

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

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ANWAR, *et al.*,

Plaintiffs,

v.

FAIRFIELD GREENWICH LIMITED, *et al.*,

Defendants.

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:: MASTER FILE NO. 09-CV-0118 (VM)
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:: **ANSWER OF DEFENDANT**
:: **GLOBEOP FINANCIAL SERVICES LLC**
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Defendant GlobeOp Financial Services LLC (“GlobeOp”), by and through its attorneys, Kobre & Kim LLP, answers Plaintiffs’ Second Consolidated Amended Complaint (the “Complaint”), dated September 29, 2009, as follows:

NATURE OF THE ACTION

1. Paragraph 1 of the Complaint is a mere characterization of the action to which no response is required. To the extent a response is required, GlobeOp denies that its actions were “reckless, grossly negligent, and fraudulent” and denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 1.

2. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Complaint.

3. Paragraph 3 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations contained in paragraph 3 of the Complaint to the extent directed to it and denies knowledge or information sufficient to form a belief as to the truth of the allegations

contained in paragraph 3 of the Complaint that are directed to other Defendants.

4. GlobeOp denies the allegations contained in paragraph 4 of the Complaint to the extent directed to it and denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 4 of the Complaint that are directed to other Defendants.

JURISDICTION AND VENUE

5. Paragraph 5 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 5.

6. Paragraph 6 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 6.

7. Paragraph 7 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 7.

PARTIES

8. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 8 of the Complaint. To the extent this paragraph contains any allegations directed at GlobeOp, GlobeOp denies those allegations.

A. Plaintiffs

9. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 1 through 116 of the Complaint.¹

B. Defendants

10. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 117 through 164 of the Complaint.

11. GlobeOp denies the allegations contained in paragraph 165 of the Complaint, except admits that it is a Delaware limited liability company that is registered to do business in New York and that its principal office is located at One South Road, Harrison, New York 10528. In addition, GlobeOp avers that it entered into a contractual relationship with Greenwich Sentry in or around 2004 (the “Administrative Services Agreement”), and respectfully refers the Court to the text of the Administrative Services Agreement for GlobeOp’s responsibilities thereunder.

¹ GlobeOp hereafter refers to paragraph 1 (and all following paragraphs) as beginning on page 4 of the Complaint.

ALLEGATIONS OF FACT

A. Bernard Madoff's Massive Ponzi Scheme

12. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of allegations contained in paragraphs 166 through 167 of the Complaint except admits that BMIS account statements described purported trading activity in securities holdings.

B. Fairfield Greenwich Group's Relationship with Madoff

13. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 168 through 175 of the Complaint and respectfully refers the Court to the SEC complaint referenced in paragraph 175 of the Complaint for the contents thereof. To the extent this paragraph contains any allegations directed at GlobeOp, GlobeOp denies those allegations.

C. Nature and Structure of the Fairfield Greenwich Group

14. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 176 through 180 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof.

D. Fairfield Defendants' False Representations and Omissions in Marketing the Funds and Their Breaches of Fiduciary Duties to Investors

15. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 181 through 216 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 181 through 216 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

E. The Fairfield Defendants Ignored Red Flags of Madoff's Fraud

16. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 217 through 224 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 217 through 224 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

F. Fairfield Defendants' Falsely Reassured Investors Who Made Inquiries

17. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 225 through 233 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 225 through 233 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

G. The Fairfield Defendants Assisted Madoff in Thwarting an SEC Investigation

18. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 234 of the Complaint.

H. The Fairfield Defendants Attempted to Raise Money to Keep Madoff Afloat in Late 2008

19. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 235 of the Complaint.

I. The Fairfield Defendants and Fairfield Free Claim Defendants Earned Massive Fees from Funneling Plaintiffs' Assets into the Madoff Fraud

20. GlobeOp denies knowledge or information sufficient to form a belief as to

the truth of allegations contained in paragraphs 236 through 249 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 236 through 249 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

J. Fairfield Defendants Agreed to Provide Full Restitution to Massachusetts Investors in the Funds

21. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 250 through 258 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 250 through 258 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

K. PricewaterhouseCoopers Failed to Audit the Funds According to U.S. and International Standards and Misrepresented the Financial Condition of the Funds

22. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 259 through 318 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 259 through 318 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

L. Citco Violated Its Obligations to Provide Financial Services to Fund Investors

23. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 319 through 343 of the Complaint and

respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent that any of the allegations contained in paragraphs 319 through 343 of the Complaint are directed at GlobeOp, GlobeOp denies those allegations.

M. GlobeOp Violated Its Obligations to Greenwich Sentry Investors

24. GlobeOp denies the allegations contained in paragraph 344 of the Complaint, except (1) admits that it provided certain services to Greenwich Sentry pursuant to the Administrative Services Agreement from in or around January 2004 to in or around August 2006; and (2) respectfully refers the Court to the webpage referenced in paragraph 344 of the Complaint for the contents thereof.

25. GlobeOp denies the allegations contained in paragraph 345 of the Complaint, except admits that it provided certain services to Greenwich Sentry pursuant to the Administrative Services Agreement and respectfully refers the Court to the Administrative Services Agreement for GlobeOp's responsibilities thereunder.

26. GlobeOp denies the allegations contained in the first sentence of paragraph 346 of the Complaint except denies knowledge or information sufficient to form a belief as to whom Plaintiffs reposed trust and confidence in. The allegations contained in the second sentence of paragraph 346 of the Complaint are legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations contained in the second sentence of paragraph 346 of the Complaint.

27. The allegations contained in paragraph 347 of the Complaint are legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations contained in paragraph 347 of the Complaint.

N. Defendants' Fraudulent Concealment of Their Breaches of Duty

28. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 348 of the Complaint. To the extent this paragraph contains any allegations directed at GlobeOp, GlobeOp denies those allegations.

29. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 349 of the Complaint. To the extent this paragraph contains any allegations directed at GlobeOp, GlobeOp denies those allegations.

30. GlobeOp denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 350 of the Complaint. To the extent this paragraph contains any allegations directed at GlobeOp, GlobeOp denies those allegations.

CLASS ACTION ALLEGATIONS

31. Paragraph 351 of the Complaint is a mere characterization of the action to which no response is required. To the extent a response is required, GlobeOp denies the allegations contained in paragraph 351 of the Complaint except admits that Plaintiffs are purporting to bring the class action described therein.

32. Paragraph 352 of the Complaint is a mere characterization of the action to which no response is required. To the extent a response is required, GlobeOp denies the allegations contained in paragraph 352 of the Complaint except admits that Plaintiffs are seeking to designate the four subclasses described therein.

33. Paragraph 353 of the Complaint contains legal conclusions for which no

response is required. To the extent a response is required, GlobeOp denies the allegations contained in paragraph 353 of the Complaint.

CLAIMS FOR RELIEF

Count 1 through Count 28

34. In response to paragraph 354 through 540 of the Complaint, GlobeOp repeats and reasserts its responses to paragraphs 1 through 353 of the Complaint. Paragraphs 354 through 540 of the Complaint contain legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations contained in paragraphs 354 through 540 of the Complaint to the extent directed to it and denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 354 through 540 of the Complaint that are directed to other Defendants.

Count 29

Breach of Fiduciary Duty against GlobeOp

35. In response to paragraph 541 of the Complaint, GlobeOp repeats and reasserts its responses to paragraphs 1 through 540 of the Complaint.

36. GlobeOp denies the allegations contained in paragraph 542 of the Complaint except admits that it provided certain services to Greenwich Sentry pursuant to the Administrative Services Agreement and respectfully refers the Court to the text of the Administrative Services Agreement for GlobeOp's responsibilities thereunder.

37. Paragraph 543 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 543 of the Complaint.

38. Paragraph 544 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 544 of the Complaint except denies knowledge or information sufficient to form a belief as to whom Plaintiffs reposed their trust in.

39. Paragraph 545 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 545 of the Complaint.

40. Paragraph 546 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 546 of the Complaint.

41. Paragraph 547 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 547 of the Complaint.

42. Paragraph 548 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 548 of the Complaint except admits that it earned fees for services rendered pursuant to the Administrative Services Agreement.

43. Paragraph 549 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 549 of the Complaint.

Count 30
Gross Negligence against GlobeOp

44. In response to paragraph 550 of the Complaint, GlobeOp repeats and

reasserts its responses to paragraphs 1 through 549 of the Complaint.

45. Pursuant to the August 18, 2010 Order, Plaintiffs' Gross Negligence claim against GlobeOp has been dismissed, and thus no response to the allegations contained in paragraphs 551 through 553 of the Complaint is required. To the extent that a response is required, GlobeOp denies the allegations contained in paragraphs 551 through 553 of the Complaint.

Count 31
Negligence against GlobeOp

46. In response to paragraph 554 of the Complaint, GlobeOp repeats and reasserts its responses to paragraphs 1 through 553 of the Complaint.

47. Paragraph 555 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 555 of the Complaint.

48. Paragraph 556 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 556 of the Complaint.

49. Paragraph 557 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, GlobeOp denies the allegations in paragraph 557 of the Complaint.

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

50. In response to paragraph 558 of the Complaint, GlobeOp repeats and reasserts its responses to paragraphs 1 through 557 of the Complaint.

51. GlobeOp denies knowledge or information sufficient to form a belief as to

the truth of the allegations contained in paragraphs 559 through 565 of the Complaint and respectfully refers the Court to the documents referenced therein for the contents thereof. To the extent these paragraphs contain any allegations directed at GlobeOp, GlobeOp denies those allegations.

Count 33
Unjust Enrichment against All Defendants

52. In response to paragraph 566 of the Complaint, GlobeOp repeats and reasserts its responses to paragraphs 1 through 565 of the Complaint.

53. Pursuant to Plaintiffs' Memorandum in Opposition to GlobeOp Financial Services' Motion to Dismiss, dated March 22, 2010, the unjust enrichment claim against GlobeOp has been voluntarily dismissed without prejudice, and thus no response to the allegations contained in paragraph 567 through 572 of the Complaint is required. To the extent that a response is required, GlobeOp denies the allegations contained in paragraphs 567 through 572 of the Complaint to the extent directed to it and denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 567 through 572 of the Complaint that are directed to other Defendants.

JURY TRIAL DEMANDED

GlobeOp hereby joins in Plaintiffs' demand for a trial by jury for all issues so triable.

AFFIRMATIVE DEFENSES

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

FIRST AFFIRMATIVE DEFENSE

1. The Complaint fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

2. Plaintiffs' claims are barred in whole or in part by the applicable statutes of limitation and/or repose.

THIRD AFFIRMATIVE DEFENSE

3. If Plaintiffs sustained any damages alleged in the Complaint, such damages were as a result of conduct of Plaintiffs and/or others.

FOURTH AFFIRMATIVE DEFENSE

4. GlobeOp did not owe any duties to Plaintiffs.

FIFTH AFFIRMATIVE DEFENSE

5. Plaintiffs' claims are barred in whole, or in part, because the claimed injury and damages were not legally or proximately caused by GlobeOp.

SIXTH AFFIRMATIVE DEFENSE

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

SEVENTH AFFIRMATIVE DEFENSE

7. Plaintiffs' claims are barred, in whole or in part by the doctrines of waiver and/or estoppel.

EIGHTH AFFIRMATIVE DEFENSE

8. Plaintiff's claims are barred by the doctrine of unclean hands

NINTH AFFIRMATIVE DEFENSE

9. Plaintiff's claims fail because Plaintiffs lack standing to assert them.

TENTH AFFIRMATIVE DEFENSE

10. If Plaintiffs sustained any damages alleged in the Complaint, such damages were caused by an unforeseeable, unanticipated, independent, intervening and/or superseding event unrelated to any conduct of GlobeOp.

ELEVENTH AFFIRMATIVE DEFENSE

11. If the Plaintiffs sustained any damages alleged in the Complaint, Plaintiffs' failed to mitigate their damages.

TWELFTH AFFIRMATIVE DEFENSE

12. Plaintiffs' claims are barred, in whole or in part, by contractual defenses and limitations set forth in the Administrative Services Agreement.

THIRTEENTH AFFIRMATIVE DEFENSE

13. Plaintiffs' claims against GlobeOp are barred because they are derivative.

FOURTEENTH AFFIRMATIVE DEFENSE

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

FIFTEENTH AFFIRMATIVE DEFENSE

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

SIXTEENTH AFFIRMATIVE DEFENSE

16. Plaintiffs' claims against GlobeOp are barred because of the contributory and/or comparative negligence and fault of Plaintiffs.

SEVENTEENTH AFFIRMATIVE DEFENSE

17. Plaintiffs' claims against GlobeOp are barred by the economic loss rule.

EIGHTEENTH AFFIRMATIVE DEFENSE

18. Any damages recoverable from GlobeOp by the Plaintiffs are limited to the percentage of fault attributable to GlobeOp. GlobeOp cannot be held liable for damages corresponding to the percentages of fault due to the negligence and/or wrongdoing of others, including but not limited to the other defendants in this case.

NINETEENTH AFFIRMATIVE DEFENSE

19. Plaintiffs' claims against GlobeOp are barred because Plaintiffs are not third party beneficiaries of the Administrative Services Agreement.

TWENTIETH AFFIRMATIVE DEFENSE

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

TWENTY-FIRST AFFIRMATIVE DEFENSE

21. GlobeOp reserves the right to add to or modify its affirmative defenses.

TWENTY-SECOND AFFIRMATIVE DEFENSE

22. To the extent applicable, GlobeOp adopts by reference any applicable defense pled by any other defendant not expressly set forth herein.

RESERVATION OF RIGHTS

GlobeOp hereby gives notice to Plaintiffs that it lacks knowledge or information sufficient to form a belief as to the truth of certain allegations contained in the Complaint, or specific knowledge of actions on the part of Plaintiffs, Defendants or other persons. Until GlobeOp avails itself of its right to discovery, it cannot be determined whether all

of the above-stated Affirmative Defenses will be asserted at trial or whether GlobeOp may have additional defenses. GlobeOp hereby reserves the right to assert additional affirmative defenses as may become known to it during the course of discovery.

WHEREFORE, it is respectfully requested that judgment be entered dismissing Plaintiffs' claim.

Dated: New York, New York
October 1, 2010

KOBRE & KIM LLP

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