

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

ANWAR, et al.,
Plaintiffs,
v.
FAIRFIELD GREENWICH LIMITED, et al.,
Defendants.
This Document Relates To: All Actions
MASTER FILE NO. 09-CV-0118 (VM)

DEFENDANT ROBERT BLUM'S ANSWER TO THE
SECOND CONSOLIDATED AMENDED COMPLAINT

Defendant Robert Blum (Blum), by his attorneys Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, P.C., hereby answers or otherwise responds to the Second Consolidated Amended Complaint (SCAC). Blum reserves the right to supplement and amend this Answer and reserves the right to add additional defenses of which he becomes aware through discovery or other investigation.

The filing of this Answer is without waiver of the arguments presented in Blum's Motion to Dismiss, which are expressly adopted herein and asserted against the SCAC.

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 Blum, Blum denies those allegations. To the extent that Plaintiffs utilize group pleading as a basis to impose liability on Blum, Blum denies those allegations.

With respect to the numbered paragraphs of the SCAC, Blum responds as follows:¹

NATURE OF THE ACTION

1. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1, except avers that Fairfield Greenwich Group (öFGGö) is a marketing name used for certain businesses of a group of related entities and denies that FGG marketed and operated the referenced funds.²

2. The allegations in Paragraph 2 state legal conclusions to which no response is required. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2.

3. The allegations in Paragraph 3 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 3.

4. The allegations in Paragraph 4 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 4.

JURISDICTION AND VENUE

5. The allegations in Paragraph 5 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 5, except lacks knowledge or information sufficient to form a belief as to the truth of the allegations

¹ Capitalized terms not defined herein shall have the meaning set forth in the SCAC.

² The SCAC characterizes Blum and certain other individuals as öpartnersö of FGG and refers to them collectively as the öFGG partners.ö Blum avers that the term öpartnerö was sometimes used, but Blum and the other referenced individuals were not partners in the legal sense, but, rather, Blum and others were shareholders in Fairfield Greenwich Limited or its predecessor entities.

regarding whether at least one Plaintiff is a citizen of a foreign state, and avers that at least one Defendant is a citizen of New York.

6. The allegation in Paragraph 6 states a legal conclusion to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 6.

7. The allegations in Paragraph 7 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 7, except avers that one or more of the Defendants resides in this District and the principal place of business of one more Defendants is in this District.

PARTIES

8. The allegations in Paragraph 8 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 8.

A. Plaintiffs

1. Fairfield Sentry Limited Investors

1. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1.³

2. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2.

3. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 3.

4. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 4.

³ The SCAC contains two sets of allegations numbered 1 through 8. For the purposes of this Answer, Blum conforms his responses to the numbering system adopted by Plaintiffs in the SCAC.

5. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 5.

6. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 6.

7. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 7.

8. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 8.

9. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 9.

10. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 10.

11. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 11.

12. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 12.

13. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13.

14. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 14.

15. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 15.

16. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 16.

17. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17.

18. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18.

19. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 19.

20. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 20.

21. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 21.

22. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 22.

23. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23.

24. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24.

25. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25.

26. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 26.

27. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27.

28. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28.

29. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29.

30. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 30.

31. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 31.

32. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 32.

33. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 33.

34. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34.

35. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 35.

36. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 36.

37. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37.

38. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 38.

39. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39.

40. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 40.

41. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 41.

42. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 42.

43. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 43.

44. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 44.

45. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 45.

46. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 46.

47. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 47.

48. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 48.

49. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 49.

50. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 50.

51. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 51.

52. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 52.

53. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 53.

54. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 54.

55. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 55.

56. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 56.

57. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 57.

58. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 58.

59. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59.

60. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 60.

61. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 61.

62. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 62.

63. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 63.

64. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 64.

65. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 65.

66. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 66.

67. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 67.

68. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 68.

69. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 69.

70. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 70.

71. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 71.

72. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 72.

73. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 73.

74. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 74.

75. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 75.

76. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 76.

77. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 77.

78. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 78.

2. Fairfield Sigma Limited Investors

79. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 79.

80. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 80.

81. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 81.

82. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 82.

83. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 83.

84. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 84.

85. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 85.

86. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 86.

87. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 87.

88. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 88.

89. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 89.

90. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 90.

91. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 91.

92. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 92.

93. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 93.

94. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 94.

95. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 95.

96. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegation in Paragraph 96.

97. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 97.

98. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 98.

99. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 99.

100. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 100.

101. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 101.

102. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 102.

103. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 103.

104. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 104.

105. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 105.

106. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 106.

107. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 107.

108. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 108.

3. Greenwich Sentry, L.P. Investors

109. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 109.

110. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 110.

111. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 111.

112. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 112.

113. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 113.

114. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 114.

115. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 115.

4. Greenwich Sentry Partners, L.P. Investors

116. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 116.⁴

I. Defendants

B. Defendants

1. Fairfield Greenwich Defendants

117. The allegations in Paragraph 117 state legal conclusions to which no response is required. To the extent that a response is required, Blum, subject to Footnote 2, denies the allegations in Paragraph 117.

118. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 118, except as follows: Blum, subject to Footnote 2, denies the

⁴ On October 1, 2010, the Plaintiffs filed with the Court a Notice and Order Adding Additional Named Plaintiffs (öNoticeö), which seeks to add 24 additional named plaintiffs as parties to this Action to the same extent as if they had been named as plaintiffs in the SCAC. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 1 through 24 of the Notice.

allegations regarding FGG; and avers, on information and belief, that (i) FGL was a company incorporated under the laws of the Cayman Islands; and (ii) FGL served as the Investment Manager for Fairfield Sentry Limited for a period of time.

119. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 119, except as follows: Blum, subject to Footnote 2, denies the allegations regarding FGG; and avers, on information and belief, that FGBL was a corporation organized under the laws of Bermuda.

120. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 120, except as follows: Blum, subject to Footnote 2, denies the allegations regarding FGG; and avers, on information and belief, that FGA was a Delaware limited liability company.

121. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 121, except, subject to Footnote 2, denies the allegations regarding FGG.

122. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 122, except as follows: Blum, subject to Footnote 2, denies the allegations regarding FGG; and avers, on information and belief, that FHC (i) was registered with the SEC as a broker-dealer; (ii) was a member of the National Association of Securities Dealers; and (iii) was a member of the Securities Investor Protection Corporation.

123. Defendant Lion Fairfield Capital Management Ltd. was dismissed from this action on March 22, 2010. No additional response is required. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 123, except, subject to Footnote 2, denies the allegations regarding FGG.

124. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 124, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Walter M. Noel, Jr. was associated with certain entities that used the marketing name Fairfield Greenwich Group.

125. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 125, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Jeffrey H. Tucker was associated with certain entities that used the marketing name Fairfield Greenwich Group.

126. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 126, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Andres Piedrahita was associated with certain entities that used the marketing name Fairfield Greenwich Group.

127. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 127, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Amit Vijayvergiya was associated with certain entities that used the marketing name Fairfield Greenwich Group.

128. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 128, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Daniel E. Lipton was associated with certain entities that used the marketing name Fairfield Greenwich Group.

129. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 129, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Mark McKeefry was associated with certain entities that used the marketing name Fairfield Greenwich Group.

130. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 130, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Richard Landsberger was associated with certain entities that used the marketing name Fairfield Greenwich Group.

131. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 131, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Maria Teresa Pulido Mendoza was associated with certain entities that used the marketing name Fairfield Greenwich Group.

132. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 132, except, subject to Footnote 2, denies the allegations regarding FGG and avers that David Horn was associated with certain entities that used the marketing name Fairfield Greenwich Group.

133. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 133, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Andrew Smith was associated with certain entities that used the marketing name Fairfield Greenwich Group.

134. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 134, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Charles Murphy was associated with certain entities that used the marketing name Fairfield Greenwich Group.

135. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 135, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Yanko Della Schiava was associated with certain entities that used the marketing name Fairfield Greenwich Group.

136. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 136, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Philip Toub was associated with certain entities that used the marketing name Fairfield Greenwich Group.

137. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 137, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Lourdes Barreneche was associated with certain entities that used the marketing name Fairfield Greenwich Group.

138. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 138, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Cornelis Boele was associated with certain entities that used the marketing name Fairfield Greenwich Group.

139. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 139, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Vianney d'Hendecourt was associated with certain entities that used the marketing name Fairfield Greenwich Group.

140. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 140, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Jacqueline Harary was associated with certain entities that used the marketing name Fairfield Greenwich Group.

141. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 141, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Santiago Reyes was associated with certain entities that used the marketing name Fairfield Greenwich Group.

142. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 142, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Julia Luongo was associated with certain entities that used the marketing name Fairfield Greenwich Group.

143. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 143, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Harold Greisman was associated with certain entities that used the marketing name Fairfield Greenwich Group.

144. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 144, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Corina Noel Piedrahita was associated with certain entities that used the marketing name Fairfield Greenwich Group.

145. Blum, subject to Footnote 2, denies the allegations in Paragraph 145, except avers that (i) he holds a B.A. from the University of Pennsylvania and a J.D. from the University of Chicago Law School; and (ii) he was associated with certain entities that used the marketing name Fairfield Greenwich Group from December 2000 until early 2005.

146. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 146, except, subject to Footnote 2, denies the allegations regarding FGG and avers that Gregory Bowes was associated with certain entities that used the marketing name Fairfield Greenwich Group.

147. Blum admits that Paragraph 147 of the SCAC refers to the persons identified in Paragraphs 124 through 146 collectively as the "Individual Defendants."

148. Blum denies the allegations in Paragraph 148, except respectfully refers the Court to the referenced exhibit from the Massachusetts Proceeding for the true and complete contents thereof.

149. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 149.

150. Blum states that Paragraph 150 is a description of Plaintiffs' claims to which no response is required or otherwise alleges conclusions of law as to which no response is required. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 150, except admits that Paragraph 150 refers to the persons and entities identified in Paragraph 150 collectively as the "Fairfield Defendants" and Plaintiffs have asserted claims against them for alleged negligent misrepresentation, gross negligence, breach of fiduciary duty and breach of contract.

151. Blum states that Paragraph 151 is a description of Plaintiffs' claims to which no response is required or otherwise alleges conclusions of law as to which no response is required. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 151, except admits that Paragraph 151 refers to the persons identified in Paragraph 151 collectively as the "Fairfield Fraud Claim Defendants" and Plaintiffs have asserted alleged fraud claims against them.

152. Blum states that Paragraph 152 is a description of Plaintiffs' claims to which no response is required or otherwise alleges conclusions of law as to which no response is required. To the extent a response is required, Blum denies the allegations in Paragraph 152, except admits that Paragraph 152 refers to the persons identified in Paragraph 152 collectively as the "Fairfield Fee Claim Defendants" and Plaintiffs have asserted only alleged fee-related claims against them.

2. PricewaterhouseCoopers Defendants

153. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 153.

154. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 154.

155. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 155.

3. Citco Defendants

156. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegation in Paragraph 156.

157. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 157.

158. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegation in Paragraph 158.

159. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 159.

160. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 160.

161. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 161.

162. Blum states that Paragraph 162 is a description of Plaintiffs' claims to which no response is required. To the extent a response is required, Blum admits that Paragraph 162 refers to the entities identified in Paragraph 162 collectively as "Citco."

163. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 163.

164. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 164.

4. GlobeOp Defendant

165. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 165.

ALLEGATIONS OF FACT

A. Bernard Madoff 's Massive Ponzi Scheme

166. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 166, except avers, on information and belief, that BMIS and Bernard L. Madoff (collectively with BMIS, "Madoff") perpetrated a fraudulent scheme and that Blum had no knowledge of the fraud prior to December 11, 2008.

167. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 167, except avers, on information and belief, that Madoff was arrested, charged and is currently serving a prison sentence, and respectfully refers the Court to the referenced criminal complaint and relevant sentencing documents for the true and complete contents thereof.

B. Fairfield Greenwich Group's Relationship with Madoff

168. Blum, subject to Footnote 2, lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 168.

169. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 169, except avers, on information and belief, that Madoff purported to execute a split-strike conversion strategy on behalf of certain of the Funds and that Madoff

purported to serve as a custodian or sub-custodian for a substantial portion of certain of the Funds' assets.

170. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 170, except avers, on information and belief, that (i) Fairfield Sentry Limited was incorporated in the Territory of the British Virgin Islands ("BVI"); (ii) Madoff purported to execute a split-strike conversion strategy on behalf of Fairfield Sentry Limited; (iii) Madoff purported to serve as a custodian or sub-custodian for a substantial portion of Fairfield Sentry Limited's assets; (iv) Fairfield Sentry Limited was primarily for foreign investors; and (v) on July 21, 2009, the BVI Court ordered that Fairfield Sentry Limited be liquidated.

171. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 171, except avers, on information and belief, that (i) Fairfield Sigma Limited was a company organized under the laws of the BVI, (ii) Fairfield Sigma invested in Fairfield Sentry Limited and, during the period of such investment, Madoff purportedly served as sub-custodian for a substantial portion of Fairfield Sentry Limited's assets; (iii) Fairfield Sigma was for foreign investors; and (iv) on July 21, 2009, the BVI Court ordered the Fairfield Sigma Limited fund to be liquidated, and respectfully refers the Court to the referenced Private Placement Memorandum ("PPM") for the true and complete terms thereof.

172. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 172.

173. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 173.

174. Blum states that Paragraph 174 is a description of Plaintiffs' claims to which no response is required. To the extent a response is required, Blum admits that Paragraph 174 refers to the funds identified in Paragraphs 169 through 173 collectively as the "Funds."

175. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 175, except respectfully refers the Court to the referenced SEC complaint for the true and complete contents thereof.

C. Nature and Structure of the Fairfield Greenwich Group

176. The allegations in Paragraph 176 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 176.

177. The allegations in Paragraph 177 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 177.

178. The allegations in Paragraph 178 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 178.

179. Blum denies the allegations in Paragraph 179, except respectfully refers the Court to the referenced brochure for the true and complete contents thereof.

180. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 180, except denies the allegations as they relate to öFGG.ö

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

181. The allegations in Paragraph 181 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

182. The allegations in Paragraph 182 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

183. The allegations in Paragraph 183 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum denies those

allegations, except respectfully refers the Court to the referenced documents and marketing material for the true and complete contents thereof.

1. Defendants' False Representations and Omissions Regarding the Split-Strike Conversion Strategy

184. The allegations in Paragraph 184 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers that the strategy of the Funds was described as including a "split-strike conversion" strategy and respectfully refers the Court to the referenced PPMs and Confidential Offering Memoranda ("COM") for the true and complete terms thereof.

185. The allegations in Paragraph 185 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers, on information and belief, that Madoff perpetrated a fraud and avers that Blum had no knowledge of the fraudulent scheme prior to December 11, 2008.

186. The allegations in Paragraph 186 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

2. Defendants' False Representations and Omissions Regarding the Funds' Track Record of Profitability

187. The allegations in Paragraph 187 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced PPMs and "update reports" for the true and complete contents thereof.

188. The allegations in Paragraph 188 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers, on information and belief, that information Madoff reported on returns was false.

189. The allegations in Paragraph 189 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

190. The allegations in Paragraph 190 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced reports for the true and complete contents thereof.

191. The allegations in Paragraph 191 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Semi-Annual Reports and Monthly Strategy Reviews for the true and complete contents thereof.

192. The allegations in Paragraph 192 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

4. Defendants' False Representations and Omissions Concerning Due Diligence and Oversight of Madoff

193. The allegations in Paragraph 193 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

194. The allegations in Paragraph 194 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced PPMs for the true and complete terms thereof.

195. The allegations in Paragraph 195 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced PPMs for the true and complete terms thereof.

196. The allegations in Paragraph 196 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced documents for the true and complete terms thereof.

197. The allegations in Paragraph 197 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete terms thereof.

198. The allegations in Paragraph 198 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

199. The allegations in Paragraph 199 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

200. The allegations in Paragraph 200 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced documents for the true and complete contents thereof.

201. The allegations in Paragraph 201 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

202. The allegations in Paragraph 202 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced documents for the true and complete contents thereof.

203. The allegations in Paragraph 203 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

204. The allegations in Paragraph 204 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

205. The allegations in Paragraph 205 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

206. The allegations in Paragraph 206 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

207. The allegations in Paragraph 207 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

208. The allegations in Paragraph 208 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced email for the true and complete contents thereof.

209. The allegations in Paragraph 209 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced email for the true and complete contents thereof.

210. The allegations in Paragraph 210 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

211. The allegations in Paragraph 211 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

212. The allegations in Paragraph 212 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

213. The allegations in Paragraph 213 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

214. The allegations in Paragraph 214 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Consent Order for the true and complete contents thereof.

215. The allegations in Paragraph 215 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

216. The allegations in Paragraph 216 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

217. The allegations in Paragraph 217 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

1. Madoff s Secretive Operations

218. The allegations in Paragraph 218 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced memorandum for the true and complete contents thereof.

219. The allegations in Paragraph 219 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

2. Key Positions Held by Madoff Family Members

220. The allegations in Paragraph 220 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

3. Madoff's Custody of Assets

221. The allegations in Paragraph 221 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers that Madoff purported to serve as a custodian or sub-custodian for a substantial portion of certain of the Funds' assets.

4. Madoff's Unknown Auditing Firm

222. The allegations in Paragraph 222 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

5. Madoff's Paper Trading Records

223. The allegations in Paragraph 223 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

6. Madoff's Consistent Investment Returns

224(a).⁵ The allegations in Paragraph 224(a) are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum denies those allegations, except lacks knowledge or information sufficient to form a belief as to Madoff's full reporting of his results and claims, and the results that others were able to achieve.

224. The allegations in Paragraph 224 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

F. The Fairfield Defendants Falsely Reassured Investors Who Made Inquiries

225. The allegations in Paragraph 225 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced emails for the true and complete contents thereof.

226. The allegations in Paragraph 226 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced email for the true and complete contents thereof.

227. The allegations in Paragraph 227 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

⁵ Blum numbers this paragraph 224(a) since Plaintiffs did not provide a number for the allegations between paragraphs 223 and 224 of the SCAC.

228. The allegations in Paragraph 228 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced email for the true and complete contents thereof.

229. The allegations in Paragraph 229 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced emails for the true and complete contents thereof.

230. The allegations in Paragraph 230 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

231. The allegations in Paragraph 231 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced email for the true and complete contents thereof.

232. The allegations in Paragraph 232 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

233. The allegations in Paragraph 233 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced email and documents for the true and complete contents thereof.

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

234. The allegations in Paragraph 234 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

235. The allegations in Paragraph 235 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers that Madoff's fraud was not revealed until December 11, 2008.

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

236. Blum denies the allegations in Paragraph 236, except avers, on information and belief, that profits and asset values reported by Madoff were false, and avers that certain fees were based on reported asset values.

237. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 237, except respectfully refers the Court to the referenced PPMs for the full and complete terms thereof.

238. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 238, except avers that FGL and FGBL were entitled to and did receive certain fees and respectfully refers the Court to the referenced PPMs and to audited financial statements for the true and complete contents thereof.

239. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 239, except avers that FGL and FGBL were entitled to and did

receive certain fees and respectfully refers the Court to the referenced PPMs and to audited financial statements for the true and complete contents thereof.

240. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 240, except respectfully refers the Court to the referenced PPM and Investment Management Agreement for the true and complete contents thereof.

241. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 241, except avers, on information and belief, that financial information reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent.

242. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 242, except avers that assets of Fairfield Sigma Limited were invested in Fairfield Sentry Limited, and respectfully refers the Court to the referenced PPMs for the true and complete terms thereof.

243. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 243, except avers, on information and belief, that data reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent, and avers that Fairfield Sigma Limited earned fees, and respectfully refers the Court to the referenced financial statements for the true and complete terms thereof.

244. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 244, except avers, on information and belief, that financial information reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent.

245. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 245, except respectfully refers the Court to the referenced COMs for the true and complete terms thereof.

246. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 246, except respectfully refers the Court to the referenced COMs and to audited financial statements for the true and complete contents thereof.

247. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 247, except respectfully refers the Court to the referenced COMs for the true and complete contents thereof.

248. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 248, except avers, on information and belief, that financial information reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent.

249. Blum denies the allegations in Paragraph 249, except avers that Blum had no knowledge of Madoff's fraud prior to December 11, 2008.

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

250. The allegations in Paragraph 250 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Administrative Complaint for the true and complete contents thereof.

251. The allegations in Paragraph 251 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or

information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Administrative Complaint for the true and complete contents thereof.

252. The allegations in Paragraph 252 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Administrative Complaint for the true and complete contents thereof.

253. The allegations in Paragraph 253 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Administrative Complaint for the true and complete contents thereof.

254. The allegations in Paragraph 254 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Administrative Complaint for the true and complete contents thereof.

255. The allegations in Paragraph 255 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Administrative Complaint for the true and complete contents thereof.

256. The allegations in Paragraph 256 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the Pre-Hearing Memorandum for the true and complete contents thereof.

257. The allegations in Paragraph 257 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced order for the true and complete contents thereof.

258. The allegations in Paragraph 258 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced order for the true and complete terms thereof.

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

259. The allegations in Paragraph 259 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers, on information and belief, that one or more PwC entity conducted independent audits of the financial statements of Fairfield Sentry Limited and Fairfield Sigma Limited for certain years and respectfully refers the Court to the referenced engagement letter for the true and complete contents thereof.

260. The allegations in Paragraph 260 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or

information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the relevant documents for the scope of services provided.

1. PwC Issued Clean Audit Opinions for the Funds

261. The allegations in Paragraph 261 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced audit opinion and audited financial statements for the true and complete contents thereof.

262. The allegations in Paragraph 262 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to those opinions and audited financial statements for the true and complete contents thereof.

263. The allegations in Paragraph 263 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to those opinions and audited financial statements for the true and complete contents thereof.

264. The allegations in Paragraph 264 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to those opinions and audited financial statements for the true and complete contents thereof.

265. The allegations in Paragraph 265 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to those opinions and audited financial statements for the true and complete contents thereof.

266. The allegations in Paragraph 266 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to those opinions and audited financial statements for the true and complete contents thereof.

267. The allegations in Paragraph 267 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to those opinions and audited financial statements for the true and complete contents thereof.

2. PwC Operates As a Unitary International Professional Services Organization

268. The allegations in Paragraph 268 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except admits that Paragraph 268 of the SCAC states that "PwC" is used to refer to all the PricewaterhouseCoopers entities.

269. The allegations in Paragraph 269 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

270. The allegations in Paragraph 270 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except admits that Paragraph 270 of the SCAC states that references to "PwC" shall include PwC International, PwC Netherlands and PwC Canada, and respectfully refers the Court to the referenced audit reports for the true and complete contents thereof.

271. The allegations in Paragraph 271 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced March 15, 2005 letter for the true and complete contents thereof.

272. The allegations in Paragraph 272 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced PwC memorandum for the true and complete contents thereof.

273. The allegations in Paragraph 273 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that any a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced PwC memorandum for the true and complete contents thereof.

274. The allegations in Paragraph 274 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or

information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Form ADV for the true and complete contents thereof.

3. PwC Owed Duties to Plaintiffs and Knew Investors in the Funds Would Rely on Clean Audit Opinions

275. The allegations in Paragraph 275 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced audit opinions and other documents for the true and complete contents thereof.

276. The allegations in Paragraph 276 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Audit Plan for the true and complete contents thereof.

277. The allegations in Paragraph 277 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Audit Plan for the true and complete contents thereof.

278. The allegations in Paragraph 278 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced engagement letters and other documents for the true and complete contents thereof.

279. The allegations in Paragraph 279 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

4. PwC Recklessly Performed Its Audits and Made Misrepresentations Regarding the Funds

a) PwC Was Required, at a Minimum, to Obtain Independent Verification that the Funds' Assets Existed

280. The allegations in Paragraph 280 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to United States Generally Accepted Auditing Standards (öGAASö), the Auditing Standards Board's Statements of Auditing Standards (öAUö), the International Auditing and Assurance Standards Board's (öIAASBö) International Standards on Auditing (öISAö) and other relevant documents for the true and complete contents thereof.

281. The allegations in Paragraph 281 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the Generally Accepted Account Principles (öGAAPö), the International Financial Reporting Standards (öIFRSö) and other relevant documents for the true and complete contents thereof.

282. The allegations in Paragraph 282 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the standards promulgated by the American Institute of Certified Public

Accountants (öAICPAö), the standards promulgated by the IAASB and other relevant documents for the true and complete contents thereof.

283. The allegations in Paragraph 283 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the Generally Accepted Auditing Standards, ISA and other relevant documents for the true and complete contents thereof.

284. The allegations in Paragraph 284 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU, ISA, GAAS and other relevant documents for the true and complete contents thereof.

285. The allegations in Paragraph 285 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU, ISA, GAAS and other relevant documents for the true and complete contents thereof.

286. The allegations in Paragraph 286 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the GAAS, AU, ISA and other relevant documents for the true and complete contents thereof.

287. The allegations in Paragraph 287 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or

information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Audit Plan for the true and complete contents thereof.

288. The allegations in Paragraph 288 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Audit Plan for the true and complete contents thereof.

289. The allegations in Paragraph 289 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU, ISA and other relevant documents for the true and complete contents thereof.

290. The allegations in Paragraph 290 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU and other relevant documents for the true and complete contents thereof.

291. The allegations in Paragraph 291 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU and other relevant documents for the true and complete contents thereof.

292. The allegations in Paragraph 292 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or

information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced PwC Guide for the true and complete contents thereof.

293. The allegations in Paragraph 293 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

294. The allegations in Paragraph 294 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced 2008 Global Annual Review for the true and complete contents thereof.

295. The allegations in Paragraph 295 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Guide for the true and complete contents thereof.

296. The allegations in Paragraph 296 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the forgoing documents regarding such responsibilities and standards for the true and complete contents thereof.

297. The allegations in Paragraph 297 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU for the true and complete contents thereof.

298. The allegations in Paragraph 298 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU and ISA for the true and complete contents thereof.

299. The allegations in Paragraph 299 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU for the true and complete contents thereof.

300. The allegations in Paragraph 300 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU and the referenced PPMs for the true and complete contents thereof.

301. The allegations in Paragraph 301 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU for the true and complete contents thereof.

302. The allegations in Paragraph 302 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU and referenced Guide for the true and complete contents thereof.

303. The allegations in Paragraph 303 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU for the true and complete contents thereof.

304. The allegations in Paragraph 304 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced reports and financial statements for the true and complete contents thereof.

305. The allegations in Paragraph 305 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the AU and ISA for the true and complete contents thereof.

306. The allegations in Paragraph 306 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the Audit Plan for the true and complete contents thereof.

307. The allegations in Paragraph 307 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Audit Plan for the true and complete contents thereof.

308. The allegations in Paragraph 308 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

309. The allegations in Paragraph 309 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced Audit Plan for the true and complete contents thereof.

310. The allegations in Paragraph 310 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

311. The allegations in Paragraph 311 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

312. The allegations in Paragraph 312 are not directed to Blum, who, accordingly, has no obligation to respond. The allegations in Paragraph 312 state legal conclusions to which no response is required. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

313. The allegations in Paragraph 313 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

314. The allegations in Paragraph 314 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

315. The allegations in Paragraph 315 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

5. PwC's Substantial Assistance to Fairfield Defendants' Fraud and Breaches of Fiduciary Duty

316. The allegations in Paragraph 316 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

317. The allegations in Paragraph 317 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

318. The allegations in Paragraph 318 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

L. Fund Investors

1. Citco Operates as a Single Global Financial Services Provider

319. The allegations in Paragraph 319 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

320. The allegations in Paragraph 320 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

321. The allegations in Paragraph 321 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

322. The allegations in Paragraph 322 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

323. The allegations in Paragraph 323 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced administration agreement and websites for the true and complete contents thereof.

2. Citco Holds Itself Out as a Superior Financial Services Provider

324. The allegations in Paragraph 324 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

325. The allegations in Paragraph 325 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

326. The allegations in Paragraph 326 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced websites for the true and complete contents thereof.

3. Citco Committed to Serve as the Funds' Administrator

327. The allegations in Paragraph 327 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete terms thereof.

328. The allegations in Paragraph 328 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

329. The allegations in Paragraph 329 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

4. Citco Committed to Serve as Custodian for Fairfield Sentry and Sigma

330. The allegations in Paragraph 330 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete terms thereof.

331. The allegations in Paragraph 331 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete terms thereof.

5. Citco Owed Duties to Plaintiffs as Fund Investors

332. The allegations in Paragraph 332 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

333. The allegations in Paragraph 333 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

334. The allegations in Paragraph 334 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

335. The allegations in Paragraph 335 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

6. Citco's Performance of Its Duties to Plaintiffs Was Grossly Deficient

336. The allegations in Paragraph 336 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

337. The allegations in Paragraph 337 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced agreement for the true and complete terms thereof.

338. The allegations in Paragraph 338 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

339. The allegations in Paragraph 339 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

340. The allegations in Paragraph 340 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

7. Citco Provided Substantial Assistance to the Fairfield Defendants' Fraud and Breaches of Fiduciary Duty

341. The allegations in Paragraph 341 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

342. The allegations in Paragraph 342 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

8. Citco Collected Unearned Fees

343. The allegations in Paragraph 343 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers, on information and belief, that financial information reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent, and respectfully refers the Court to the referenced PPMs and administration agreements for the true and complete contents thereof.

M. GlobeOp Violated Its Obligations to Greenwich Sentry Investors

344. The allegations in Paragraph 344 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or

information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced website for the true and complete contents thereof.

345. The allegations in Paragraph 345 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

346. The allegations in Paragraph 346 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

347. The allegations in Paragraph 347 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

N. Defendants' Fraudulent Concealment of Their Breaches of Duty

348. Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 348, except Blum denies the allegation in Paragraph 348 alleging "wrongful conduct" and avers that the existence of Madoff's fraud could not have been discovered through the exercise of reasonable diligence.

349. The allegations in Paragraph 349 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 349.

350. The allegations in Paragraph 350 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 350.

CLASS ACTION ALLEGATIONS

351. The allegations in Paragraph 351 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 351, except avers that the Plaintiffs purport to bring this action as a putative class action as stated.

352. Blum states that Paragraph 352 is a description of Plaintiffs' claims to which no response is required.

353. The allegations in Paragraph 353 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 353.

CLAIMS FOR RELIEF

Count 1

Fraud against Fairfield Fraud Claim Defendants (Purchaser Claims)

354. Blum repeats and restates his responses to the foregoing paragraphs.

355. The allegations in Paragraph 355 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

356. The allegations in Paragraph 356 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

357. The allegations in Paragraph 357 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

358. The allegations in Paragraph 358 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

359. The allegations in Paragraph 359 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

360. Blum repeats and restates his responses to the foregoing paragraphs.

361. The allegations in Paragraph 361 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

362. The allegations in Paragraph 362 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

363. The allegations in Paragraph 363 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

364. The allegations in Paragraph 364 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

365. The allegations in Paragraph 365 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

366. The allegations in Paragraph 366 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

367. Blum repeats and restates his responses to the foregoing paragraphs.

368. The allegations in Paragraph 368 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers that Plaintiffs purport to assert this Count as alleged.

369. The allegations in Paragraph 369 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

370. The allegations in Paragraph 370 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

371. The allegations in Paragraph 371 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

372. The allegations in Paragraph 372 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

373. The allegations in Paragraph 373 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

374. The allegations in Paragraph 374 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

375. Blum repeats and restates his responses to the foregoing paragraphs.

376. The allegations in Paragraph 376 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

377. The allegations in Paragraph 377 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

378. The allegations in Paragraph 378 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that any a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 5
Negligent Misrepresentation against Fairfield Defendants (Purchaser Claims)

379. Blum repeats and restates his responses to the foregoing paragraphs.

380. The allegations in Paragraph 380 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

381. The allegations in Paragraph 381 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

382. The allegations in Paragraph 382 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

383. The allegations in Paragraph 383 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

384. The allegations in Paragraph 384 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

385. The allegations in Paragraph 385 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

386. The allegations in Paragraph 386 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 6
Negligent Misrepresentation against Fairfield Defendants (Holder Claims)

387. Blum repeats and restates his responses to the foregoing paragraphs.

388. The allegations in Paragraph 388 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

389. The allegations in Paragraph 389 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

390. The allegations in Paragraph 390 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

391. The allegations in Paragraph 391 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

392. The allegations in Paragraph 392 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

393. The allegations in Paragraph 393 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

394. The allegations in Paragraph 394 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 7
Gross Negligence against Fairfield Defendants

395. Blum repeats and restates his responses to the foregoing paragraphs.

396. The allegations in Paragraph 396 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

397. The allegations in Paragraph 397 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

398. The allegations in Paragraph 398 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

399. The allegations in Paragraph 399 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

400. The allegations in Paragraph 400 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

401. The allegations in Paragraph 401 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 8
Breach of Fiduciary Duty against Fairfield Defendants

402. Blum repeats and restates his responses to the foregoing paragraphs.

403. The allegations in Paragraph 403 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

404. The allegations in Paragraph 404 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

405. The allegations in Paragraph 405 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

406. The allegations in Paragraph 406 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

407. The allegations in Paragraph 407 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced document for the true and complete contents thereof.

408. The allegations in Paragraph 408 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

409. The allegations in Paragraph 409 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

410. Blum repeats and restates his responses to the foregoing paragraphs.

411. No response is required to Paragraph 411 because the Plaintiffs' claim for third party beneficiary breach of contract against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 411, except respectfully refers the Court to the referenced agreements and PPM for the true and complete terms thereof.

412. No response is required to Paragraph 412 because the Plaintiffs' claim for third party beneficiary breach of contract against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 412.

413. No response is required to Paragraph 413 because the Plaintiffs' claim for third party beneficiary breach of contract against Blum has been dismissed. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 413, except respectfully refers the Court to the operative documents and agreements concerning FGBL for the true and complete terms thereof.

414. No response is required to Paragraph 414 because the Plaintiffs' claim for third party beneficiary breach of contract against Blum has been dismissed. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 414, except avers, on information and belief, that, at certain times, FGL served as the Investment Manager for Fairfield Sentry Limited, and respectfully refers the Court to the operative documents and agreements concerning FGL for the true and complete contents thereof.

415. No response is required to Paragraph 415 because the Plaintiffs' claim for third party beneficiary breach of contract against Blum has been dismissed. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 415.

416. No response is required to Paragraph 416 because the Plaintiffs' claim for third party beneficiary breach of contract against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 416.

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

417. Blum repeats and restates his responses to the foregoing paragraphs.

418. No response is required to Paragraph 418 because the Plaintiffs' claim for constructive trust against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 418.

419. No response is required to Paragraph 419 because the Plaintiffs' claim for constructive trust against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 419, except avers, on information and belief, that certain fees were calculated based on reported net profits and assets of the Funds.

420. No response is required to Paragraph 420 because the Plaintiffs' claim for constructive trust against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 420.

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

421. Blum repeats and restates his responses to the foregoing paragraphs.

422. No response is required to Paragraph 422 because the Plaintiffs' claim for mutual mistake against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 422, except avers that certain defendants were paid amounts derived from fees received by Fairfield entities.

423. No response is required to Paragraph 423 because the Plaintiffs' claim for mutual mistake against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 423.

424. No response is required to Paragraph 424 because the Plaintiffs' claim for mutual mistake against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 424.

425. No response is required to Paragraph 425 because the Plaintiffs' claim for mutual mistake against Blum has been dismissed. To the extent that a response is required, Blum denies the allegations in Paragraph 425, except avers that Plaintiffs purport to make a demand as stated.

Count 12
Gross Negligence against PricewaterhouseCoopers

426. Blum repeats and restates his responses to the foregoing paragraphs.

427. The allegations in Paragraph 427 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

428. The allegations in Paragraph 428 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

429. The allegations in Paragraph 429 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

430. The allegations in Paragraph 430 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

431. The allegations in Paragraph 431 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

432. The allegations in Paragraph 432 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 13
Negligence against PricewaterhouseCoopers

433. Blum repeats and restates his responses to the foregoing paragraphs.

434. The allegations in Paragraph 434 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

435. The allegations in Paragraph 435 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 435.

436. The allegations in Paragraph 436 state legal conclusions to which no response is required. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 436.

437. The allegations in Paragraph 437 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 14
Negligent Misrepresentation against PricewaterhouseCoopers

438. Blum repeats and restates his responses to the foregoing paragraphs.

439. The allegations in Paragraph 439 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

440. The allegations in Paragraph 440 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

441. The allegations in Paragraph 441 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

442. The allegations in Paragraph 442 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

443. The allegations in Paragraph 443 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

444. The allegations in Paragraph 444 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

445. The allegations in Paragraph 445 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 15

Third-Party Beneficiary Breach of Contract against PricewaterhouseCoopers

446. Blum repeats and restates his responses to the foregoing paragraphs.

447. The allegations in Paragraph 447 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

448. The allegations in Paragraph 448 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

449. The allegations in Paragraph 449 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

450. The allegations in Paragraph 450 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 16
Aiding and Abetting Breach of Fiduciary Duty against
PricewaterhouseCoopers

451. Blum repeats and restates his responses to the foregoing paragraphs.

452. The allegations in Paragraph 452 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

453. The allegations in Paragraph 453 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

454. The allegations in Paragraph 454 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 17
Aiding and Abetting Fraud against PricewaterhouseCoopers

455. Blum repeats and restates his responses to the foregoing paragraphs.

456. The allegations in Paragraph 456 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

457. The allegations in Paragraph 457 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

458. The allegations in Paragraph 458 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

459. The allegations in Paragraph 459 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

460. Blum repeats and restates his responses to the foregoing paragraphs.

461. The allegations in Paragraph 461 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

462. The allegations in Paragraph 462 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

463. The allegations in Paragraph 463 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 463, except respectfully refers the Court to the referenced audit opinions and financial statements for the true and complete contents thereof.

464. The allegations in Paragraph 464 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

465. The allegations in Paragraph 465 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

466. The allegations in Paragraph 466 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

467. The allegations in Paragraph 467 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

468. The allegations in Paragraph 468 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

469. Blum repeats and restates his responses to the foregoing paragraphs.

470. The allegations in Paragraph 470 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

471. The allegations in Paragraph 471 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

472. The allegations in Paragraph 472 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 20
Third-Party Beneficiary Breach of Contract against Citco

473. Blum repeats and restates his responses to the foregoing paragraphs.

474. The allegations in Paragraph 474 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

475. The allegations in Paragraph 475 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the referenced agreements for the true and complete contents thereof.

476. The allegations in Paragraph 476 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

477. The allegations in Paragraph 477 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

478. The allegations in Paragraph 478 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

479. The allegations in Paragraph 479 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

480. The allegations in Paragraph 480 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

481. The allegations in Paragraph 481 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

482. The allegations in Paragraph 482 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

483. The allegations in Paragraph 483 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

484. The allegations in Paragraph 484 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

485. The allegations in Paragraph 485 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

486. The allegations in Paragraph 486 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 21
Breach of Fiduciary Duty against Citco

487. Blum repeats and restates his responses to the foregoing paragraphs.

488. The allegations in Paragraph 488 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

489. The allegations in Paragraph 489 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

490. The allegations in Paragraph 490 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except respectfully refers the Court to the operative documents and agreements for the true and complete contents thereof.

491. The allegations in Paragraph 491 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

492. The allegations in Paragraph 492 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

493. The allegations in Paragraph 493 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

494. The allegations in Paragraph 494 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

495. The allegations in Paragraph 495 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

496. The allegations in Paragraph 496 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

497. The allegations in Paragraph 497 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

498. The allegations in Paragraph 498 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

499. The allegations in Paragraph 499 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers, on information and belief, that financial information reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent.

500. The allegations in Paragraph 500 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 22
Gross Negligence against Citco

501. Blum repeats and restates his responses to the foregoing paragraphs.

502. The allegations in Paragraph 502 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

503. The allegations in Paragraph 503 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

504. The allegations in Paragraph 504 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 23
Negligence against Citco

505. Blum repeats and restates his responses to the foregoing paragraphs.

506. The allegations in Paragraph 506 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

507. The allegations in Paragraph 507 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

508. The allegations in Paragraph 508 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 24
Aiding and Abetting Breach of Fiduciary Duty against Citco

509. Blum repeats and restates his responses to the foregoing paragraphs.

510. The allegations in Paragraph 510 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

511. The allegations in Paragraph 511 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

512. The allegations in Paragraph 512 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

513. The allegations in Paragraph 513 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

514. The allegations in Paragraph 514 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 25
Aiding and Abetting Fraud against Citco

515. Blum repeats and restates his responses to the foregoing paragraphs.

516. The allegations in Paragraph 516 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

517. The allegations in Paragraph 517 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

518. The allegations in Paragraph 518 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

519. The allegations in Paragraph 519 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

520. The allegations in Paragraph 520 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 26
Violation of Section 10(b) and Rule 10b-5 against Citco Fund Services and Citco Canada

521. Blum repeats and restates his responses to the foregoing paragraphs.

522. The allegations in Paragraph 522 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

523. The allegations in Paragraph 523 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

524. The allegations in Paragraph 524 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

525. The allegations in Paragraph 525 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

526. The allegations in Paragraph 526 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 27
Violation of Section 20(a) against Citco Group

527. Blum repeats and restates his responses to the foregoing paragraphs.

528. The allegations in Paragraph 528 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

529. The allegations in Paragraph 529 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

530. The allegations in Paragraph 530 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 28
Negligent Misrepresentation against Citco Fund Services, Citco Canada, and Citco Group

531. Blum repeats and restates his responses to the foregoing paragraphs.

532. Blum states that Paragraph 532 is a description of Plaintiffs' claims to which no response is required.

533. The allegations in Paragraph 533 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

534. The allegations in Paragraph 534 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

535. The allegations in Paragraph 535 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

536. The allegations in Paragraph 536 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

537. The allegations in Paragraph 537 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

538. The allegations in Paragraph 538 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

539. The allegations in Paragraph 539 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

540. The allegations in Paragraph 540 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 29
Breach of Fiduciary Duty against GlobeOp

541. Blum repeats and restates his responses to the foregoing paragraphs.

542. The allegations in Paragraph 542 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

543. The allegations in Paragraph 543 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

544. The allegations in Paragraph 544 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

545. The allegations in Paragraph 545 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

546. The allegations in Paragraph 546 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

547. The allegations in Paragraph 547 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

548. The allegations in Paragraph 548 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations, except avers, on information and belief, that financial information reported by Madoff has, after Madoff's arrest in December 2008, been found to be fraudulent.

549. The allegations in Paragraph 549 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 30
Gross Negligence against GlobeOp

550. Blum repeats and restates his responses to the foregoing paragraphs.

551. The allegations in Paragraph 551 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

552. The allegations in Paragraph 552 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

553. The allegations in Paragraph 553 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 31
Negligence against GlobeOp

554. Blum repeats and restates his responses to the foregoing paragraphs.

555. The allegations in Paragraph 555 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

556. The allegations in Paragraph 556 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

557. The allegations in Paragraph 557 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

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

558. Blum repeats and restates his responses to the foregoing paragraphs.

559. The allegations in Paragraph 559 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

560. The allegations in Paragraph 560 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

561. The allegations in Paragraph 561 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegation, except respectfully refers the Court to the operative documents and agreements concerning FGBL for the true and complete contents thereof. .

562. The allegations in Paragraph 562 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

563. The allegations in Paragraph 563 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

564. The allegations in Paragraph 564 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

565. The allegations in Paragraph 565 are not directed to Blum, who, accordingly, has no obligation to respond. To the extent that a response is required, Blum lacks knowledge or information sufficient to form a belief as to the truth of those allegations.

Count 33
Unjust Enrichment against All Defendants

566. Blum repeats and restates his responses to the foregoing paragraphs.

567. Blum states that Paragraph 567 is a description of Plaintiffs' claims to which no response is required. To the extent that a response is required, Blum avers that the Plaintiffs purport to assert this Count as stated.

568. The allegations in Paragraph 568 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 568.

569. The allegations in Paragraph 569 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 569.

570. The allegations in Paragraph 570 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 570.

571. Blum states that Paragraph 571 is a description of Plaintiffs' claims to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 571, except avers that Plaintiffs purport to seek restitution and an order as stated.

572. The allegations in Paragraph 572 state legal conclusions to which no response is required. To the extent that a response is required, Blum denies the allegations in Paragraph 572.

AFFIRMATIVE AND OTHER DEFENSES

Blum asserts the following affirmative and other defenses with respect to the causes of action alleged in the SCAC. In doing so, Blum does not concede that the assertion of such defenses imposes any burden of proof on Blum with respect thereto. Blum has not yet

completed his investigation, and to the extent that investigation and/or discovery warrant, he reserves the right to supplement, amend or withdraw any or all of the following affirmative or other defenses prior to any trial of this action.

FIRST DEFENSE

Plaintiffs fail to state a claim against Blum upon which relief may be granted.

SECOND DEFENSE

Plaintiffs' non-fraud common law claims against Blum are preempted by the Martin Act, N.Y. Gen. Bus. Law, Art. 23-A, §§ 352 et seq.

THIRD DEFENSE

Plaintiffs' common law claims against Blum are precluded by the Securities Litigation Uniform Standards Act, 15 U.S.C. § 78bb(f)(1).

FOURTH DEFENSE

Plaintiffs lack standing/and or capacity to bring their claims against Blum.

FIFTH DEFENSE

Fairfield Greenwich Group is a marketing name used for certain businesses of a group of related entities. It was and is not a partnership and Blum was not a partner of the Fairfield Greenwich Group.

SIXTH DEFENSE

Plaintiffs have unclean hands and the doctrine of *in pari delicto* applies.

SEVENTH DEFENSE

Plaintiffs are estopped from asserting their claims against Blum.

EIGHTH DEFENSE

The applicable statute of limitations has run and the doctrine of laches applies.

NINTH DEFENSE

Plaintiffs have waived their claims against Blum.

TENTH DEFENSE

Plaintiffs' claims against Blum are barred by the doctrines of ratification and affirmation.

ELEVENTH DEFENSE

Plaintiffs' claims against Blum are barred by the election of remedies doctrine.

TWELTH DEFENSE

Plaintiffs' claims against Blum are barred to the extent that their investments were in violation of the applicable laws or regulations of their foreign countries of origin.

THIRTEENTH DEFENSE

Plaintiffs' claims against Blum are barred to the extent that their investments were in violation of the Funds' suitability requirements.

FOURTEENTH DEFENSE

Blum was not the sole or partial cause of Plaintiffs' alleged injuries or damages.

FIFTEENTH DEFENSE

Any injury or damages Plaintiffs suffered was caused by the intervening and superseding conduct of others for whom Blum is not responsible, including but not limited to, Madoff and BMIS and their employees.

SIXTEENTH DEFENSE

Blum had no knowledge of, or reasonable grounds to believe, that Madoff and BMIS were engaged in fraud.

SEVENTEENTH DEFENSE

Blum neither owed nor breached any duty to Plaintiffs.

EIGHTEENTH DEFENSE

Blum was not in privity with Plaintiffs.

NINETEENTH DEFENSE

Blum acted in good faith, with reasonable care and diligence.

TWENTIETH DEFENSE

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

TWENTY-FIRST DEFENSE

Plaintiffs represented themselves to be sophisticated investors who knowingly and voluntarily assumed the risks inherent in the investments at issue.

TWENTY-SECOND DEFENSE

Plaintiffs did not actually, directly and individually rely on any alleged representations, acts or omissions by Blum.

TWENTY-THIRD DEFENSE

Plaintiffs did not justifiably or reasonably rely on any alleged representations, acts or omissions by Blum.

TWENTY-FOURTH DEFENSE

Plaintiffs' claims against Blum are barred, in whole or in part, by the terms of the offering material pursuant to which they invested.

TWENTY-FIFTH DEFENSE

Blum did not know, and in the exercise of reasonable care could not have known, of the existence of the alleged false or misleading statements and omissions of material fact referenced in the SCAC.

TWENTY-SIXTH DEFENSE

Blum was entitled to, and did, reasonably and in good faith, rely upon the acts and representations of Madoff, BMIS, other defendants in this action and third parties with respect to the transactions and events that are the subject of the claims asserted in the SCAC against Blum.

TWENTY-SEVENTH DEFENSE

Blum relied in good faith on the advice of counsel.

TWENTY-EIGHTH DEFENSE

Blum is protected from liability by the exculpatory clauses contained in the Greenwich Sentry, L.P. Limited Partnership Agreements, the Greenwich Sentry Partners, L.P. Limited Partnership Agreements, the Fairfield Sentry Limited Investment Management Agreements and the Fairfield Sigma Limited Investment Management Agreement.

TWENTY-NINTH DEFENSE

Blum is protected from liability under the business judgment rule.

THIRTIETH DEFENSE

Blum is protected from liability under Title 6, Chapter 17-407 of the Delaware Code.

THIRTY-FIRST DEFENSE

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

THIRTY-SECOND DEFENSE

Blum is not liable for any alleged representations, acts or omissions that occurred prior to or after his association with the Fairfield-related entities.

THIRTY-THIRD DEFENSE

Plaintiffs' claims are barred, in whole or in part, against Blum, who was not an individual signatory in any management capacity to the Fairfield Sentry Investment Management

Agreements, the Fairfield Sigma Investment Management Agreement, the Greenwich Sentry, L.P. Limited Partnership Agreements and/or the Greenwich Sentry Partners, L.P. Limited Partnership Agreements.

THIRTY-FOURTH DEFENSE

Plaintiffs fail to join necessary and indispensable parties in this action.

THIRTY-FIFTH DEFENSE

Plaintiffs' claims are barred, in whole or in part, by the existence of valid and enforceable contracts governing the subject matter of their claims.

THIRTY-SIXTH DEFENSE

Plaintiffs' purported injuries and damages are nonexistent, speculative and/or not of the nature or to the extent alleged.

THIRTY-SEVENTH DEFENSE

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

THIRTY-EIGHTH DEFENSE

Any recovery which might otherwise be had by Plaintiffs should be reduced and diminished because their own culpable conduct caused or contributed to any damages or injury that they sustained.

THIRTY-NINTH DEFENSE

Plaintiffs failed to mitigate, minimize or avoid their damages, if any.

FORTIETH DEFENSE

Plaintiffs are not entitled to punitive damages.

FORTY-FIRST DEFENSE

Any recovery by Plaintiffs against Blum is to be offset by any and all other recoveries by Plaintiffs, including, but not limited to: (i) any and all proceeds Plaintiffs have received or will receive in settlement of all or some of their claims against the defendants in this action; (ii) any other payments that Plaintiffs have recovered or will recover from others, including but not limited to, recovery from the trustee for the Madoff bankruptcy estate and the liquidators of Fairfield Sentry Limited and Fairfield Sigma Limited; (iii) any and all redemptions received by Plaintiffs from Fairfield Sentry Limited, Fairfield Sigma Limited, Greenwich Sentry Limited and Greenwich Sentry Partners; (iv) any tax rebates or recoveries; and (v) any and all other benefits received by Plaintiffs through or on account of their investments in the Funds.

FORTY-SECOND DEFENSE

Any damages recoverable by Plaintiffs from Blum are limited to the percentage of fault attributable to Blum and should be further reduced by amounts due to Blum by any of the Fairfield entities.

FORTY-THIRD DEFENSE

Blum's compensation was not based on fees earned from Madoff-related investment activity.

FORTY-FOURTH DEFENSE

Blum is entitled to recover contribution from others for any liability they incur to Plaintiffs.

FORTY-FIFTH DEFENSE

Pursuant to New York General Obligations Law § 15-108, in the event a release or covenant not to sue or not to enforce a judgment is given by Plaintiffs to any other person liable or claimed to be liable in tort for the same injury that is the subject of the SCAC, then

Plaintiffs' claims against Blum should be reduced by the amount stipulated by the release or the covenant, or in the amount of the consideration paid for it, or the amount of the released tortfeasor's equitable share of the damages under Article 14 of the New York Civil Practice Law and Rules, whichever is greatest.

FORTY-SIXTH DEFENSE

Pursuant to 15 U.S.C. § 78u-4(f)(7)(B), in the event that a covered person enters into a settlement with Plaintiffs prior to final verdict or judgment, Blum is entitled to a reduction in any verdict or judgment rendered against it in this action by the greater of (i) the amount that corresponds to the percentage of responsibility of that covered person or (ii) the amount paid to Plaintiffs by that covered person.

FORTY-SEVENTH DEFENSE

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

FORTY-EIGHTH DEFENSE

Blum hereby adopts and incorporates by reference any and all other defenses asserted or to be asserted by any other defendant to the extent Blum may share in such defense.

FORTY-NINTH DEFENSE

Blum hereby reserves and reasserts all affirmative defenses available under any applicable federal or state law.

COUNTERCLAIMS AND CROSS-CLAIMS

Blum expressly reserves all rights with respect to all counterclaims or cross-claims that may be revealed during the course of investigation and/or discovery.

WHEREFORE, having fully answered, Blum respectfully requests entry of judgment:

- (a) against Plaintiffs and in favor of Blum;
- (b) dismissing with prejudice all claims asserted against Blum;
- (c) awarding Blum the costs of defending this action, including attorneys' fees, costs and disbursements; and
- (d) granting such other and further relief as the Court may deem just and proper.

Dated: New York, New York
October 15, 2010

MORVILLO, ABRAMOWITZ, GRAND,
IASON, ANELLO & BOHRER, P.C.

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