

# EXHIBIT 29

**From:** CAMPANO, Sixto <cas@efg.com>  
**Sent:** Thursday, June 27, 2002 3:41 PM  
**To:** ECHEVARRIA Victor <VEchevarria@EFGCapitalMiami.COM>  
**Subject:** RE: **Redacted** 0106 & FAIRFIELD Sentry Exposure

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agree.

-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Thursday, June 27, 2002 12:47 PM  
**To:** Lee Jim  
**Cc:** CAMPANO, Sixto; Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick  
**Subject:** RE: **Redacted** 0106 & FAIRFIELD Sentry Exposure

Jim,

- 1) On point # 2 below I have no problems with your clarification. If special loanable values were to be requested, they would be within the normal standard ranges already being utilized by credit administration.
- 2) On point # 4, in the case of Miami and BA, the CRO is responsible for monitoring the clients credit position, including draw downs under approved lines. As I indicated previously, we have communicated to the CROs that no further draw downs which increase Fairfield Sentry exposure will be considered or approved. Also, no new CRs are being submitted which rely on Fairfield Sentry exposure for approval. Accordingly, I'm confident that we can live within the current utilization limit of \$13.2MM which provides EFG PB the cushion to not exceed the Board mandated limit of \$15MM. Keeping the existing exposure level is our preferred way of handling this matter.
- 3) We will review the approved lines which are eating up the significant amounts of exposure in order to asses whether a target lower than \$13.2MM is reachable or not. Since both Sixto and I will be in Europe next week, I would like to have the month of July to review each of these facilities and speak to the corresponding CRO. Only after this line by line review can I determine whether a reduction of total exposure is manageable without disrupting existing client relationships. At the end of July, we can provide you with a better assessment of this task. Pierre-Henri should send us a list of the Miami & BA clients which are currently utilizing the Fairfield Sentry exposure. The list should be by CRO and indicate the amount of exposure each account is consuming for the Fairfield Sentry calculation.
- 4) Diversification of client portfolios, both existing and new, is an on-going process. Every new investment proposal we make has diversified investment strategies. If the client elects to establish a concentrated strategy, his potential loanable value will suffer as a result. We stress to all client that EFG PB's lending strategy is based on diversified portfolios and loanable values is assigned accordingly.

Victor

-----Original Message-----

**From:** Lee Jim  
**Sent:** Thursday, June 27, 2002 2:48 AM  
**To:** ECHEVARRIA Victor  
**Cc:** CAMPANO, Sixto; Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick  
**Subject:** RE: **Redacted** 0106 & FAIRFIELD

On point 2 below, by "management" of usage of the Fairfield limit, I mean that it would not be in the spirit of the exercise if a credit request were to be submitted asking approval of special loanable

values, say 40-50% instead of the standard 25-35%, in order to "manage" the reliance on Fairfield to below the 25% concentration level. I hope this clarifies my point and you find it reasonable.

On point 4, I am concerned with potential drawdowns on approved lines with Fairfield concentration in the portfolio. We will find out about this after the event, unless every CRO personally vets each drawdown first. If you believe this is the case then I'm less concerned. However, if the CRO's are successful in diversifying the clients' portfolios into other hedge funds, the reliance on Fairfield would come down as a matter of course. If you agree this would be the case, then why not set a target benchmark for us all to work towards? This would be between you / Sixto and me and you do not need to allocate a target to each CRO. If the target is not met, so be it but at least I have a sense of what you and Sixto feel is acceptable. If you are saying that the current level is acceptable then we have little room for manoeuvre for incremental drawdowns on approved lines. If that's your preferred position then I cannot accept that diversification of your existing clients' portfolios is an active priority...it's a nice to have. I know it's a very difficult task but we either try to build some cushion now or run the risk of forcing an issue at a time when the clients least want it.

Jim

-----Original Message-----

**From:** ECHEVARRIA Victor

**Sent:** Wednesday, June 26, 2002 8:19 PM

**To:** Lee Jim

**Cc:** CAMPANO, Sixto; Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick

**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Jim,

Thank you for the internal allocation of the \$600M Fairfield utilization for [Redacted] I will communicate this to the CRO so she can inform the client today. Please note the following concerning your comments on controlling Fairfield utilization:

- 1) I have already communicated to all Miami & BA CROs that there is no availability for further lending opportunities utilizing Fairfield with concentration risk. I had done this recently since I was aware of the pressure to limit additional utilization. Nevertheless I will send another reminder.
- 2) I'm not certain as to what you mean by "management" of usage. I would hope that EFG PB would encourage clients to continue diversifying their holdings, in particular if the securities they purchase for the purpose of diversification have standard loanable values. I would consider this to be a healthy exercise in diversifying client holdings while simultaneously diversifying eligible collateral. If you are referring to clients purchasing non-recommended funds and then applying for special loanable values, there has not been a concerted effort to circumvent limits in this fashion either by clients or management. We have only had the one case of Kros buying the 5 hedge funds for their clients and in that case, credit administration was informed in advance of the purchase with loanable values requested at that time.
- 3) We are actively trying to diversify client portfolios on an on-going basis. This is not always an easy task as some clients have designed for themselves portfolios with very concentrated holdings. The task of convincing the large clients with concentrated holding to diversify is not easy when they have performed well recently. We keep on trying.
- 4) Up to now, I had always understood that we were going to limit future utilization. To now create a target of Fairfield exposure which is lower for year end is a new mission which I fail to see why we need to create. If we are no longer going to approve new utilization which creates Fairfield exposure, why isn't our cushion of \$1.8MM from \$13.2MM to \$15MM sufficient any more? I had understood this cushion was going to serve exclusively as a

cushion for market value variations and exchange rate valuations which could impact the dependency of Fairfield in portfolios. This new strategy does seem quite draconian.

Perhaps we should talk tomorrow on this subject.

Regards,

Victor

-----Original Message-----

**From:** Lee Jim  
**Sent:** Wednesday, June 26, 2002 1:35 PM  
**To:** ECHEVARRIA Victor; CAMPANO, Sixto  
**Cc:** Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Victor,

We have done the rounds and have got the necessary approvals to allocate an additional \$600,000 of the Fairfield concentration limit for [Redacted]. There was support as the client is a good long time client of yours.

However, you are aware how critical our position is. The potential for us to exceed our limits substantially should clients with approved lines drawdown is great. Given the sentiments you expressed below I recommend you take affirmative action to control the usage as follows:

1. No new credit requests with Fairfield concentration risk (i.e. more than 25% of tot LV of portfolio)
2. No new "management" of the usage by seeking special loanable values of other funds or securities in the portfolios to reduce the Fairfield concentration to below 25% of the portfolio.
3. Actively work with the CRO's to reduce our Fairfield exposure (for instance by buying hedge funds of the recommended or approved list), whether drawn or undrawn. To this point, I would like you to revert with a target to which you will reduce usage to by this year end. Without this target, which must be meaningful to be taken seriously, I cannot be convinced that we have an affirmative action plan.

This may seem draconian but the desire to reduce our dependence on Fairfield has been expressed before but I think we need to take action now. As 95%+ of the Fairfield concentration limit is used for your clients and as the majority of this is concentrated in about 10 of your clients, the effort can be a very focussed one. Please let me have your thoughts.

Thanks for your assistance.

Jim

-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Thursday, June 20, 2002 7:38 PM  
**To:** Lee Jim  
**Cc:** Baldin Olivier; Jim Lee (E-mail)

**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Jim,

My recommendation is that we allocate the additional requested amount of Fairfield exposure to [Redacted] in accordance with Olivier's comments in his e-mail. I recognize this will leave us with little room if any for additional Fairfield supported credits but the reality is that we have been telling most clients and CROs for some time that we are up to our internal limits for this type of borrowing. So if you agree, I would like to ask that Olivier allocate the additional \$600M exposure to [Redacted] at this time in anticipation that he will be using it. Please confirm your agreement to Olivier and myself. I would like for Adrianna to be able to deliver this news to [Redacted] upon her visit to Sao Paulo on the 24th of this month.

Going forward with other clients with Fairfield holdings our strategy will be to recommend that they diversify some of those holdings into other hedge funds in the EFG PB Recommended list or the Approved list. By taking this approach we could further diversify client portfolios and try to bring the Fairfield dependency below the 25% level, giving us some additional room in the \$15MM global limit. Obviously this will not be easy given Fairfield's good performance this year but since Fairfield Sentry will amend their investment strategy slightly by introducing other managers up to 5% of the total holdings, this may cause some redemptions among shareholders who want pure Madoff exposure and not just 95% Madoff exposure.

I look forward to your comments.

Victor

-----Original Message-----

**From:** Lee Jim  
**Sent:** Thursday, June 20, 2002 8:44 AM  
**To:** ECHEVARRIA Victor  
**Cc:** Baldin Olivier  
**Subject:** FW: [Redacted] 0106 & FAIRFIELD

Victor,

I have outlined the position on our overall exposure to Fairfield before. Although there seems to be room under the \$15mio limit, this should be seen against the substantial lines approved but not yet drawn. The vast majority of the usage and the unused lines are for your clients. Do you want to use so much of the available room up for [Redacted]?

Jim

-----Original Message-----

**From:** Baldin Olivier  
**Sent:** Wednesday, June 19, 2002 6:14 PM  
**To:** CAMPUZANO Adrianna; Lee Jim  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Jim,

What do you think ?

Our macro exposure as of today (where the LV of Fairfield > 25% of the tot LV) = USD 12.69 MLN.

**Redacted** has a limit for USD 5.3 mln out of which USD 4.7 mln is used. If we confirm the full amount in a facility letter and if the client uses the full limit we will have an exposure of  $12.69 + 0.6 = 13.2$  mln. So it should work.

Olivier

-----Original Message-----

**From:** CAMPUZANO Adrianna  
**Sent:** Wednesday, June 19, 2002 16:46  
**To:** Baldin Olivier  
**Subject:** FW: **Redacted** 0106  
**Importance:** High

Olivier: Could we do anything on this ?  
Client refuses to accept anything but the maximum utilization of his credit facility which should be around USD\$2.7MM.

I was thinking there are some clients that have credit facilities with risk concentration on Fairfield that have not been utilized. Could we then, as Jim suggested, perhaps limit a couple of clients as to accomodate **Redacted** ?

I am going to Brazil on a business trip next Monday and I will be meeting with client. The client told me to solve the problem or that he already had a credit facility elsewhere... This is an important relationship (over10MM)!

I am afraid the consequences could be worse than we anticipate. Please, let me have your thoughts.

Thank you.

-----Original Message-----

**From:** Palumbo Cosimo  
**Sent:** Wednesday, June 19, 2002 10:34 AM  
**To:** CAMPUZANO Adrianna  
**Subject:** RE: **Redacted** 0106

Dear Adrianna,

Please contact either Jim Lee or Olivier Baldin.

Best regards.

-----Original Message-----

**From:** CAMPUZANO Adrianna  
**Sent:** Wednesday, June 19, 2002 16:13  
**To:** Palumbo Cosimo  
**Subject:** FW: **Redacted** 0106

**Importance:** High

Dear Cosimo: I am forwarding this to you because I found out Pierre-Henri est en vacances!  
Perhaps you can help me? I'll send you an e-mail previously sent by Pierre-Henri that we would be able to confirm to [Redacted] USD2MM from his line. Please, read below and tell me if you can help or whom may I refer this problem.  
Merci, Cosimo!!!!

---Original Message---

**From:** CAMPUZANO Adrianna  
**Sent:** Tuesday, June 18, 2002 4:58 PM  
**To:** Scherer Pierre-Henri  
**Subject:** [Redacted] 10106  
**Importance:** High

Hello, Pierre-Henri! How are you?

It seems that my client [Redacted] will not accept the fact that we can only confirm USD\$2MM maximum utilization from his credit facility.

I'm off to Brazil next week and I was wondering if there is something we could do to remedy this situation. Is there any chance of allowing [Redacted] full utilization of his credit facility and limiting other clients that have had facilities approved but have not used them? I need a solution to this problem because I know [Redacted] will make a "Federal case" out of this.

I welcome any suggestions you may have to help.

Thank, Pierre-Henri!

**From:** ECHEVARRIA Victor <veche@efg.com>  
**Sent:** Thursday, December 12, 2002 11:26 AM  
**To:** \*EFGMIA All CROs <Offices@EFGCAPITALMIAMI.COM>; \*EFGBA All Users <\*EFGBAAllUsers@EFGArgentina.com.ar>  
**Cc:** Baldin Olivier <olivier.baldin@efgbank.com>  
**Subject:** FW: MAX EXPOSURE UNDER FAIRFIELD SENTRY USD 15 MLN LIMIT REACHED

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All CROs need to be aware that effective immediately, no further credit requests which rely ( risk concentration) on Fairfield Sentry will be considered. Please see e-mail below from Credit Admin. This includes any draw downs on approved facilities. In other words, if any CRO has a draw down on an existing facility or a new CR which relies on Fairfield Sentry, it will not be approved.

The only way we can improve this situation is by continuously diversifying the clients who have Fairfield Sentry risk concentration in their portfolios. All CROs should start reviewing their portfolios in order to achieve diversification without Fairfield Sentry risk concentration in client portfolios.

Victor

-----Original Message-----

**From:** Baldin Olivier  
**Sent:** Thursday, December 12, 2002 10:47 AM  
**To:** CADUFF Markus; Imison Paul; ECHEVARRIA Victor; CAMPANO, Sixto; CHIU Robert; SO George  
**Cc:** Lee Jim; Romanens Patrick; Scherer Pierre-Henri; Palumbo Cosimo; Frezza Laurent  
**Subject:** MAX EXPOSURE UNDER FAIRFIELD SENTRY USD 15 MLN LIMIT REACHED

Dear all,

This is to let you know that our exposure as of today under Fairfield Sentry USD 15 mln limit amounts to USD 14.72 mln.

Since we are at the ceiling, we kindly ask you to inform CRO's that credit requests with risk concentration on Fairfield Sentry will no longer be approved, unless our exposure decreases significantly.

Best regards  
Olivier Baldin

Confidential  
EFG\_Cap\_E-0007127



**From:** Baldin Olivier <olivier.baldin@efgbank.com>  
**Sent:** Tuesday, July 26, 2005 11:02 AM  
**To:** CAMPANO, Sixto <SCampano@EFGCapitalMiami.COM>  
**Subject:** RE: [REDACTED] [REDACTED]

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today if my brain does not collapse before

-----Original Message-----

**From:** CAMPANO, Sixto  
**Sent:** Tuesday, July 26, 2005 16:51  
**To:** Baldin Olivier  
**Subject:** RE: [REDACTED] [REDACTED]

any idea when you will be able to?

-----Original Message-----

**From:** Baldin Olivier  
**Sent:** Tuesday, July 26, 2005 9:23 AM  
**To:** CAMPANO, Sixto  
**Subject:** RE: [REDACTED] [REDACTED]

yes but I did not yet revert. I am also quite busy.

-----Original Message-----

**From:** CAMPANO, Sixto  
**Sent:** Tuesday, July 26, 2005 15:07  
**To:** Baldin Olivier  
**Subject:** RE: [REDACTED] [REDACTED]

thanks  
has [REDACTED] from [REDACTED] been in touch?

-----Original Message-----

**From:** Baldin Olivier  
**Sent:** Tuesday, July 26, 2005 2:57 AM  
**To:** CAMPANO, Sixto  
**Cc:** Gaspoz Natacha  
**Subject:** RE: [REDACTED] [REDACTED]

Ivo Steiger (and no longer Lonnie Howell) approves concentration on Fairfield Sentry when it is over 20% of tot LV. Here we have LV concentration and gross value reliance.

Olivier

-----Original Message-----

**From:** CAMPANO, Sixto  
**Sent:** Monday, July 25, 2005 20:32  
**To:** Baldin Olivier  
**Subject:** FW: [REDACTED] [REDACTED]  
**Importance:** High

who is this "person" natacha refers to?  
you?

-----Original Message-----

**From:** SANTOS Grace

**Sent:** Monday, July 25, 2005 12:01 PM  
**To:** Gaspoz Natacha  
**Cc:** CAMPANO, Sixto; DOBAL Victoria  
**Subject:** RE: [REDACTED] 8699 [Redacted]  
**Importance:** High

Dear Natacha:

I am copying Mr. Campano on this response to you as I do not foresee that the client would like to change this investment.

They are sending to me an approximate amount of \$180,000 - \$200,000 by the end of this month which we had discussed the

possibility of placing it in the US DOLLAR FLOATING RATE FUND.

I will also give to Mr. Campano a copy of their latest valuation. As you know, the CR was sent some time ago, and their account

has been overdrawn now for quite some time. I recently met with them during my trip... and they asked about the overdraft.

Thank-You.

Grace

Vicky-----Pls Make Sure That You Follow Up on this ... in my absence.

G

-----Original Message-----

**From:** Gaspoz Natacha  
**Sent:** Thursday, July 21, 2005 7:27 AM  
**To:** SANTOS Grace  
**Subject:** [REDACTED] 8699 [Redacted]  
**Importance:** High

Dear Grace,  
Oups! We have a problem with this CR.

I'm sorry, but the CR has not been approved by the person responsible to manage EFG Fairfield concentration. The gross value reliance on Fairfield is not acceptable to him. He would like you to provide us with an action plan to reduce this reliance to 0. Which means, that we should have at least USD 425'000 Gross value on assets others than Fairfield. Currently, there is USD 202'000 in cash, the rest is all Fairfield. Please propose action plan, to de-invest from Fairfield of at least USD 250'000 (Currently, USD 393'000), and place it in another security with 50-60% standard LV.

I am very sorry about that, I truly thought it would make no problem to get it approved.

Thanks for your attention and best regards,  
Natacha Gaspoz

Confidential  
EFG\_Cap\_E-0013299

EFG Private Bank SA  
SACR  
24, quai du Seujet  
1211 Genève 2  
Tel: +41 22 918 7662  
Fax: +41 22 918 7666  
[natacha.gaspoz@efgbank.com](mailto:natacha.gaspoz@efgbank.com)

# EXHIBIT 30

**From:** ECHEVARRIA Victor <veche@efg.com>  
**Sent:** Thursday, December 12, 2002 11:26 AM  
**To:** \*EFGMIA All CROs <Offices@EFGCAPITALMIAMI.COM>; \*EFGBA All Users <\*EFGBAAllUsers@EFGArgentina.com.ar>  
**Cc:** Baldin Olivier <olivier.baldin@efgbank.com>  
**Subject:** FW: MAX EXPOSURE UNDER FAIRFIELD SENTRY USD 15 MLN LIMIT REACHED

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All CROs need to be aware that effective immediately, no further credit requests which rely ( risk concentration) on Fairfield Sentry will be considered. Please see e-mail below from Credit Admin. This includes any draw downs on approved facilities. In other words, if any CRO has a draw down on an existing facility or a new CR which relies on Fairfield Sentry, it will not be approved.

The only way we can improve this situation is by continuously diversifying the clients who have Fairfield Sentry risk concentration in their portfolios. All CROs should start reviewing their portfolios in order to achieve diversification without Fairfield Sentry risk concentration in client portfolios.

Victor

-----Original Message-----

**From:** Baldin Olivier  
**Sent:** Thursday, December 12, 2002 10:47 AM  
**To:** CADUFF Markus; Imison Paul; ECHEVARRIA Victor; CAMPANO, Sixto; CHIU Robert; SO George  
**Cc:** Lee Jim; Romanens Patrick; Scherer Pierre-Henri; Palumbo Cosimo; Frezza Laurent  
**Subject:** MAX EXPOSURE UNDER FAIRFIELD SENTRY USD 15 MLN LIMIT REACHED

Dear all,

This is to let you know that our exposure as of today under Fairfield Sentry USD 15 mln limit amounts to USD 14.72 mln.

Since we are at the ceiling, we kindly ask you to inform CRO's that credit requests with risk concentration on Fairfield Sentry will no longer be approved, unless our exposure decreases significantly.

Best regards  
Olivier Baldin

Confidential  
EFG\_Cap\_E-0007127

# **EXHIBIT 31**

**FAIRFIELD GREENWICH GROUP**  
399 PARK AVENUE, 36TH FLOOR  
NEW YORK, NY 10022-4690

TEL: (212) 319-6060

FAX: (212) 319-0450

Dear Investor,

As you may be aware, two articles have been published recently about the Fairfield Sentry Fund and the manager of the Fund, Madoff Securities. The first was in the MARHedge Report and the second in Barron's. The purpose of this letter is to clarify some of the representations and innuendo contained within these articles.

Both articles, but particularly the Barron's article, implied that investors do not completely understand the underlying strategy, that the market-making activities of Madoff Securities may enjoy some improper benefit from the firm's management of the Fund and that the manager is not transparent in divulging the details of the strategy. These implications are inaccurate. The Fairfield Sentry Fund is a discretionary cash account at Madoff Securities, a regulated broker/dealer. Discretionary accounts are a common vehicle for broker/dealers or other investment management entities to manage money for clients. Madoff Securities has been inspected by the SEC and the NASD, as is typical of broker/dealers, on various occasions and no regulatory issue has arisen with respect to the relationship between the Fund and the broker/dealer.

As a brokerage account at Madoff Securities, the Fund receives all trade confirmations in accordance with accepted practice and regulatory requirements. No less frequently than monthly we aggregate the confirmations, check them to insure trade execution is within that day's trading range, and compose a performance attribution for the period. Thus, the Fairfield Greenwich Group enjoys an uncommonly high degree of transparency with respect to the activities of the Fund.

Another issue raised by these articles is the steadiness of the Fund's performance. As you are aware, the portfolio is essentially a "synthetic call spread" or "split strike conversion". This strategy is inherently conservative and limits downside exposure since the Fund always owns short dated index puts against the portfolio of equities. That others may have difficulty generating similar returns is not surprising since they are unlikely to possess comparable economies of scale, credit worthiness, general market information, trade automation, and overall experience. Indeed, the smaller the entity attempting to replicate the returns the higher the related transaction costs and friction associated with

**FAIRFIELD GREENWICH GROUP**  
399 PARK AVENUE, 36TH FLOOR  
NEW YORK, NY 10022-4690

TEL: (212) 319-6060

FAX: (212) 319-0450

execution. As in many business endeavors, the more straightforward the concept the more critical it is to be among the most efficient and low cost producers.

There were other issues raised in these articles. Rather than discuss some of these smaller issues or inferences, we would simply like to use this occasion to say how privileged we are to have been associated with the professionals at Madoff Securities since 1989 and believe our investors are similarly privileged. The firm, in its more than 40 years in the securities industry, has played a laudable role in many of the innovative developments pertaining to market making and trade execution.

We are always happy to discuss these and other issues with our investors or their representatives. Please feel free to call any of us at The Fairfield Greenwich Group.



# **EXHIBIT 32**

**From:** Mark McKeefry <mark@fggus.com>  
**Sent:** Thursday, August 24, 2006 3:24 PM  
**To:** george.so@efgbank.com; bassam.salem@efgbank.com; robert.chiu@efgbank.com;  
vechevarria@efgcapitalmiami.com; John.Read@efgggroup.com;  
scampano@efgcapitalmiami.com; mdonnell@efgcapitalmiami.com;  
jerome.schonbachler@efgggroup.com; romy.cabrera@efgbank.com;  
marco.ranieri@efgggroup.com; michael.palin@efgbank.com;  
joe.leung@efgbank.com; afzalm@efgam.co.uk  
**Cc:** Jeffrey Tucker <jeffrey@fggus.com>; Lourdes Barreneche <lourdes@fggus.com>  
**Subject:** Letter to EFG Bank Clients investing in Fairfield Sentry Limited  
**Attach:** Document.pdf, Document.pdf

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To EFG Bank,

We recently received a letter which you have presumably forwarded to all of your clients who invest in Fairfield Sentry Limited (the "Fund") informing them of additional risks associated with their investments in the Fund. While we were disappointed that this letter was sent, we were further dismayed to discover that the letter contained multiple inaccuracies which were purported to be facts.

The letter erroneously states that the Fund's assets are custodized with its investment adviser, Bernard L. Madoff Investment Securities LLC ("BLM") and not with a "major international bank". The letter further states that BLM is not affiliated with the Fund's directors or its investment manager, Fairfield Greenwich Limited, and has only US\$275 million in capital. The letter concludes by stating that these represent additional risks which must be considered when investing in the Fund.

The Fund's custodian is not BLM but rather Citco Global Custody N.V. ("Citco"). Citco is known throughout the industry for providing custodial services to investment funds such as the Fund. Citco has been the Fund's custodian since 1994. Furthermore, BLM is not an investment adviser to the Fund. BLM is an industry leading broker-dealer, in business since 1960, with more than \$550 million in firm capital (not \$275 million as stated in your letter). The Fund maintains accounts with BLM through which its strategy is implemented. Finally, Fairfield Greenwich (Bermuda) Ltd., not Fairfield Greenwich Limited is the Fund's investment manager.

Given our long history of working together, we were surprised that this letter was sent without our knowledge. We would appreciate it if you would speak to us before taking any similar action in the future. Furthermore, we expect that you will send a follow up letter to your investors pointing out the inaccuracies in your original letter.

Please feel free to contact me with any questions or concerns.

Sincerely,

Mark McKeefry  
General Counsel & Partner  
Fairfield Greenwich Limited  
919 Third Avenue  
New York, NY 10022  
+1 212 991 5246  
mark@fggus.com

Confidential  
EFG\_Cap\_E-0016200

# **EXHIBIT 33**

From: CAMPANO, Sixto <cas@efg.com>  
Sent: Tuesday, May 7, 2002 12:35 PM  
To: Lee Jim <james.lee@efgbank.com>  
Subject: RE: Confirmation of REDACTED 0106

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and creditmongers or perhaps moneymongers

-----Original Message-----

From: Lee Jim  
Sent: Tuesday, May 07, 2002 12:30 PM  
To: CAMPANO, Sixto  
Subject: RE: Confirmation of REDACTED 0106

So are we bankmongers?  
Jim

-----Original Message-----

From: CAMPANO, Sixto  
Sent: Tuesday, May 07, 2002 5:06 PM  
To: Lee Jim  
Subject: RE: Confirmation of REDACTED 0106

like ironmonger, fishmonger, etc....

-----Original Message-----

From: Lee Jim  
Sent: Tuesday, May 07, 2002 8:57 AM  
To: CAMPANO, Sixto  
Subject: RE: Confirmation of REDACTED 0106

Que "monger"?  
Jim

-----Original Message-----

From: CAMPANO, Sixto  
Sent: Tuesday, May 07, 2002 2:53 PM  
To: Lee Jim  
Subject: RE: Confirmation of REDACTED 0106

I did not know what you had told Albert Chiu. Lets see the numbers from Pierre Henri. I also work for free. If you ever get bored of the commute and doing weird things like driving on the left hand side and calling nice working people "monger" (I guess you are senior creditmonger among other things) let me know and we can do something nice together like drive a ferry boat service in the Bahamas (actually one of my dreams).

Saludos.  
Sixto

-----Original Message-----

From: Lee Jim  
Sent: Tuesday, May 07, 2002 3:23 AM  
To: CAMPANO, Sixto  
Cc: Scherer Pierre-Henri  
Subject: RE: Confirmation of REDACTED 0106

FYI, I (like you I assume) work for free...and I am always working. If EFG does not keep me occupied in an interesting way, I have other pursuits to keep me gainfully occupied. I happen to have to be physically in Geneva yesterday due to various issues but ordinarily I'll be in London.

Pierre-Henri,  
How much room is there under the limit and will there be any left once other approved credits are drawn? How much does REDACTED have of the limit %-wise already?

Sixto,  
You should know that I have advised Albert Chiu to STOP promoting Fairfield some time ago, and to promote others. If he knew there is availability he will justifiably cry FOUL.

Jim

-----Original Message-----

From: CAMPANO, Sixto  
Sent: Monday, May 06, 2002 8:29 PM  
To: Lee Jim  
Subject: RE: Confirmation of REDACTED 0106

Sorry I have not replied yet. Right now I believe from Pierre H. that there is room in the global line to Fairfield. If we carve out a piece indicating that if someone wants to have the piece (upon being close to the global limit) he has to draw on it??

Can our credit admin dept keep track of such a thing?? What if we charged for a fee for it?

I don't believe that Caduff or Imison are marketing Fairfield too much now.

Thoughts?

I see you are working Mondays in GVA now. Did you get a raise??  
S.

-----Original Message-----

From: Lee Jim  
Sent: Thursday, May 02, 2002 2:34 PM  
To: CAMPANO, Sixto  
Cc: Scherer Pierre-Henri, Baldwin Olivier

Confidential  
EFG\_Cap\_E-0006062

Subject: RE: Confirmation of [REDACTED] 11 10106

Sixto,  
am in the office! While I am not against saying to the client "subject to availability", he must realise that we are not likely to have increasing limits of any significance in the near term, so what's the value in the confirmation? Also, the "right of first refusal" will be difficult to deliver in fact as EVERONTE will say his client is the most important. If Victor and you can agree that [REDACTED] gets first pick of all your clients and can get Bob Chiu, Markus Caduff and Paul Imison to concur in respect of conflict with true, then we have the basis of a deal but...you are opening up a can of worms my friend. Good luck if you are willing to try!

We should be looking every way to get our Fairfield concentrations down from today's level, not try to push always to the limit. I don't believe it's prudent for us to do otherwise.

Sorry, I've thrown this problem back to you as it's basically unsolvable...unless you can work your magic with your peers.

Jim

-----Original Message-----

From: CAMPANO, Sixto  
Sent: Thursday, May 02, 2002 5:30 PM  
To: Lee Jim  
Subject: RE: Confirmation of [REDACTED] 11 10106

Jim

I tried you at home but did not find you. Wanted to say hi and see if anyone that should not answer the phone answered!!!!

On this issue of [REDACTED] Can we confirm subject to availability of limit and carve out an amount for Edumar giving the client a right of first refusal on the fairfield limit availability, that if another limit request comes in he has to either draw on his or let go for the next client and loose the limit???????????

It is a god customer, only reason why I am asking.

let me know.

thanks

-----Original Message-----

From: Lee Jim  
Sent: Friday, April 26, 2002 11:11 AM  
To: Scherer Pierre-Henri; CAMPANO, Sixto  
Subject: FW: Confirmation of [REDACTED] 1106

This is a real problem because of the Fairfield limit and Article 21. I'm sure Krutman will understand Art 21.

Sixto,  
Can you resolve with CRO and Krutman please?

Thanks, Jim

-----Original Message-----

From: De Figueiredo Patrick  
Sent: Friday, April 26, 2002 4:22 PM  
To: Scherer Pierre-Henri  
Cc: Lee Jim  
Subject: RE: Confirmation of [REDACTED] facility. 106

In my opinion, this facility can not be confirmed as drawings are subject to availability within Fairfield limit !

-----Original Message-----

From: Scherer Pierre-Henri  
Sent: Friday, April 26, 2002 10:11  
To: Fiser Roland; Imison Paul; Romanens Patrick; Lee Jim; Scherer Pierre-Henri; Monnard Veronique  
Cc: De Figueiredo Patrick; Peterhans Marc  
Subject: FW: Confirmation of [REDACTED] facility. 10106  
Importance: High

Dear members of the Credit Committee,

On 18-Oct-02, the Credit Committee approved the renewal of a USD 5.3 mln facility for the above customer as a Lombard limit with concentration on Fairfield Sentry Fund (85% of total loanable value).

This facility was initially approved as an unconfirmed and uncommitted credit line but the customer has now asked for a letter from us confirming that the facility is in place. Please be informed that in order to accommodate the client's request, we will issue the attached letter, which is strictly based on our standard format for uncommitted credit lines, i.e. credit lines which can be cancelled at any time.

Regards,

Pierre-Henri Scherer

<< File: Lombard Credit FacilityLetterof Conf. [REDACTED].doc >> << File: CC-18.10.01.doc >>

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#### Credit Committee 18-Oct-02

RE: 10106 [REDACTED] (USD 5'308'000 Lombard line with special margin/ amendment from USD 5'308'000 Lombard line/ maturity 31.08.2003)

USD 5'308'000 Lombard approved with a special margin of 25%-35% on Kingate Global fund. Kingate Global fund and Fairfield Lambda will be assimilated to Fairfield Sentry in the calculation of the risk exposure on Fairfield Sentry.

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Credit Committee is also favourable to accept the drawdown of a 2 years fixed interest loan.

*Renewal ratified by the Board on 29-Oct-01.*

-----Original Message-----

From: CAMPUZANO Adriana  
Sent: Thursday, April 25, 2002 15:37  
To: Scherer Pierre-Henri  
Cc: Masard Veronique  
Subject: Confirmation of [REDACTED]  
Importance: High

Good afternoon, Pierre-Henri

Attached is the template you sent me. I certainly hope this won't have to go to the Board again!  
Best regards,  
Adrianna

-----Original Message-----

From: Scherer Pierre-Henri  
Sent: Thursday, April 25, 2002 2:26 AM  
To: CAMPUZANO Adriana  
Cc: Masard Veronique  
Subject: RE: [REDACTED]

Adrianna,

This facility was approved as an unconfirmed and uncommitted credit line. So I am afraid we now need to get the Credit Committee approval for issuing a letter of confirmation. Kindly prepare a draft letter and forward it to us. We will then see with Jim Lee if it is necessary to resubmit the whole Credit Request or if we can just discuss it at the CC meeting next week.

Feel free to use the attached form as a template.

<- File: Lombard Credit Facility.doc ->

Regards,

Pierre-Henri

-----Original Message-----

From: CAMPUZANO Adriana  
Sent: Wednesday, April 24, 2002 12:15 PM  
To: Scherer Pierre-Henri  
Subject: [REDACTED]  
Importance: High

Hello, Pierre-Henri!!!

As you know, the above referenced client has an approved credit facility for USD5.1MM.  
The client has asked me for a letter from EFG confirming that his facility is in place and that he may draw against his line up to the maximum amount approved by the Board of Directors. Could you do that for me?

Our client, has recently purchased a condominium apartment in Sao Paulo and will be expending between \$250M-\$300M in remodeling. I think he is a bit nervous about the commitment and would like to make sure he can count on us.

Thank you, Pierre-Henri!!!

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**From:** CAMPANO, Sixto <cas@efg.com>  
**Sent:** Thursday, June 27, 2002 3:41 PM  
**To:** ECHEVARRIA Victor <VEchevarria@EFGCapitalMiami.COM>  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD Sentry Exposure

---

agree.

-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Thursday, June 27, 2002 12:47 PM  
**To:** Lee Jim  
**Cc:** CAMPANO, Sixto; Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD Sentry Exposure

Jim,

- 1) On point # 2 below I have no problems with your clarification. If special loanable values were to be requested, they would be within the normal standard ranges already being utilized by credit administration.
- 2) On point # 4, in the case of Miami and BA, the CRO is responsible for monitoring the clients credit position, including draw downs under approved lines. As I indicated previously, we have communicated to the CROs that no further draw downs which increase Fairfield Sentry exposure will be considered or approved. Also, no new CRs are being submitted which rely on Fairfield Sentry exposure for approval. Accordingly, I'm confident that we can live within the current utilization limit of \$13.2MM which provides EFG PB the cushion to not exceed the Board mandated limit of \$15MM. Keeping the existing exposure level is our preferred way of handling this matter.
- 3) We will review the approved lines which are eating up the significant amounts of exposure in order to asses whether a target lower than \$13.2MM is reachable or not. Since both Sixto and I will be in Europe next week, I would like to have the month of July to review each of these facilities and speak to the corresponding CRO. Only after this line by line review can I determine whether a reduction of total exposure is manageable without disrupting existing client relationships. At the end of July, we can provide you with a better assessment of this task. Pierre-Henri should send us a list of the Miami & BA clients which are currently utilizing the Fairfield Sentry exposure. The list should be by CRO and indicate the amount of exposure each account is consuming for the Fairfield Sentry calculation.
- 4) Diversification of client portfolios, both existing and new, is an on-going process. Every new investment proposal we make has diversified investment strategies. If the client elects to establish a concentrated strategy, his potential loanable value will suffer as a result. We stress to all client that EFG PB's lending strategy is based on diversified portfolios and loanable values is assigned accordingly.

Victor

-----Original Message-----

**From:** Lee Jim  
**Sent:** Thursday, June 27, 2002 2:48 AM  
**To:** ECHEVARRIA Victor  
**Cc:** CAMPANO, Sixto; Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD

On point 2 below, by "management" of usage of the Fairfield limit, I mean that it would not be in the spirit of the exercise if a credit request were to be submitted asking approval of special loanable

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values, say 40-50% instead of the standard 25-35%, in order to "manage" the reliance on Fairfield to below the 25% concentration level. I hope this clarifies my point and you find it reasonable.

On point 4, I am concerned with potential drawdowns on approved lines with Fairfield concentration in the portfolio. We will find out about this after the event, unless every CRO personally vets each drawdown first. If you believe this is the case then I'm less concerned. However, if the CRO's are successful in diversifying the clients' portfolios into other hedge funds, the reliance on Fairfield would come down as a matter of course. If you agree this would be the case, then why not set a target benchmark for us all to work towards? This would be between you / Sixto and me and you do not need to allocate a target to each CRO. If the target is not met, so be it but at least I have a sense of what you and Sixto feel is acceptable. If you are saying that the current level is acceptable then we have little room for manoeuvre for incremental drawdowns on approved lines. If that's your preferred position then I cannot accept that diversification of your existing clients' portfolios is an active priority...it's a nice to have. I know it's a very difficult task but we either try to build some cushion now or run the risk of forcing an issue at a time when the clients least want it.

Jim

-----Original Message-----

**From:** ECHEVARRIA Victor

**Sent:** Wednesday, June 26, 2002 8:19 PM

**To:** Lee Jim

**Cc:** CAMPANO, Sixto; Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick

**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Jim,

Thank you for the internal allocation of the \$600M Fairfield utilization for [Redacted]. I will communicate this to the CRO so she can inform the client today. Please note the following concerning your comments on controlling Fairfield utilization:

- 1) I have already communicated to all Miami & BA CROs that there is no availability for further lending opportunities utilizing Fairfield with concentration risk. I had done this recently since I was aware of the pressure to limit additional utilization. Nevertheless I will send another reminder.
- 2) I'm not certain as to what you mean by "management" of usage. I would hope that EFG PB would encourage clients to continue diversifying their holdings, in particular if the securities they purchase for the purpose of diversification have standard loanable values. I would consider this to be a healthy exercise in diversifying client holdings while simultaneously diversifying eligible collateral. If you are referring to clients purchasing non-recommended funds and then applying for special loanable values, there has not been a concerted effort to circumvent limits in this fashion either by clients or management. We have only had the one case of Kros buying the 5 hedge funds for their clients and in that case, credit administration was informed in advance of the purchase with loanable values requested at that time.
- 3) We are actively trying to diversify client portfolios on an on-going basis. This is not always an easy task as some clients have designed for themselves portfolios with very concentrated holdings. The task of convincing the large clients with concentrated holding to diversify is not easy when they have performed well recently. We keep on trying.
- 4) Up to now, I had always understood that we were going to limit future utilization. To now create a target of Fairfield exposure which is lower for year end is a new mission which I fail to see why we need to create. If we are no longer going to approve new utilization which creates Fairfield exposure, why isn't our cushion of \$1.8MM from \$13.2MM to \$15MM sufficient any more? I had understood this cushion was going to serve exclusively as a



cushion for market value variations and exchange rate valuations which could impact the dependency of Fairfield in portfolios. This new strategy does seem quite draconian.

Perhaps we should talk tomorrow on this subject.

Regards,

Victor

-----Original Message-----

**From:** Lee Jim  
**Sent:** Wednesday, June 26, 2002 1:35 PM  
**To:** ECHEVARRIA Victor; CAMPANO, Sixto  
**Cc:** Baldin Olivier; Scherer Pierre-Henri; Furer Roland; Romanens Patrick  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Victor,

We have done the rounds and have got the necessary approvals to allocate an additional \$600,000 of the Fairfield concentration limit for [Redacted]. There was support as the client is a good long time client of yours.

However, you are aware how critical our position is. The potential for us to exceed our limits substantially should clients with approved lines drawdown is great. Given the sentiments you expressed below I recommend you take affirmative action to control the usage as follows:

1. No new credit requests with Fairfield concentration risk (i.e. more than 25% of tot LV of portfolio)
2. No new "management" of the usage by seeking special loanable values of other funds or securities in the portfolios to reduce the Fairfield concentration to below 25% of the portfolio.
3. Actively work with the CRO's to reduce our Fairfield exposure (for instance by buying hedge funds of the recommended or approved list), whether drawn or undrawn. To this point, I would like you to revert with a target to which you will reduce usage to by this year end. Without this target, which must be meaningful to be taken seriously, I cannot be convinced that we have an affirmative action plan.

This may seem draconian but the desire to reduce our dependence on Fairfield has been expressed before but I think we need to take action now. As 95%+ of the Fairfield concentration limit is used for your clients and as the majority of this is concentrated in about 10 of your clients, the effort can be a very focussed one. Please let me have your thoughts.

Thanks for your assistance.

Jim

-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Thursday, June 20, 2002 7:38 PM  
**To:** Lee Jim  
**Cc:** Baldin Olivier; Jim Lee (E-mail)

**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Jim,

My recommendation is that we allocate the additional requested amount of Fairfield exposure to [Redacted] in accordance with Olivier's comments in his e-mail. I recognize this will leave us with little room if any for additional Fairfield supported credits but the reality is that we have been telling most clients and CROs for some time that we are up to our internal limits for this type of borrowing. So if you agree, I would like to ask that Oliver allocate the additional \$600M exposure to [Redacted] at this time in anticipation that he will be using it. Please confirm your agreement to Olivier and myself. I would like for Adrianna to be able to deliver this news to [Redacted] upon her visit to Sao Paulo on the 24th of this month.

Going forward with other clients with Fairfield holdings our strategy will be to recommend that they diversify some of those holdings into other hedge funds in the EFG PB Recommended list or the Approved list. By taking this approach we could further diversify client portfolios and try to bring the Fairfield dependency below the 25% level, giving us some additional room in the \$15MM global limit. Obviously this will not be easy given Fairfield's good performance this year but since Fairfield Sentry will amend their investment strategy slightly by introducing other managers up to 5% of the total holdings, this may cause some redemptions among shareholders who want pure Madoff exposure and not just 95% Madoff exposure.

I look forward to your comments.

Victor

-----Original Message-----

**From:** Lee Jim  
**Sent:** Thursday, June 20, 2002 8:44 AM  
**To:** ECHEVARRIA Victor  
**Cc:** Baldin Olivier  
**Subject:** FW: [Redacted] 0106 & FAIRFIELD

Victor,

I have outlined the position on our overall exposure to Fairfield before. Although there seems to be room under the \$15mio limit, this should be seen against the substantial lines approved but not yet drawn. The vast majority of the usage and the unused lines are for your clients. Do you want to use so much of the available room up for [Redacted]?

Jim

-----Original Message-----

**From:** Baldin Olivier  
**Sent:** Wednesday, June 19, 2002 6:14 PM  
**To:** CAMPUZANO Adrianna; Lee Jim  
**Subject:** RE: [Redacted] 0106 & FAIRFIELD

Jim,

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What do you think ?

Our macro exposure as of today (where the LV of Fairfield > 25% of the tot LV) = USD 12.69 MLN.

**Redacted** has a limit for USD 5.3 mln out of which USD 4.7 mln is used. If we confirm the full amount in a facility letter and if the client uses the full limit we will have an exposure of  $12.69 + 0.6 = 13.2$  mln. So it should work.

Olivier

-----Original Message-----

**From:** CAMPUZANO Adrianna  
**Sent:** Wednesday, June 19, 2002 16:46  
**To:** Baldin Olivier  
**Subject:** FW: **Redacted** 0106  
**Importance:** High

Olivier: Could we do anything on this ?  
Client refuses to accept anything but the maximum utilization of his credit facility which should be around USD\$2.7MM.

I was thinking there are some clients that have credit facilities with risk concentration on Fairfield that have not been utilized. Could we then, as Jim suggested, perhaps limit a couple of clients as to accommodate **Redacted** ?

I am going to Brazil on a business trip next Monday and I will be meeting with client. The client told me to solve the problem or that he already had a credit facility elsewhere... This is an important relationship (over 10MM)!

I am afraid the consequences could be worse than we anticipate. Please, let me have your thoughts.

Thank you.

-----Original Message-----

**From:** Palumbo Cosimo  
**Sent:** Wednesday, June 19, 2002 10:34 AM  
**To:** CAMPUZANO Adrianna  
**Subject:** RE: **Redacted** 106

Dear Adrianna,

Please contact either Jim Lee or Olivier Baldin.

Best regards.

-----Original Message-----

**From:** CAMPUZANO Adrianna  
**Sent:** Wednesday, June 19, 2002 16:13  
**To:** Palumbo Cosimo  
**Subject:** FW: **Redacted** 0106

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EFG\_Cap\_E-0006140

**Importance:** High

Dear Cosimo: I am forwarding this to you because I found out Pierre-Henri est en vacances!  
Perhaps you can help me? I'll send you an e-mail previously sent by Pierre-Henri that we would be able to confirm to [Redacted] USD2MM from his line. Please, read below and tell me if you can help or whom may I refer this problem.  
Merci, Cosimo!!!!

-----Original Message-----

**From:** CAMPUZANO Adrianna  
**Sent:** Tuesday, June 18, 2002 4:58 PM  
**To:** Scherer Pierre-Henri  
**Subject:** [Redacted] 10106  
**Importance:** High

Hello, Pierre-Henri! How are you?

It seems that my client [Redacted] will not accept the fact that we can only confirm USD\$2MM maximum utilization from his credit facility.

I'm off to Brazil next week and I was wondering if there is something we could do to remedy this situation. Is there any chance of allowing [Redacted] full utilization of his credit facility and limiting other clients that have had facilities approved but have not used them? I need a solution to this problem because I know [Redacted] will make a "Federal case" out of this.

I welcome any suggestions you may have to help.

Thank, Pierre-Henri!

# **EXHIBIT 34**

**From:** MONTGOMERY Dart <dmtd@efg.com>  
**Sent:** Tuesday, February 11, 2003 1:05 PM  
**To:** CADUFF Markus <markus.caduff@efggroup.com>; Imison Paul <paul.imison@efgbank.com>; CHIU Robert <robert.chiu@efgbank.com>  
**Cc:** HOWELL Lawrence <lawrence.howell@efggroup.com>; ALVAREZ Marcelo <MAlvarez@EFGCapitalMiami.COM>; ECHEVARRIA Victor <VEchevarria@EFGCapitalMiami.COM>; CAMPANO, Sixto <SCampano@EFGCapitalMiami.COM>  
**Subject:** Fairfield diversification letter  
**Attach:** Fairfield diversification letter.doc

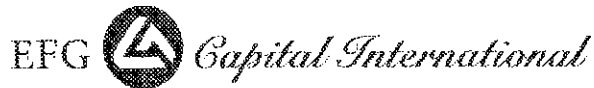
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<<...>>

The attached letter has been requested by and reviewed by Lonnie Howell. This letter has also been reviewed by Victor and Sixto and will be sent out by EFG Capital to its clients who hold a significant % of Fairfield in their portfolios. It should also be sent out by EFG Private Bank so please review and give me any comments or changes you may have. L Howell would like this letter to go out to clients within the next 2 business days so I would appreciate hearing back from you as soon as possible.

Please note that where clients hold Fairfield Lamda or Fairfield Sigma, a similar letter will need to be sent to them.

Dart Montgomery



EFG Capital International Corp.  
777 Brickell Avenue, Suite 1150  
Miami, Florida 33131  
Telephone: (305) 777-2400  
Facsimile: (305) 777-2600

February \_\_, 2003

Re: Fairfield Sentry Fund ("Fairfield")

Dear Client,

We have recently reviewed your account with EFG and note that your investment in Fairfield represents a significant percentage of the holdings in your account.

As you will recall, we have previously advised you of certain of the risks associated with an investment in Fairfield, specifically the risk associated with the fact that Fairfield's assets are custodized at Bernard L. Madoff Securities, rather than at a major money center bank and Madoff's capital is significantly less than that of a major money center bank.

We have also advised you of the importance of having a diversified portfolio where no one investment (other than a deposit or a security issued by an investment grade issuer) is a significant percentage of your total portfolio because we believe that a diversified portfolio is going to experience less volatility and have inherently less risk than a portfolio that is concentrated in only a few investments.

We also believe that it is important for our clients to use a variety of investment strategies in their portfolio as a strategy which has worked well in one set of market conditions may subsequently show less successful performance when market conditions change.

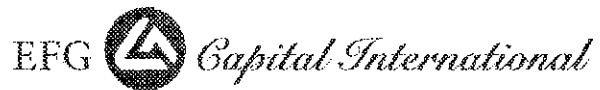
In that regard, we note that Fairfield has in the past indicated that in a secular bear market Fairfield may under-perform. The statement has been shown to be correct by Fairfield's performance during the bear market of the last 6 months (from August 2002 through January 2003) as the total return to investors, including negative performance in August and January, has been .061%; i.e., if annualized, less than 1.50% per annum.

For these reasons, we wish to take this opportunity to recommend to you that you reduce your exposure to Fairfield so that it represents no more than 5-10% of your overall portfolio. Your Client Relationship Officer will be calling you to discuss alternative investments with you that will help you create a more diversified portfolio in your account at EFG.

We are aware that you may have investments at other institutions that make your holding in Fairfield a smaller percentage of your total investment portfolio than it appears to be when looking at your account at EFG on a stand-alone basis. If that is the case you may feel comfortable with not reducing your investment in Fairfield. We would appreciate your letting

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EFG Capital International Corp.  
777 Brickell Avenue, Suite 1150  
Miami, Florida 33131  
Telephone: (305) 777-2400  
Facsimile: (305) 777-2600

your Client Relationship Officer know if that is the case so that we will be able to document our files to that effect.

Yours truly,

A member of the EFG  Bank Group

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# **EXHIBIT 35**

**From:** ECHEVARRIA Victor <veche@efg.com>  
**Sent:** Wednesday, February 19, 2003 5:04 PM  
**To:** \*EFGMIA All CROs <Offices@EFGCAPITALMIAMI.COM>; \*EFGBA All CRO <\*EFGBAAllCRO@EFGArgentina.com.ar>  
**Cc:** CAMPANO, Sixto <SCampano@EFGCapitalMiami.COM>; MASSENS Juan <JMassens@EFGCapitalMiami.COM>; MONTGOMERY Dart <DMontgomery@EFGCapitalMiami.COM>; ROQUE, Ivonne <IRoque@EFGCapitalMiami.COM>  
**Subject:** NEW farifiled letter  
**Attach:** Fairfield diversification letter.doc

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All CROs are aware of the new Fairfield Sentry project. Please read the attached letter. This letter will go out to all clients who have Fairfield Sentry positions in excess of 25% of their total portfolio. All CROs will receive tomorrow morning early a list of their clients who hold Fairfield Sentry. Each CRO or Assistant needs to calculate the Fairfield Sentry exposure for each of their clients. The list of clients holding in excess of 25% will then be submitted by each CRO to Dart Montgomery who will ensure that all CROs comply with this task by the end of Thursday.

Spanish and Portuguese translations of the letter are currently being developed to accompany the English letter. Juan Massens will oversee the production issues of all three letters and subsequent mailing. The letters will go out at end of day Monday the 24th.

Immediate attention is required by the CRO and the assistants for this project. The Thursday deadline for delivery of account lists to art cannot be missed. If anybody has any problems with the letter or the deadline, they must see me immediately.

Victor

<<...>>

**From:** ECHEVARRIA, Victor <victor.echevarria@efgcapital.com>  
**Sent:** Wednesday, December 17, 2008 3:13 PM  
**To:** MASSENS, Juan <juan.massens@efgcapital.com>  
**Subject:** FW: Hedge fund ( Fairfield) diversification letters  
**Attach:** Fairfield (spanish) diversification letter-Final.doc; Fairfield diversification letter - Final-short.doc; Fairfield Portuguese diversification letter-Final.doc

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FYI...

**Victor M. Echevarría**

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**From:** ECHEVARRIA Victor  
**Sent:** Monday, March 10, 2003 6:06 PM  
**To:** \*EFGMIA All CROs; \*EFGBA All CRO  
**Cc:** MONTGOMERY Dart; ROQUE, Ivonne; CAMPANO, Sixto  
**Subject:** Hedge fund ( Fairfield) diversification letters

All CROs are aware that EFG Capital has sent out a letter recommending that clients diversify client holdings in hedge funds and not hold concentrated positions in hedge funds, including Fairfield Sentry. All CROs whose clients received these letters need to document the subsequent conversation with clients via a call report (copies to Ivonne Roque and me). Ivonne will be tracking CRO compliance regarding this activity on a regular basis. Importantly, the CROs need to be pro-active in this exercise and call all the affected clients and not wait until the client calls them.

Below, please find the letters that went out to clients in either English, Spanish or Portuguese.

Victor

<<Fairfield (spanish) diversification letter-Final.doc>> <<Fairfield diversification letter - Final-short.doc>>  
<<Fairfield Portuguese diversification letter-Final.doc>>

**From:** MOORHEAD, Kenneth <kmoorhead@efgcapital.com>  
**Sent:** Tuesday, September 12, 2006 10:34 AM  
**To:** ECHEVARRIA, Victor <victor.echevarria@efgcapital.com>  
**Subject:** FW: CROs & Assistants -- Report Reviews + Call Reports

**Attach:**

**Redacted**

Victor;

I attach my call reports from last month.

Ken

<<...>> <<...>> <<...>> <<...>> <<...>> <<...>> <<...>> <<...>> <<...>> <<...>>

**Kenneth I. Moorhead**  
**EFG Capital International**  
Senior Vice President  
701 Brickell Avenue, 9th Floor  
Miami, Florida 33131  
Tel: +1 (305) 482-8181  
Fax: +1 (305) 482-8381  
E-mail: [kenneth.moorhead@efgcapital.com](mailto:kenneth.moorhead@efgcapital.com)  
Internet: [www.efgcapital.com](http://www.efgcapital.com)

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**From:** ECHEVARRIA, Victor  
**Sent:** Monday, September 11, 2006 12:48 PM  
**To:** \*EFGMIA All CROs; \*EFGNY All CROs; \*EFGBA All CROs; \*EFGLIMA All CROs  
**Cc:** CAMPANO, Sixto; GADALA-MARIA, Jacobo; SALAS, Nicholas  
**Subject:** CROs & Assistants -- Report Reviews + Call Reports  
**Importance:** High

Please read the e-mails below which have been sent to CROs in the past. The last e-mail reminder was sent out on March of this year. I bring to your attention the section on **Call Reports** in my original e-mail. This original e-mail made it very clear that the production of Call Reports is **not** an optional activity for the CROs. The production of Call Reports is **mandated** by EFGI policy and also strongly encouraged by the NASD. If Call Reports are not produced on a regular basis by CROs after significant client meetings, Management may decide to impose economic sanctions on those CROs not complying with EFGI policy. If any CROs has a question regarding this activity, please call me. Nick Salas will be conducting periodic reviews of Call Reports produced by CROs.

You may also want to review other points in my original e-mail below and make sure that all daily administrative tasks related to clients and their accounts at EFG are being carried out regularly. While some of these tasks may have changed over time, the message is clear; CROs and marketing assistants need to be aware of all client transaction activity in order to provide premium service to our clients.

Victor M. Echevarria

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**From:** ECHEVARRIA Victor  
**Sent:** Friday, March 03, 2006 2:28 PM  
**To:** \*EFGMIA All CROs; \*EFGNY All CROs; \*EFGBA All CROs; \*EFGLIMA All CROs

Confidential  
EFG\_Cap\_E-0046431

**Subject:** CROs & Assistants -- Report Reviews  
**Importance:** High

Please read the e-mails below which are addressed to all CROs and Assistants. While our business has progressed significantly since I sent out the original e-mail 3 years ago. The concept of providing premium service to our clients has not. The message below is very clear. CROs and Assistants need to actively review client accounts and EFG reports regarding activity in client accounts. The e-mails below do not represent an all inclusive list of tasks that are to be performed on a regular basis but they do provide concrete examples of activities that need to be performed regularly.

**Victor M. Echevarria**

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-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Wednesday, September 03, 2003 3:38 PM  
**To:** \*EFGMIA All CROs  
**Cc:** \*EFGBA All CRO  
**Subject:** Report Reviews  
**Importance:** High

I'm re-sending this earlier e-mail (see below) to all CROs and marketing assistants for review. My purpose in this e-mail is twofold: 1) New CROs and assistants should be aware of all daily reports regarding client activity and their responsibility to review these on a regular basis, & 2) Existing CROs and assistants need to make sure that these reviews become part of their regular routine. There are too many times when CROs and assistants are not aware of AUM fluctuations, uninvested cash, credit excesses, etc. in their client base. Unless CROs are aware of all of these items, we cannot pretend to provide premium service to our clients. In the absence of premium service, we will not be able to continue growing our business effectively and meet overall corporate goals.

Please make sure each of you is here early enough in the morning in order to review all of the relevant reports prior to beginning your workday.

If you have any questions, please feel free to ask.

Victor

-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Wednesday, March 05, 2003 9:53 AM  
**To:** \*EFGMIA All CROs  
**Cc:** \*EFGBA All CRO; MONTGOMERY Dart; ROQUE, Ivonne  
**Subject:** Tuesday Morning Meeting - Report Reviews  
**Importance:** High

I would like to emphasize some of the comments I made during our meeting yesterday as follows:

Daily Report Review (CROs & Assistants)

Confidential  
EFG\_Cap\_E-0046432

- 1) Cash balances (check for large uninvested balances or uncovered overdrafts).
- 2) AUM balances (compare prior day to current day for each account to determine large fluctuations).
- 3) Credit Excess Report (review for margin excess, limit excess, accuracy of comments & pledge documentation).
- 4) Securities verification ( review each securities transaction against the next day transaction advice daily).

#### Periodic Review

- 1) Credit Lines Expiring (weekly).
- 2) Geneva account documentation status (weekly).
- 3) Margin Value for portfolios (weekly review/request of those accounts without appropriate LV for securities in their portfolios).

#### EFG Capital Reports (every two weeks)

- 1) Hold Mail Agreements ( can never be expired, check anniversary dates of the client's agreements).
- 2) Hold Mail acknowledgement receipts (should never be outstanding more than one month).
- 3) Miami account documentation (needs to be also reviewed prior to every trip and every client visit).
- 4) Fairfield "custody risk" letter (needs to be on file prior to purchasing fund).
- 5) Fairfield "diversification" letter (or future hedge fund diversification letters need to be accompanied by a CRO call report).

#### Call Reports

- 1) The Swiss Management Committee has mandated call reports for all client contacts. Please be guided accordingly. the NASD is now also encouraging call reports.
- 2) Call reports are required for the Fairfield "diversification" letter ( if you already have a "sale" order in place, there better be a call report in place).

#### Outgoing Correspondence

- 1) Client correspondence copy must be provided to Pilar Ballestas for my review/approval prior to mailing or faxing (NASD requirement).
- 2) Client e-mails are reviewed by Z. Rubio (if you have the same e-mail going to a number of clients, print copy for me also prior to sending).

This summary of CRO and Assistant responsibilities is provided to you in order to make sure we are carrying out these activities on a regular basis as specified above. This is not meant to be an all-inclusive list rather a list of the most important administrative activities. There have been too many occasions recently were CROs have requested compensation for clients because one of the activities above was not carried out. Let's all make sure that the daily account administration activity is being carried out. If for some reason you are not receiving the corresponding report on a regular basis, please inform the appropriate party in our office.

If anybody is unclear as to the requirements above, please see me.

Victor

**From:** ECHEVARRIA, Victor <victor.echevarria@efgcapital.com>  
**Sent:** Monday, December 15, 2008 5:38 PM  
**To:** Mayi, Alicia <alicia.mayi@efgcapital.com>  
**Cc:** MASSENS, Juan <juan.massens@efgcapital.com>; SCHAEFER, Noemi <noemi.schaefer@efgcapital.com>; CAMPANO, Sixto <sixto.campano@efgcapital.com>  
**Subject:** Fairfield Sentry letter & notices  
**Attach:** Fairfield English Letter Revised Oct 31 2003 doc; Fairfield 122008.zip

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<<Fairfield 122008.zip>> Alicia,

The "Fairfield letter" was originally mass mailed in Aug of 2000. This letter was sent to all holders of Fairfield Sentry at that time. The recipients received the letter, signed it and returned it to EFG. I am certain that this project was completed that same year. Compliance held a file with ALL of the signed letters and tracked this project. I am also certain that we had close to 100% sign offs.

After the "letter" in 2000, the text of the letter became the "notice" which was signed off by any new client investing in Sentry. The "notice" was sent to Compliance who tracked the "notices" and made sure that all subscribers had signed off on this.

This Sentry "notice" seems to have been replaced around 2007 with the new AI forms which compliance also tracks for hedge fund purchases.

We need to find the master file for these "letters" and "notices". The CROs may have copies of these documents in their desk files but the master files did exist in Compliance and we need to locate them. Please review this matter further with Juan Massens tomorrow to see if jointly you can come up with ideas of where they may be.

Additionally, there was a second mass mailing project (maybe in 2004) where we advised all clients holding in excess of 20% concentration to reduce their holdings. This project was also completed and most clients did reduce their holdings. Compliance kept a master file for this project with the client letters. We also need to locate this file.

Victor M. Echevarría

-----Original Message-----

**From:** Mayi, Alicia  
**Sent:** Monday, December 15, 2008 4:33 PM  
**To:** MASSENS, Juan  
**Cc:** ECHEVARRIA, Victor; SCHAEFER, Noemi  
**Subject:** Fairfield

The boxes arrived today, and they have random consent forms signed by clients, but not "The Letter" project. I did a download of ALL things fairfield from all the folders (included) see if something rings a bell... I didn't see anything but an Oct 2003 letter (attached). No excel sheet of clients, NO letters signed by clients. I know some CROs have copies of the letter signed.

Thx,  
alicia



**To:** ECHEVARRIA Victor  
**Subject:** RE: NEW farified letter

Victor, I have a small problem. a) Historically we, including yourself and LH, have been telling our customers that they should not invest more than 25- 30% of their total liquid assets into Fairfield Sentry-- now management wants to recommend not more than 5-10%. I can understand managements concern if the customer holds a large position, and did not have any other accounts at other financial institutions.  
b) What if a customer wants to maintain his position in Fairfield?  
c) I also think that the comment that the FS annualized performance for the past six months was only 1,5% is a bit unfair considering that we all knew that for the last two months of the year Mr. Maddoff, on purpose, maintained the fund in cash, in order to not risk the good return(9,32%) the fund achieved for 2002.

Your comments would be appreciated.  
Ricardo

-----Original Message-----

**From:** ECHEVARRIA Victor  
**Sent:** Wednesday, February 19, 2003 5:04 PM  
**To:** \*EFGMIA All CROs; \*EFGBA All CRO  
**Cc:** CAMPANO, Sixto; MASSENS Juan; MONTGOMERY Dart; ROQUE, Ivonne  
**Subject:** NEW farified letter  
**Importance:** High

All CROs are aware of the new Fairfield Sentry project. Please read the attached letter. This letter will go out to all clients who have Fairfield Sentry positions in excess of 25% of their total portfolio. All CROs will receive tomorrow morning early a list of their clients who hold Fairfield Sentry. Each CRO or Assistant needs to calculate the Fairfield Sentry exposure for each of their clients. The list of clients holding in excess of 25% will then be submitted by each CRO to Dart Montgomery who will ensure that all CROs comply with this task by the end of Thursday.

Spanish and Portuguese translations of the letter are currently being developed to accompany the English letter. Juan Massens will oversee the production issues of al three letters and subsequent mailing. The letters will go out at end of day Monday the 24th.

Immediate attention is required by the CRO and the assistants for this project. The Thursday deadline for delivery of account lists to art cannot be missed. If anybody has any problems with the letter or the deadline, they must see me immediately.

Victor

<< File: Fairfield diversification letter.doc >>