162 contains no factual allegations requiring a response. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs refer to Citco Group, Citco Fund Services, Citco Global, Citco Canada, Citco Bank and CFSB collectively as “Citco,” and otherwise denies the remaining allegations in Paragraph 162.

163. PwC Netherlands admits that Brian Francoeur was, at certain times alleged in the Complaint, affiliated with the Fairfield entities and the Citco entities, and that

plaintiffs purport to refer to FS PPM-8/14/2006,<sup>6</sup> and PwC Netherlands refers to that document for the contents thereof. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 163, and, for that reason, denies them.

164. PwC Netherlands admits that Ian Pilgrim was, at certain times alleged with Complaint, affiliated with the Fairfield entities and the Citco entities. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 164, and, for that reason, denies them.

165. PwC Netherlands admits that GlobeOp Financial Services, LLC (“GlobeOp”) is a Delaware limited liability company, and that, at certain times alleged in the Complaint, it served as the Administrator of Greenwich Sentry. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 165, and, for that reason, denies them.

166. PwC Netherlands admits that Madoff founded his investment company, BMIS,<sup>7</sup> in 1960, that Madoff was criminally convicted and sentenced to imprisonment for federal criminal violations arising from his perpetration of a Ponzi scheme, and that Madoff and BMIS are referenced collectively in the Complaint as “Madoff.” To the extent that any allegations in Paragraph 166 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or

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6. Fairfield Sentry Private Placement Memoranda are herein referred to as “FS PPMs,” with corresponding dates of issue.

7. Bernard L. Madoff Investment Securities, Inc. is herein referred to as “BMIS.”

should have known at any relevant time that Madoff engaged in any fraudulent or unauthorized conduct.

167. PwC Netherlands admits that on or about December 11, 2008, Madoff was arrested and subsequently charged, in a criminal complaint, with various federal criminal violations, and that on or about March 12, 2009, Madoff pleaded guilty to certain federal criminal violations and was subsequently sentenced to a term of imprisonment of 150 years, which he is currently serving. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 167.

168. PwC Netherlands admits that, at certain times alleged in the Complaint, Defendants Noel, Tucker and Piedrahita were affiliated with the Fairfield Funds, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 168, and, for that reason, denies them.

169. The allegations in Paragraph 169 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that, at certain times alleged in the Complaint, Madoff served as the sub-custodian for Fairfield Sentry and Greenwich Sentry and that he marketed an investment strategy called the “split-strike conversion method.” PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 169, and, for that reason, denies them.

170. PwC Netherlands admits that Fairfield Sentry was incorporated in 1990 as an international business company in the Territory of the British Virgin Islands (“BVI”), and that

on July 21, 2009, the Eastern Caribbean Supreme Court in the High Court of Justice of the British Virgin Islands (“BVI Court”) ordered that Fairfield Sentry be liquidated, and the BVI Court appointed Kenneth Krys and Christopher Stride as its liquidators. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 170, and, for that reason, denies them.

171. PwC Netherlands admits that Fairfield Sigma was established in 1997 and offered three classes of shares in foreign currencies (Euro, Singapore Dollar and Yen), that Fairfield Sigma was an international business company organized under the laws of the BVI, that Fairfield Sigma was wholly invested in Fairfield Sentry, that on July 21, 2009, the BVI Court ordered that Fairfield Sigma be liquidated and appointed Kenneth Krys and Christopher Stride as its liquidators, and that plaintiffs purport to quote from FΣ PPM-12/08,<sup>8</sup> and PwC Netherlands refers to that document for the contents thereof. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 171, and, for that reason, denies them.

172. PwC Netherlands admits that Greenwich Sentry is a Delaware limited partnership organized December 27, 1990 under the name Aspen/Greenwich Limited Partnership, that its name was subsequently changed to Greenwich Sentry, L.P., and that, at certain times alleged in the Complaint, Madoff served as the sub-custodian for Greenwich Sentry. PwC Netherlands states that it is otherwise without knowledge or information sufficient

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8. The Fairfield Sigma Private Placement Memoranda are herein referred to as “FΣ PPMs,” with corresponding dates of issue.

to form a belief as to the truth or falsity of the remaining allegations in Paragraph 172, and, for that reason, denies them.

173. PwC Netherlands admits that Greenwich Sentry Partners is a Delaware limited partnership organized in 2006, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 173, and, for that reason, denies them.

174. Paragraph 174 contains no factual allegations requiring a response. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs collectively refer to the funds identified in Paragraphs 169 through 173 as the “Funds.”

175. PwC Netherlands admits that plaintiffs purport to refer to an SEC Complaint in *SEC v. DiPascali* (S.D.N.Y., 09 CV 7085), and refers to that document for the contents thereof. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 175, and, for that reason, denies them.

176. Paragraph 176 alleges conclusions of law as to which no response is required. To the extent that any allegations in Paragraph 176 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to FGBL, FGL, FGA, Noel, Tucker, Piedrahita and the other individual Fairfield Defendants and Fairfield Fee Claim Defendants collectively as “FGG Partners,” and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 176, and, for that reason denies them.

177. The allegations Paragraph 177 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 177

are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 177, and, for that reason, denies them.

178. The allegations Paragraph 178 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 178 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 178, and, for that reason, denies them.

179. The allegations in Paragraph 179 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 179 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the FGG brochure “Fairfield Greenwich Group — the Firm and Its Capabilities,” September 2008, and refers to that document for the contents thereof. PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 179, and, for that reason, denies them.

180. The allegations in Paragraph 180 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 180 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 180, and, for that reason, denies them.

181. The allegations in Paragraph 181 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in



Paragraph 181 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. To the extent that the allegations in Paragraph 181 regarding certain private placement or confidential offering memoranda (“Placement Memoranda”) are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of any Placement Memorandum or audited any Placement Memorandum, PwC Netherlands denies those allegations.

182. The allegations in Paragraph 182 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 182 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. Further, to the extent that the allegations in Paragraph 182 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

183. The allegations in Paragraph 183 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph

183 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. Further, to the extent that the allegations in Paragraph 183 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

184. The allegations in Paragraph 184 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to the Placement Memoranda referenced in note 1 to Paragraph 184, and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 184 regarding the Placement Memoranda are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those Placement Memoranda or audited or reviewed those Placement Memoranda, PwC Netherlands denies those allegations.

185. The allegations in Paragraph 185 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 185 are intended to

assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 185 regarding the Placement Memoranda referenced in note 1 to Paragraph 184 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those Placement Memoranda or audited or reviewed those Placement Memoranda, PwC Netherlands denies those allegations.

186. The allegations in Paragraph 186 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 186 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

187. The allegations in Paragraph 187 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the Placement Memoranda and other documents referenced in note 2 to Paragraph 187, and PwC Netherlands refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. Further, to the extent that the allegations in Paragraph 187 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC

Netherlands denies those allegations. To the extent that the allegations in Paragraph 187 regarding the Placement Memoranda and other documents referenced in note 2 to Paragraph 187 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those documents or audited those documents, PwC Netherlands denies those allegations.

188. The allegations in Paragraph 188 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 188 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

189. The allegations in Paragraph 189 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 189 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

190. The allegations in Paragraph 190 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this

paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to “Semi-Annual Reports” and “Monthly Strategy Reviews,” refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 190. To the extent that the allegations in Paragraph 190 regarding the “Semi-Annual Reports” and “Monthly Strategy Reviews” are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those “Semi-Annual Reports” and “Monthly Strategy Reviews” or audited or reviewed those “Semi-Annual Reports” and “Monthly Strategy Reviews,” PwC Netherlands denies those allegations.

191. The allegations in Paragraph 191 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to and quote from “Fund reports,” and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 191 regarding the “Fund reports” are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those “Fund reports” or audited or reviewed those “Fund reports,” PwC Netherlands denies those allegations.

192. The allegations in Paragraph 192 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to certain Fund reports listed in Paragraph 191, and refers to those documents for the contents thereof. To the extent that any allegations in Paragraph 192 are intended as a basis for liability on the part of PwC Netherlands,

PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. To the extent that the allegations in Paragraph 192 regarding the Fund reports are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those Fund reports or audited or reviewed those Fund reports, PwC Netherlands denies those allegations.

193. The allegations in Paragraph 193 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 193 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

194. The allegations in Paragraph 194 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to documents described as FS July 1, 2003 and FS October 1, 2004 PPM, and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 194 regarding the FS July 1, 2003 and FS October 1, 2004 PPM are

intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of the FS July 1, 2003 and FS October 1, 2004 PPMs or audited or reviewed the FS July 1, 2003 and the FS October 1, 2004 PPM, PwC Netherlands denies those allegations.

195. The allegations in Paragraph 195 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to Placement Memoranda listed in note 3 to Paragraph 195, and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in this paragraph regarding the Placement Memoranda listed in note 3 to Paragraph 195 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those Placement Memoranda or audited or reviewed those Placement Memoranda, PwC Netherlands denies those allegations.

196. The allegations in Paragraph 196 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the December 2008 Fairfield Sentry Limited Standardized Responses and the October 2007 Fairfield Sentry Limited Due Diligence Questionnaire, and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 196 regarding the December 2008 Fairfield Sentry Limited Standardized Responses and the October 2007 Fairfield Sentry Limited Due Diligence Questionnaire are intended to

assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those documents or audited or reviewed those documents, PwC Netherlands denies those allegations.

197. PwC Netherlands admits that plaintiffs purport to quote from the October 2007 Fairfield Sentry Limited Due Diligence Questionnaire, and refers to that document for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 197 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 197 regarding the October 2007 Fairfield Sentry Limited Due Diligence Questionnaire are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of the October 2007 Fairfield Sentry Limited Due Diligence Questionnaire or audited or reviewed the October 2007 Fairfield Sentry Limited Due Diligence Questionnaire, PwC Netherlands denies those allegations.

198. The allegations in Paragraph 198 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the document described as Fairfield Greenwich Group, Due Diligence and Risk Monitoring: FGG's Value-Added Investment Process, and refers to that document for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 198 regarding the document described as Fairfield Greenwich Group, Due Diligence and Risk



Monitoring: FGG's Value-Added Investment Process are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that document or audited or reviewed that document, PwC Netherlands denies those allegations.

199. The allegations in Paragraph 199 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from a document described as Fairfield Greenwich Group, Due Diligence and Risk Monitoring, and refers to that document for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 199 regarding the document described as Fairfield Greenwich Group, Due Diligence and Risk Monitoring are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that document or audited or reviewed that document, PwC Netherlands denies those allegations.

200. The allegations in Paragraph 200 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from documents described as Fairfield Greenwich Group: Fairfield Sentry Limited Presentation, May 2006; Fairfield Greenwich Group Fairfield Sentry Limited Presentation, Oct. 2008; Fairfield Sentry Limited October 2008 Update; and Fairfield Greenwich Group, Due Diligence and Risk Monitoring, Apr. 2008, and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 200 regarding Fairfield Greenwich Group: Fairfield Sentry Limited Presentation, May 2006;

Fairfield Greenwich Group Fairfield Sentry Limited Presentation, Oct. 2008; Fairfield Sentry Limited October 2008 Update; and Fairfield Greenwich Group, Due Diligence and Risk Monitoring, Apr. 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those documents or audited or reviewed those documents, PwC Netherlands denies those allegations.

201. The allegations in Paragraph 201 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the document described as Fairfield Greenwich Group, Investment Process and Risk Management Overview, Apr. 2006, and refers to that document for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 201 regarding the document described as Fairfield Greenwich Group, Investment Process and Risk Management Overview, Apr. 2006 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that document or audited or reviewed that document, PwC Netherlands denies those allegations.

202. The allegations in Paragraph 202 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the documents described as Fairfield Greenwich Group, Due Diligence and Risk Monitoring and Fairfield Greenwich Group: The Firm and Its Capabilities, Sept. 2008, and refers to those documents for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that

the allegations in Paragraph 202 regarding the documents described as Fairfield Greenwich Group, Due Diligence and Risk Monitoring and Fairfield Greenwich Group: The Firm and Its Capabilities, Sept. 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those documents or audited or reviewed those documents, PwC Netherlands denies those allegations.

203. The allegations in Paragraph 203 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the document described as Fairfield Greenwich Group, Investment Process and Risk Management Overview, Apr. 2006, and refers to that document for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 203 regarding the document described as Fairfield Greenwich Group, Investment Process and Risk Management Overview, Apr. 2006 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that document or audited or reviewed that document, PwC Netherlands denies those allegations.

204. The allegations in Paragraph 204 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to quote from the document described as Fairfield Greenwich Group, Due Diligence and Risk Monitoring, and refers to that document for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 204 regarding the Fairfield Greenwich Group, Due

Diligence and Risk Monitoring are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that document or audited or reviewed that document, PwC Netherlands denies those allegations.

205. The allegations in Paragraph 205 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to the documents cited in Paragraphs 194-204 and the footnotes thereto, and refers to those documents for the contents thereof. To the extent that any allegations in Paragraph 205 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. To the extent that the allegations in Paragraph 205 regarding the documents cited in Paragraphs 194-204 and the footnotes thereto are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those documents or audited or reviewed those documents, PwC Netherlands denies those allegations.

206. The allegations in Paragraph 206 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 206 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 206, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had

engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

207. The allegations in Paragraph 207 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to internal FGG emails, and refers to those emails for the contents thereof. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

208. The allegations in Paragraph 208 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from internal FGG emails, refers to those emails for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 208, and, for that reason, denies them.

209. The allegations in Paragraph 209 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from internal FGG emails, refers to those emails for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 209, and, for that reason, denies them.

210. The allegations in Paragraph 210 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

211. The allegations in Paragraph 211 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

212. The allegations in Paragraph 212 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or

disseminated any false or misleading statement or any statement that omitted material information.

213. The allegations in Paragraph 213 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Consent Order in the Massachusetts Proceeding dated Sept. 8, 2009, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 213. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

214. The allegations in Paragraph 214 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Consent Order in the Massachusetts Proceeding dated Sept. 8, 2009, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 214. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

215. The allegations in Paragraph 215 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

216. The allegations in Paragraph 216 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

217. The allegations in Paragraph 217 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 217 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the conclusions of the Court in the *Anwar II* Order, which reads in pertinent part:

Plaintiffs have failed to point to any red flags that the PwC Member Firms, which, as the *Stephenson* court also noted, were engaged to audit the Funds and not BMIS, ignored that evidences their conscious recklessness to the underlying Ponzi scheme that “approximate[s] an actual intent to aid



in the fraud being perpetrated by the audited company.” *Rothman v. Gregor*, 220 F.3d 81, 98 (2d Cir. 2000) (quotation marks omitted).

(*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

218. The allegations in Paragraph 218 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 218 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the “BLM Operational Due Diligence” memorandum dated October 2, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 218. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the conclusions of the Court in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

219. The allegations in Paragraph 219 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 219 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to

the conclusions of the Court in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

220. The allegations in Paragraph 220 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 220 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the Court’s conclusions in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

221. The allegations in Paragraph 221 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 221 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the Court’s conclusions in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

222. The allegations in Paragraph 222 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 222 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies

those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the Court’s conclusions in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

223. The allegations in Paragraph 223 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 223 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the Court’s conclusions in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

The allegations in the unnumbered paragraph on page 71 of the Complaint are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red

flags,” and refers to the Court’s conclusions in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

224. The allegations in Paragraph 224 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 224 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information. PwC Netherlands further denies that it was aware of any “red flags,” and refers to the Court’s conclusions in the *Anwar II* Order. (*Anwar II* Order dated Aug. 18, 2010 at 174 ¶ 1.)

225. The allegations in Paragraph 225 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to an email from G. McKenzie dated Sept. 14 2005 and an email from D. Lipton dated Sept. 12, 2005, refers to those emails for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 225, and, for that reason, denies them.

226. The allegations in Paragraph 226 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to refer to an email dated August 20, 2008, refers to that email for the contents thereof, and otherwise denies the remaining allegations in Paragraph 226. PwC Netherlands further denies that it knew or should have known at any

relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

227. The allegations in Paragraph 227 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 227 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the document described as “Fairfield Greenwich Group, Investment Process and Risk Management Overview April 2006,” refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 227. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

228. The allegations in Paragraph 228 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 228 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to an email dated August 19, 2008, refers to that email for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 228, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or

disseminated any false or misleading statement or any statement that omitted material information.

229. The allegations in Paragraph 229 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 229 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from emails dated September 16, 2008 and October 20, 2008, refers to those emails for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 229, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

230. The allegations in Paragraph 230 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 230 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 230, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

231. The allegations in Paragraph 231 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 231 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from an October 21, 2008 email, refers to that email for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 231, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

232. The allegations in Paragraph 232 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 232 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

233. The allegations in Paragraph 233 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 233 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from a November 14, 2008 email and the document entitled

December 2008 Fairfield Sentry Limited Standardized Responses, and otherwise denies the remaining allegations in Paragraph 233. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

234. The allegations in Paragraph 234 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that the allegations in Paragraph 234 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 234, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

235. The allegations in Paragraph 235 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 235 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 235, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or



caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

236. The allegations in Paragraph 236 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in this paragraph are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

237. The allegations in Paragraph 237 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 237 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to FS PPM-8/14/06, FS PPM-10/1/04 and FS PPM-7/1/03, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 237.

238. The allegations in Paragraph 238 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 238 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from FS PPM-8/14/06, FS PPM-10/1/04, FS PPM-7/1/03, the Fairfield Sentry Directors' Report and Financial Statements for the fiscal year-ended December 31, 2003 Auditor's Report, Fairfield Sentry Directors' Report and Financial Statements for the fiscal year-ended December 31, 2005 Auditor's Report, Fairfield Sentry Directors' Report and Financial Statements for the fiscal years-ended December 31, 2007 and 2006 Auditor's Report and from the Fairfield Sentry Directors' Report and Financial Statements for the period January 1, 2008 to June 30, 2008 Auditor's Report, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 238.

239. The allegations in Paragraph 239 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 239 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from FS PPM-8/14/06, FS PPM-10/1/04, FS PPM-7/1/03, the Fairfield Sentry Directors' Report and Financial Statements for the fiscal year-ended December 31, 2003 Auditor's Report, Fairfield Sentry Directors' Report and Financial Statements for the fiscal year-ended December 31, 2005 Auditor's Report, Fairfield Sentry Directors' Report and Financial Statements for the fiscal years-ended December 31, 2007 and 2006 Auditor's Report and the Fairfield Sentry Directors' Report and Financial Statements for the period January 1, 2008 to June 30, 2008 Auditor's Report, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 239.

240. The allegations in Paragraph 240 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 240 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from FS PPM-7/1/03, the Investment Management Agreement between Fairfield Sentry Limited and Fairfield Greenwich (Bermuda) Limited dated Oct. 1, 2004 ("Investment Management Agreement") and the Investment Management Agreement between Fairfield Sigma Limited and Fairfield Greenwich (Bermuda) Ltd. Dated Oct. 1, 2001 ("Sigma Investment Management Agreement"), refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 240.

241. The allegations in Paragraph 241 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 241 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies

those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

242. The allegations in Paragraph 242 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 242 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from FΣ PPM-12/1/08 and FΣ PPM-2/21/06, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 242.

243. The allegations in Paragraph 243 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 243 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Fairfield Sigma Limited Financial Statements for the fiscal years-ended December 31, 2003, 2004, 2005, 2006 and 2007, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 243.

244. The allegations in Paragraph 244 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 244 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or

disseminated any false or misleading statement or any statement that omitted material information.

245. The allegations in Paragraph 245 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 245 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the Greenwich Sentry Confidential Offering Memoranda,<sup>9</sup> specifically, GS COM-5/2006, GS COM-8/2006 and GS COM-1994 and from the Greenwich Sentry Partners August 2006 Confidential Offering Memorandum,<sup>10</sup> refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 245.

246. The allegations in Paragraph 246 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 246 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from GS COM-5/2006, GS COM-8/2006, GSP COM-8/2006 and to the Greenwich Sentry, L.P. Financial Statements for the fiscal years-ended December 31, 2006 and 2007, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 246.

247. The allegations in Paragraph 247 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 247 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits

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9. The Greenwich Sentry Confidential Offering Memoranda are herein referred to as “GS COMs,” with corresponding dates of issue.

10. The Greenwich Sentry Partners August 2006 Confidential Offering Memorandum is herein referred to as “GSP COM-8/2006.”

that plaintiffs purport to quote from GS COM-5/2006, GS COM-8/2006 and GSP COM-8/2006, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 247.

248. The allegations in Paragraph 248 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 248 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

249. The allegations in Paragraph 249 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 249 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

250. The allegations in Paragraph 250 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 250 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Administrative Complaint in the Massachusetts Proceeding, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 250.

251. The allegations in Paragraph 251 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph

251 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Administrative Complaint in the Massachusetts Proceeding, refers to that document for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 251.

252. The allegations in Paragraph 252 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 252 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the Administrative Complaint in the Massachusetts Proceeding, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 252. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

253. The allegations in Paragraph 253 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 253 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the Administrative Complaint in the Massachusetts Proceeding, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 253. PwC Netherlands further denies that it knew or should have known at any relevant time that the Fairfield Defendants had engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created,

published and/or disseminated any false or misleading statement or any statement that omitted material information.

254. The allegations in Paragraph 254 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 254 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the Administrative Complaint in the Massachusetts Proceeding, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 254.

255. The allegations in Paragraph 255 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 255 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Administrative Complaint and the appendices thereto in the Massachusetts Proceeding, refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 255, and, for that reason, denies them.

256. The allegations in Paragraph 256 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 256 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Administrative Complaint and a Pre-Hearing Memorandum in the Massachusetts Proceeding, refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 256, and, for that reason, denies them.

257. The allegations in Paragraph 257 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 257 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Consent Order dated Sept. 8, 2009 in the Massachusetts Proceeding, refers to that document for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 257, and, for that reason, denies them.

258. The allegations in Paragraph 258 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 258 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 258, and, for that reason, denies them.

259. PwC Netherlands admits that it was retained to conduct independent audits of the Funds, and that PwC Netherlands audited Fairfield Sentry for the fiscal years-ended December 31, 2002-2005, Fairfield Sigma for the fiscal years-ended December 31, 2003-2005 and Greenwich Sentry for the fiscal year-ended December 31, 2005 only, and that following PwC Netherlands' completion of the year-end December 31, 2005 audits of Fairfield Sentry, Greenwich Sentry and Fairfield Sigma, PwC Canada succeeded PwC Netherlands as the auditor for those funds. PwC Netherlands further admits that plaintiffs purport to quote from an engagement letter between FGG and PwC Netherlands dated February 7, 2006, refers to that letter for the contents thereof, and otherwise denies the remaining allegations in Paragraph 259.

260. PwC Netherlands admits that it audited Fairfield Sentry for the fiscal years-ended December 31, 2002, 2003, 2004 and 2005, Fairfield Sigma for the fiscal years-



ended December 31, 2003, 2004, and 2005, and Greenwich Sentry for the fiscal year-ended December 31, 2005 only, and otherwise denies the remaining allegations in Paragraph 160..

261. PwC Netherlands admits that it issued an unqualified audit opinion on the financial statements of Greenwich Sentry for the fiscal year-ended December 31, 2005, and refers to that audit opinion for the contents thereof. To the extent that the allegations in Paragraph 261 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

262. PwC Netherlands admits that plaintiffs purport to refer to the audit opinion issued by PwC Canada with respect to financial statements of Greenwich Sentry for the fiscal year-ended December 31, 2006, and refers to that audit opinion for the contents thereof.

263. PwC Netherlands admits that it issued unqualified audit opinions on the financial statements of Fairfield Sentry for the fiscal years-ended December 31, 2002, 2003, 2004 and 2005, and refers to those audit opinions for the contents thereof. To the extent that the allegations in Paragraph 263 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

264. PwC Netherlands admits that plaintiffs purport to refer to audit opinions issued by PwC Canada with respect to the financial statements of Fairfield Sentry for the fiscal years-ended December 31, 2006 and 2007, and refers to those audit opinions for the contents thereof.

265. PwC Netherlands admits that it issued unqualified audit opinions on the financial statements of Fairfield Sigma for the fiscal years-ended December 31, 2003, 2004, and

2005, and refers to those audit opinions for the contents thereof. To the extent that the allegations in Paragraph 265 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

266. PwC Netherlands admits that plaintiffs purport to refer to audit opinions issued by PwC Canada with respect to Fairfield Sigma for the fiscal years-ended December 31, 2006 and 2007, and refers to those audit opinions for the contents thereof.

267. PwC Netherlands admits that plaintiffs purport to refer to audit opinions issued by PwC Canada with respect to the financial statements of Greenwich Sentry Partners for the fiscal years-ended December 31, 2006 and 2007, and refers to those audit opinions for the contents thereof. To the extent that the allegations in Paragraph 267 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

268. Denied. PwC Netherlands further and expressly denies the propriety of group pleading of claims.

269. Denied.

270. PwC Netherlands admits that plaintiffs purport to refer to the referenced audit reports, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 270.

271. PwC Netherlands admits that plaintiffs purport to quote from a letter from PwC Netherlands to Defendant Lipton dated March 15, 2005, refers to that letter for the contents thereof, and otherwise denies the remaining allegations in Paragraph 271.

272. PwC Netherlands admits that plaintiffs purport to quote from an untitled, undated memorandum, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 272. To the extent that the allegations in Paragraph 272 regarding that untitled undated memorandum are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that memorandum or prepared that memorandum, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 272 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

273. PwC Netherlands admits that plaintiffs purport to quote from an untitled, undated memorandum, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 273. To the extent that the allegations in Paragraph 273 regarding that untitled undated memorandum are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that memorandum or prepared that memorandum, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 272 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

274. PwC Netherlands admits that plaintiffs purport to refer to a January 7, 2008 filing by BLMIS on Form ADV, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 274. To the extent that the allegations in Paragraph 274 are intended to assert, imply or otherwise convey that PwC Netherlands acted

negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

275. PwC Netherlands admits that plaintiffs purport to refer to the documents listed in note 5 to Paragraph 275, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 275. To the extent that the allegations in Paragraph 275 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

276. PwC Netherlands admits that plaintiffs purport to refer to a report concerning an Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 276. To the extent that the allegations in Paragraph 276 regarding the report concerning that Audit Plan are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of that report or prepared that report, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 276 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

277. PwC Netherlands admits that plaintiffs purport to quote from a report concerning an Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 277. To the extent that the allegations in Paragraph 277 regarding the report concerning that Audit Plan are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or

through the publication of that report or prepared that report, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 277 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

278. PwC Netherlands admits that plaintiffs purport to refer to the PwC Canada engagement letters dated January 11, 2007 and October 17, 2007, the PwC Netherlands engagement letter dated February 7, 2006 and the Funds' audited financial statements, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 278. To the extent that the allegations in Paragraph 278 concerning the Funds' Placement Memoranda are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of those Placement Memoranda or audited those Placement Memoranda, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 272 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

279. Denied.

280. PwC Netherlands admits that the American Institute of Certified Public Accountants ("AICPA") is a professional organization that promulgates the Generally Accepted Auditing Standards ("GAAS"), and that the International Auditing and Assurance Standards Board ("IAASB") of the International Federation of Accountants promulgates the International Standards on Auditing ("ISA"), refers to GAAS and ISA for the contents thereof, and otherwise

denies the remaining allegations in Paragraph 280. PwC Netherlands expressly objects to plaintiffs' conflation of GAAS and ISA as erroneous, misleading and prejudicial.

281. PwC Netherlands admits that plaintiffs purport to refer to the Generally Accepted Accounting Principles ("GAAP"), the Information Financial Reporting Standards ("IFRS") and AU § 411, refers to GAAP, IFRS and AU § 411 for the contents thereof, and otherwise denies the remaining allegations in Paragraph 281. PwC Netherlands expressly objects to plaintiffs' conflation of GAAS and ISA as erroneous, misleading and prejudicial.

282. PwC Netherlands admits that plaintiffs purport to refer to GAAS and ISA, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 282.

283. PwC Netherlands admits that plaintiffs purport to refer to AU § 150.02 of GAAS and ISA 200, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 283. PwC Netherlands expressly objects to plaintiffs' conflation of GAAS and ISA as erroneous, misleading and prejudicial.

284. PwC Netherlands admits that plaintiffs purport to refer to AU §§ 110.02 and 230.03, ISA 240 and 300 and the report concerning the Audit Plan for the fiscal year-ended December 31, 2008, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 284. To the extent that the allegations in Paragraph 284 regarding the report concerning the Audit Plan for the fiscal year-ended December 31, 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that document or prepared that document, PwC Netherlands denies those allegations.

285. PwC Netherlands admits that plaintiffs purport to refer to AU § 314.01 and ISA 310, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 285.

286. PwC Netherlands admits that plaintiffs purport to refer to AU §§ 312.01, 230.07-09, 316.12, 316 and ISA 400, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 286.

287. PwC Netherlands admits that plaintiffs purport to refer to a report concerning the Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 287. To the extent that the allegations in Paragraph 284 regarding the report concerning the Audit Plan for the fiscal year-ended December 31, 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that document or prepared that document, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 287 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

288. PwC Netherlands admits that plaintiffs purport to refer to a report concerning the Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 288. To the extent that the allegations in Paragraph 288 regarding the report concerning the Audit Plan for the fiscal year-ended December 31, 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that document or prepared that document, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 288

are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

289. PwC Netherlands admits that plaintiffs purport to refer to AU § 230.08 and ISA 200, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 289.

290. PwC Netherlands admits that plaintiffs purport to refer to AU § 332.08, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 290.

291. PwC Netherlands admits that plaintiffs purport to refer to AU § 332.21, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 291.

292. PwC Netherlands admits that plaintiffs purport to refer to a publication entitled “Auditing Alternative Investments,” refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 292. To the extent that the allegations in Paragraph 292 concerning the publication entitled “Auditing Alternative Investments” are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that publication or prepared that publication, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 292 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

293. PwC Netherlands admits that plaintiffs purport to quote from the website at <http://www.pwc.com/gx/en/audit-services/index.jhtml>, refers to that website for the contents



thereof, and otherwise denies the remaining allegations in Paragraph 293. To the extent that the allegations in Paragraph 293 concerning that website are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or thought the publication of the contents of that website, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 293 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

294. PwC Netherlands admits that plaintiffs purport to refer to the 2008 Global Annual Review, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 294. To the extent that the allegations in Paragraph 294 regarding the 2008 Global Annual Review are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through the publication of the 2008 Global Annual Review, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 294 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

295. PwC Netherlands admits that plaintiffs purport to refer to the AICPA Audit and Accounting Guide, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 295.

296. PwC Netherlands admits that it and PwC Canada are members of the network of member firms of PwC International, and that plaintiffs purport to refer to GAAS, ISA, GAAP and the AICPA Audit and Accounting Guide, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 296.

297. PwC Netherlands admits that plaintiffs purport to quote from AU § 332.05, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 297.

298. PwC Netherlands admits that plaintiffs purport to refer to AU §§ 332.11, 332.20, 324 and ISA 402, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 298.

299. PwC Netherlands admits that plaintiffs purport to quote from AU § 332.11, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 299.

300. PwC Netherlands admits that plaintiffs purport to refer to the Private Placement Memoranda listed in note 6 to Paragraph 300 and to AU § 332.16, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 300.

301. PwC Netherlands admits that plaintiffs purport to quote from AU § 332.20, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 301.

302. PwC Netherlands admits that plaintiffs purport to refer to the AICPA Auditing and Accounting Guide §§ 5.59, 5.66-67 and to AU § 332.11, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 302.

303. PwC Netherlands admits that plaintiffs purport to refer to AU § 332.30, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 303.

304. PwC Netherlands admits that plaintiffs purport to refer to the documents listed in notes 7, 8 and 9 to Paragraph 304, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 304.

305. PwC Netherlands admits that plaintiffs purport to refer to AU § 333 and ISA 580, refers to those documents for the contents thereof, and otherwise denies the remaining allegations in Paragraph 305.

306. PwC Netherlands admits that plaintiffs purport to refer to a report concerning the Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 306. To the extent that the allegations in Paragraph 306 regarding the report concerning the Audit Plan for the fiscal year-ended December 31, 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that document or prepared that document, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 294 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

307. PwC Netherlands admits that plaintiffs purport to refer to a report concerning the Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 307. To the extent that the allegations in Paragraph 307 regarding the report concerning the Audit Plan for the fiscal year-ended December 31, 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that document or prepared that document, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 307

are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

308. Denied.

309. PwC Netherlands admits that plaintiffs purport to refer to a report concerning the Audit Plan for the fiscal year-ended December 31, 2008, refers to that document for the contents thereof, and otherwise denies the remaining allegations in Paragraph 309. To the extent that the allegations in Paragraph 309 regarding the report concerning the Audit Plan for the fiscal year-ended December 31, 2008 are intended to assert, imply or otherwise convey that PwC Netherlands made any statement by or through that document or prepared that document, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraph 309 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

310-318. Denied.

319. The allegations in Paragraph 319 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 319 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the website at <http://www.citco.com/Index.jsp>, refers to that website for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 319.

320. The allegations in Paragraph 320 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph

320 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 320, and, for that reason, denies them.

321. The allegations in Paragraph 321 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 321 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the website at [http://www.citco.com/Divisions\\_Fund\\_Services.jsp](http://www.citco.com/Divisions_Fund_Services.jsp), refers to that website for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 321, and for that reason, denies them.

322. The allegations in Paragraph 322 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 322 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to a brochure titled *Funds of Hedge Funds: A Unique Approach* (2007) at <http://www.citco.com/docs/FundsofFundsBrochure.pdf>, refers to that website for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 322, and, for that reason, denies them.

323. The allegations in Paragraph 323 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 323 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to the Feb. 20, 2003 Administration Agreement between Fairfield Sentry and Citco Fund Services and to quote from the brochure titled *Moving Fund Services*

*Forward* (2007) at [http://www.citco.com/Divisions\\_Fund\\_Services\\_Brochures.jsp](http://www.citco.com/Divisions_Fund_Services_Brochures.jsp) and from the website at [http://www.citco.com/Divisions\\_Fund\\_Services.jsp](http://www.citco.com/Divisions_Fund_Services.jsp), refers to that document and those websites for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 323, and, for that reason, denies them.

324. The allegations in Paragraph 324 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 324 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the brochure titled *Moving Fund Services Forward* (2007) at [http://www.citco.com/Divisions\\_Fund\\_Services\\_Brochures.jsp](http://www.citco.com/Divisions_Fund_Services_Brochures.jsp), refers to that website for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 324, and, for that reason, denies them.

325. The allegations in Paragraph 325 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 325 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from a brochure titled *Funds of Hedge Funds: A Unique Approach* (2007) at <http://www.citco.com/docs/FundsofFundsBrochure.pdf>, refers to that website for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 325, and, for that reason, denies them.

326. The allegations in Paragraph 326 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph

326 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the website at [http://www.citco.com/Divisions\\_Fund\\_Services\\_Services\\_Hedge\\_Funds.jsp](http://www.citco.com/Divisions_Fund_Services_Services_Hedge_Funds.jsp), and from a brochure titled *Moving Fund Services Forward* (2007) at [http://www.citco.com/Divisions\\_Fund\\_Services\\_Brochures.jsp](http://www.citco.com/Divisions_Fund_Services_Brochures.jsp), refers to those websites for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 326, and, for that reason, denies them.

327. The allegations in Paragraph 327 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that that any allegations in Paragraph 327 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the Sentry Administrative Agreement<sup>11</sup> and the Sigma Administration Agreement,<sup>12</sup> refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 327, and, for that reason, denies them.

328. The allegations in Paragraph 328 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 328 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits

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11. The Administrative Agreement between Fairfield Sentry Limited and Citco Fund Services (Europe) B.V., dated February 20, 2003 is herein referred to as “the Sentry Administrative Agreement.”

12. The Administration Agreement between Fairfield Sigma Limited and Citco Fund Services (Europe) B.V., dated February 20, 2003 is herein referred to as “the Sigma Administration Agreement.”

that plaintiffs purport to quote from the Sentry Administrative Agreement and the Sigma Administration Agreement, refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 328, and, for that reason, denies them.

329. The allegations in Paragraph 329 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 329 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the Sentry Administrative Agreement and the Sigma Administration Agreement, refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 329, and, for that reason, denies them.

330. The allegations in Paragraph 330 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 330 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the 2003 Sentry Custodian Agreement,<sup>13</sup> the 2006 Sentry Custodian Agreement<sup>14</sup> and the 2003 Sigma Custodian Agreement,<sup>15</sup> refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information

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13. The Brokerage & Custody Agreement among Fairfield Sentry Limited, Citco Bank Nederland N.V. Dublin Branch and Citco Global Custody N.V. dated July 17, 2003 is herein referred to as “the 2003 Sentry Custodian Agreement.”

14. The Custodian Agreement among Fairfield Sentry Limited, Citco Bank Nederland N.V. Dublin Branch and Citco Global Custody N.V. dated July 3, 2006 is herein referred to as “the 2006 Sentry Custodian Agreement.”

15. The Brokerage & Custody Agreement among Fairfield Sigma Limited, Citco Bank Nederland N.V. Dublin Branch, and Citco Global Custody N.V. dated August 12, 2003 is herein referred to as “the 2003 Sigma Custodian Agreement.”



sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 330, and, for that reason, denies them.

331. The allegations in Paragraph 331 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 331 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from the 2003 and 2006 Sentry Custodian Agreements and the 2003 Sigma Custodian Agreement, refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 331, and, for that reason, denies them.

332. The allegations in Paragraph 332 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 332 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 332, and, for that reason, denies them.

333. The allegations in Paragraph 333 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 333 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 333, and, for that reason, denies them.

334. The allegations in Paragraph 334 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 334 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states

that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 334, and, for that reason, denies them.

335. The allegations in Paragraph 335 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 335 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 335, and, for that reason, denies them.

336. The allegations in Paragraph 336 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 336 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 336, and, for that reason, denies them.

337. The allegations in Paragraph 337 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 337 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to Citco's Administration Agreement, refers to that document for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 337, and, for that reason, denies them.

338. The allegations in Paragraph 338 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 338 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states

that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 338, and, for that reason, denies them.

339. The allegations in Paragraph 339 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 339 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 339, and, for that reason, denies them.

340. The allegations in Paragraph 340 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 340 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 340, and, for that reason, denies them.

341. The allegations in Paragraph 341 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 341 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 341, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Citco Defendants, Fairfield Fraud Claim Defendants or Fairfield Defendants engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

342. The allegations in Paragraph 342 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 342 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 342, and, for that reason, denies them. PwC Netherlands further denies that it knew or should have known at any relevant time that the Citco Defendants or Fairfield Defendants engaged in any fraudulent or unauthorized conduct, or created, published and/or disseminated or caused to be created, published and/or disseminated any false or misleading statement or any statement that omitted material information.

343. The allegations in Paragraph 343 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 343 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to refer to FS PPM-8/14/06, FS PPM-10/1/04, FS PPM-7/1/03, the Sentry Agreement, the Sigma Administration Agreement, the Sentry 2006 Custodian Agreement, the Sentry 2003 Custodian Agreement and the Sigma 2003 Custodian Agreement, refers to those documents for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 343, and, for that reason, denies them.

344. The allegations in Paragraph 344 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 344 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that, at certain times alleged in the Complaint, GlobeOp provided certain administrative services to Greenwich Sentry and that plaintiffs purport to quote from the website at

[http://www.globeop.com/globeop/proserv/fund\\_administration/](http://www.globeop.com/globeop/proserv/fund_administration/), refers to that website for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 344, and, for that reason, denies them.

345. The allegations in Paragraph 345 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 345 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands admits that plaintiffs purport to quote from GS COM-5/2006, refers to that document for the contents thereof, and states that it is otherwise without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 345, and, for that reason, denies them.

346. The allegations in Paragraph 346 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 346 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 346, and, for that reason, denies them.

347. The allegations in Paragraph 347 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraph 347 are intended as a basis for liability on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 347, and, for that reason, denies them.

348. Paragraph 348 alleges conclusions of law as to which no response is required. To the extent that any allegations in Paragraph 348 are intended as a basis for liability

on the part of PwC Netherlands, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 348, and, for that reason, denies them.

349. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, as to PwC Netherlands, and, accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraph 349. To the extent that any allegations in this paragraph are intended as a basis of liability on the part of PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations.

350. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, as to PwC Netherlands, and, accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraph 350. To the extent that any allegations in this paragraph are intended as a basis of liability on the part of PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations.

### **CLASS ACTION ALLEGATIONS**

351. Paragraph 351 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to bring this action as a class action on behalf of all shareholders in Fairfield Sentry Limited, Fairfield Sigma Limited, Greenwich Sentry, L.P. and Greenwich Sentry Partners, L.P. as of December 10, 2008, and otherwise denies the remaining allegations in Paragraph 351. PwC Netherlands specifically denies that class action treatment is appropriate for the claims asserted against PwC Netherlands.

352. Paragraph 352 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands admits that plaintiffs purport to seek to designate four subclasses, and otherwise denies the remaining allegations in Paragraph 352. PwC Netherlands specifically denies that class action treatment is appropriate for the claims asserted against PwC Netherlands.

353. Paragraph 353 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands states that it is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 353, and, for that reason, denies them. To the extent that the allegations in this paragraph are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations. Further, PwC Netherlands expressly denies that class action treatment is appropriate for the claims asserted against PwC Netherlands.

### **CLAIMS FOR RELIEF**

#### **Count 1**

354-359. The allegations in Paragraphs 354-359 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 354-359 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

#### **Count 2**

360-366. The allegations in Paragraphs 360-366 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 3**

367-374. The allegations in Paragraphs 367-374 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 4**

375-378. The allegations in Paragraphs 375-378 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 5**

379-386. The allegations in Paragraphs 379-386 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 379-386 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

**Count 6**

387-394. The allegations in Paragraphs 387-394 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 7**

395-401. The allegations in Paragraphs 395-401 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 8**

402-409. The allegations in Paragraphs 402-409 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 402-409 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.



**Count 9**

410-416. The allegations in Paragraphs 410-416 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 10**

417-420. The allegations in Paragraphs 417-420 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 11**

421-425. The allegations in Paragraphs 421-425 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 12**

426. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-425 set forth herein.

427-432. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims for Gross Negligence as to PwC Netherlands. Accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraphs 427-432. To the extent that any allegations in Paragraphs 427-432 are intended as a basis for liability against PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations.

**Count 13**

433. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-432 set forth herein.

434. Paragraph 434 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 434.

435. PwC Netherlands admits that plaintiffs purport to refer to its audit reports on the financial statements of Fairfield Sentry for the fiscal years-ended December 31, 2002, 2003, 2004 and 2005, Fairfield Sigma for the fiscal years-ended December 31, 2003, 2004, and 2005 and Greenwich Sentry for the fiscal year-ended December 31, 2005, refers to those documents for the content thereof, and otherwise denies the remaining allegations in Paragraph 435.

436. Paragraph 436 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 436.

437. Paragraph 437 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 437.

#### **Count 14**

438. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-437 set forth herein.

439. Paragraph 439 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 439.

440. Paragraph 440 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 440.

441. Denied.

442. Paragraph 442 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 442.

443. Paragraph 443 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 443.

444. Paragraph 444 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 444.

445. Paragraph 445 alleges conclusions of law as to which no response is required. To the extent that a response is deemed to be required, PwC Netherlands denies the allegations in Paragraph 445.

#### **Count 15**

446. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-445 set forth herein.

447-450. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims for Third-Party Beneficiary Breach of Contract as to PwC Netherlands. Accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraphs 447-450. To the extent that any allegations in Paragraphs 447-450 are intended as a basis for liability against PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations.

#### **Count 16**

451. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-450 set forth herein.

452-454. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims for Aiding and Abetting Breach of Fiduciary Duty as to PwC Netherlands. Accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraphs 452-454. To the extent that any allegations in Paragraphs 452-454 are intended as a basis for liability against PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations. To the extent that the allegations in Paragraphs 452-454 are intended to assert, imply or otherwise convey that PwC Netherlands acted negligently, recklessly, knowingly or with intent to defraud, or caused any harm, injury or damages to plaintiffs, PwC Netherlands denies those allegations.

#### **Count 17**

455. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-454 set forth herein

456-459. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims for Aiding and Abetting Fraud as to PwC Netherlands. Accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraphs 456-459. To the extent that any allegations in Paragraphs 456-459 are intended as a basis for liability against PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations.

#### **Count 18**

460. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-459 set forth herein.

461-468. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims for violation of Section 10(b) and Rule 10b-5 of the Exchange Act as to PwC Netherlands. Accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraphs 461-468. To the extent that any allegations in Paragraphs 461-468 are intended as a basis for liability

against PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations.

**Count 19**

469-472. The allegations in Paragraphs 469-472 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 20**

473-486. The allegations in Paragraphs 473-486 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 21**

487-500. The allegations in Paragraphs 487-500 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 22**

501-504. The allegations in Paragraphs 501-504 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 23**

505-508. The allegations in Paragraphs 505-508 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 24**

509-514. The allegations in Paragraphs 509-514 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 25**

515-520. The allegations in Paragraphs 515-520 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 26**

521-526. The allegations in Paragraphs 521-526 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 521-526 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

**Count 27**

527-530. The allegations in Paragraphs 527-530 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 28**

531-540. The allegations in Paragraphs 531-540 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 531-540 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

**Count 29**

541-549. The allegations in Paragraphs 541-549 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 30**

550-553. The allegations in Paragraphs 550-553 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 550-553 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

**Count 31**

554-557. The allegations in Paragraphs 554-557 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond.

**Count 32**

558-565. The allegations in Paragraphs 558-565 are not directed to PwC Netherlands, who, accordingly, has no obligation to respond. To the extent that any allegations in Paragraphs 558-565 are intended as a basis for any liability on the part of PwC Netherlands, PwC Netherlands denies those allegations.

**Count 33**

566. PwC Netherlands repeats and incorporates by reference each of its responses to Paragraphs 1-565 set forth herein.

567-572. Pursuant to the *Anwar II* Order, the Court dismissed plaintiffs' claims for Unjust Enrichment as to PwC Netherlands. Accordingly, PwC Netherlands has no obligation to respond to the allegations in Paragraphs 567-572. To the extent that any allegations in Paragraphs 567-572 are intended as a basis for liability against PwC Netherlands for negligence or negligent misrepresentation, PwC Netherlands denies those allegations. Further, PwC Netherlands expressly denies the propriety of group pleading of claims.

**DENIAL OF PRAYER FOR RELIEF**

No answer is required in response to the statements in the Complaint's Prayer for Relief. To the extent that a response to those statements is deemed to be required, PwC Netherlands denies them and requests that the Court deny all relief requested by plaintiffs and dismiss the Complaint as to PwC Netherlands with prejudice.

**JURY TRIAL DEMANDED**

PwC Netherlands hereby joins in plaintiffs' demand for a trial by jury for all issues so triable.

## **AFFIRMATIVE DEFENSES**

PwC Netherlands hereby asserts the following affirmative defenses, without assuming any burden of proof that would otherwise fall on plaintiffs.

### **FIRST DEFENSE**

The Complaint fails to state a claim on which relief can be granted against PwC Netherlands.

### **SECOND DEFENSE**

Plaintiffs may not recover on their claims, in whole or in part, because plaintiffs have failed to sufficiently state a cause of action for Negligence.

### **THIRD DEFENSE**

Plaintiffs may not recover on their claims, in whole or in part, because plaintiffs have failed to sufficiently state a cause of action for Negligent Misrepresentation.

### **FOURTH DEFENSE**

Plaintiffs may not recover on their claims, in whole or in part, because plaintiffs have failed to allege any direct or independent injury.

### **FIFTH DEFENSE**

Any damage allegedly suffered by plaintiffs arising out of the conduct of PwC Netherlands was caused by the intervening act(s) or omission(s) of persons other than PwC Netherlands and said act(s) or omission(s) superseded any action or omission by PwC Netherlands for which it might be considered liable.

### **SIXTH DEFENSE**

Any damage allegedly suffered by plaintiffs was not caused by any action attributable to PwC Netherlands.



**SEVENTH DEFENSE**

PwC Netherlands has not engaged in any conduct that would entitle plaintiffs to an award of punitive damages. Plaintiffs are not entitled to punitive damages because the actions alleged in the Complaint, if they occurred at all, were not willful, wanton, malicious, oppressive or reckless.

**EIGHTH DEFENSE**

Plaintiffs' claims are barred, in whole or in part, by the economic loss doctrine.

**NINTH DEFENSE**

Plaintiffs may not recover on their claims, in whole or in part, because the explicit terms of the engagement between PwC Netherlands and the Funds bars any such recovery.

**TENTH DEFENSE**

Plaintiffs may not recover on their claims, in whole or in part, because the terms of the engagement between PwC Netherlands and the Funds are governed by the laws of The Netherlands.

**ELEVENTH DEFENSE**

Plaintiffs may not recover on their claims, in whole or in part, because any recovery against PwC Netherlands is released and barred under the terms of its engagement.

**TWELFTH DEFENSE**

At all times required by law, PwC Netherlands, in its provision of services to the Funds, acted in conformity with the applicable standards of its profession and had no duty to disclose any allegedly omitted information.

**THIRTEENTH DEFENSE**

PwC Netherlands acted prudently and in good faith, had no reasonable ground to believe and did not believe, at any time that plaintiffs allege PwC Netherlands issued audit opinion

reports and consents or at any subsequent time when an investor might rely reasonably thereon, that the statements made therein were untrue or that there was an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

#### **FOURTEENTH DEFENSE**

In connection with plaintiffs' purchases in the Funds, plaintiffs did not justifiably rely on any misrepresentation, misleading statement or omission allegedly made by PwC Netherlands.

#### **FIFTEENTH DEFENSE**

Plaintiffs did not purchase any interest in the Funds in connection with any misrepresentation or omission allegedly made by PwC Netherlands, and therefore cannot state a claim against PwC Netherlands.

#### **SIXTEENTH DEFENSE**

PwC Netherlands cannot be held liable for any alleged misstatements, omissions, actions or conduct of any individual or entity other than PwC Netherlands.

#### **SEVENTEENTH DEFENSE**

At all times mentioned in the Complaint and with respect to all matters contained therein, PwC Netherlands acted in good faith and exercised reasonable care and did not know, and in the exercise of reasonable care could not have known, of any alleged untruth or alleged omission alleged in the Complaint.

#### **EIGHTEENTH DEFENSE**

The Complaint fails to adequately plead loss causation.

#### **NINETEENTH DEFENSE**

PwC Netherlands cannot be held liable for Madoff's or any defendants' statements or information other than PwC Netherlands' audit opinions on the annual year-end consolidated financial statements of: (1) Fairfield Sentry for the fiscal years-ended December 31, 2002,

December 31, 2003, December 31, 2004 and December 31, 2005; (2) Fairfield Sigma for the fiscal years-ended December 31, 2003, December 31, 2004 and December 31, 2005; and (3) Greenwich Sentry for the fiscal year-ended December 31, 2005.

#### **TWENTIETH DEFENSE**

PwC Netherlands asserts that each act and statement made by it or attributed to it, or for which it may be found responsible in any manner, was made with a reasonable, good faith belief, formed after adequate and reasonable investigation and in full compliance with all applicable professional standards in effect at the time, including International Standards of Auditing and Generally Accepted Auditing Standards.

#### **TWENTY-FIRST DEFENSE**

PwC Netherlands cannot be found liable regarding any part of the Funds' financial statements, or any copies thereof, because PwC Netherlands made a reasonable investigation, had reasonable ground to believe and did believe, during the relevant time period, that the statements therein were true and that there was no omission of a material fact required to be stated or necessary to make the statements therein not misleading.

#### **TWENTY-SECOND DEFENSE**

PwC Netherlands made full and accurate disclosures of all information required to be disclosed by law.

#### **TWENTY-THIRD DEFENSE**

Plaintiffs failed to use reasonable care to prevent damages allegedly sustained.

#### **TWENTY-FOURTH DEFENSE**

Plaintiffs and other members of the proposed class lack standing to assert the purported claims for relief.

**TWENTY-FIFTH DEFENSE**

Plaintiffs are not entitled to rescission because it is neither feasible nor reasonable to put either defendants or plaintiffs in the positions they were in before purchasing interests in the Funds.

**TWENTY-SIXTH DEFENSE**

Plaintiffs are not entitled to rescission because they were unreasonably delayed in bringing their claims for rescission.

**TWENTY-SEVENTH DEFENSE**

Plaintiffs' claims are barred, in whole or in part, because the interests they acquired in the Funds were not purchased pursuant to statements that contained any alleged material misstatements or omissions upon which the plaintiffs' claims against PwC Netherlands are based, and because plaintiffs cannot trace their purchases back to any statement containing those alleged material misstatements or omissions.

**TWENTY-EIGHTH DEFENSE**

Any damage allegedly suffered by plaintiffs over the purported Class Period is the result of the Madoff fraud and/or other factors for which PwC Netherlands bears no responsibility.

**TWENTY-NINTH DEFENSE**

Plaintiffs are not entitled to equitable relief because they have an adequate remedy at law.

**THIRTIETH DEFENSE**

Any damages allegedly suffered by plaintiffs are the result of factors for which PwC Netherlands bears no responsibility, and result from Madoff's looting of the monies invested in the Funds and not from any alleged misrepresentation in any parts of the Funds' financial statements for which PwC Netherlands is allegedly responsible or from any omission of material fact required to be stated or necessary to make the statements therein not misleading.

**THIRTY-FIRST DEFENSE**

This action is not maintainable as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

**THIRTY-SECOND DEFENSE**

Any damage, loss or liability sustained by plaintiffs must be reduced, diminished and/or eliminated in proportion to the wrongful or negligent conduct of entities or individuals other than PwC Netherlands under the principles of equitable allocation, recoupment, set-off, contribution, proportionate responsibility and comparative fault.

**THIRTY-THIRD DEFENSE**

PwC Netherlands has insufficient knowledge or information upon which to form a belief as to whether there may be additional affirmative defenses available to it, and therefore reserves the right to assert such additional defenses.

**THIRTY-FOURTH DEFENSE**

Plaintiffs' claims are barred by the applicable statutes of limitation and repose.

**THIRTY-FIFTH DEFENSE**

PwC Netherlands hereby incorporates by reference any affirmative defenses pleaded by any other defendant in this action.

WHEREFORE, PwC Netherlands respectfully requests that this Court:

- A. Dismiss plaintiffs' claims and enter judgment in PwC Netherlands' favor;
- B. Award PwC Netherlands reasonable attorneys fees incurred in defense of this matter, including costs and expenses; and
- C. Award it all further relief that the Court determines to be fair and just.

Dated: New York, New York  
October 1, 2010

Respectfully submitted,

/s/ William R. Maguire

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