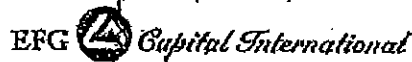


EXHIBIT 36



EFG Capital International Corp.
777 Brickell Avenue, Suite 1150
Miami, Florida 33131, USA
Telephone (305) 530-3191
Facsimile (305) 530-3191

Dear client,

We are writing to you with regard to your holdings in the Fairfield Sentry Limited fund (the Fund). We enclose for your information and review a copy of the latest revised version of the Fund's Investments Memorandum (prospectus).

The Fund's performance speaks for itself. However, we would like to highlight the fact that the Fund's assets are custodied with the Fund's investments adviser, Bernard Madoff Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with the most investment funds. Although Madoff Securities has a substantial amount of capital, it is obviously much less than the capital of a major international money-center bank. Therefore there is a greater risk to investing in the Fund than would be the case if the Fund's assets were custodied at a major international bank.

Please acknowledge receipt of the Prospectus and acceptance of the risks highlighted herein.

If you have any questions, please let us know.

Best regards,

~~We acknowledge receipt of the Prospectus and accept the risks highlighted in this letter.~~

REDACTED

Date: 12-6, 2000

A member of the EFG  Bank Group

EFG_Capital-007762

AFFIDAVIT
EXHIBIT 5



EFG Capital International Corp.
777 Brickell Avenue, Suite 1150
Miami, Florida 33131, USA
Telephone (305) 530-1160
Facsimile (305) 530-1199

Notice to Clients

Re: Fairfield Sentry Limited (the "Fund")

We enclose for your information and review a copy of the latest revised version of the Fund's Investment Memorandum (the "Prospectus") which you should review carefully.

The Fund's performance speaks for itself (attached). However, we would like to highlight the fact that the Fund's assets are custodied with its investment adviser, Bernard L. Madoff Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with most investment funds. Bernard L. Madoff Investment Securities had capital as of October 31, 1999 of US \$275 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

If you have any questions, please contact your relationship officer.

EFG Capital International Corp.

I/we specifically confirm that I/we have received and reviewed Fairfield Sentry Limited's Investment Memorandum and accept the risks outlined therein and in this letter.

REDACTED

Date: 1-12-10

A/C- *rlc*

EFG_Capital-007818

Member since 11.



EFG Capital International Corp.
777 Brickell Avenue, Suite 1130
Miami, Florida 33131, USA
Telephone (305) 530-3160
Facsimile (305) 530-3199

Agosto 2000

Estimado cliente:

Le escribimos con respecto a sus inversiones en el fondo Fairfield Sentry Limited (el Fondo). Para su información y lectura, incluimos una copia ración actualizada del Memorándum de Inversión (Prospectus) de este fondo.

El rendimiento del Fondo se destaca en la copia adjunta. Sin embargo, deseamos darle énfasis al hecho que los activos del Fondo se mantienen bajo custodia del asesor de inversiones del Fondo, Bernard L. Madoff Investment Securities, y no con un banco internacional importante (o una de sus subsidiarias) como es el caso en la mayoría de los de fondos de inversiones. Bernard L. Madoff Investment Securities tiene un capital de US \$275 millones de dólares el 31 de octubre de 1999, inferior al capital de bancos internacionales importantes, en cuyo caso invertir en el Fondo representa un riesgo.

Si tiene alguna pregunta o duda, por favor comuníquese con su ejecutivo de cuenta.

Atentamente,

A handwritten signature in dark ink, appearing to be "W. J. ...", followed by a horizontal line.

Yo/nosotros acusamos recibo del Prospectus y aceptamos los riesgos indicados en esta carta.

REDACTED

Fecha: 7-12, 2000

A/C C187

EFG_Capital-007782

A member of the EFG Bank Group



EFG Capital International Corp.
777 Brickell Avenue, Suite 1150
Miami, Florida 33131, USA
Telephone (305) 510-1160
Facsimile (305) 130-3199

Victor M. Echiverria
Chief Executive Officer

Agosto, 2000

Prezado cliente:

Tomamos esta oportunidade para informá-la sobre seus investimentos no fundo Fairfield Sentry Limited (o Fundo). Veja, incluso, uma cópia atualizada do Memorandum sobre o Investimento (Prospectus) deste fundo.

O rendimento do fundo também está sendo demonstrado em anexo. Neste ensaio, desejamos enfatizar que os ativos do mencionado Fundo são mantidos sob custódia do assessor de investimentos do Fundo, Bernard L. Madoff Investment Securities, e não com um banco internacional de grande porte (ou uma de suas subsidiárias) como é o caso na maioria dos fundos. Bernard L. Madoff Investment Securities, conforme publicado em 31 de outubro de 1999, mantém um capital de US \$275 milhões de dólares, este nível de capital é inferior ao capital de bancos internacionais de grande porte, em cujo caso, o investimento no fundo representa um risco.

Em caso de alguma dúvida, ou maiores esclarecimentos sobre o acima mencionado, por favor, comuniqua-se com o seu gerente de conta.

Atenciosamente

Eu/nós (nosso(s) recabimento do Prospectus e aceito(amos) os riscos indicados nesta carta.

REDACTED

Data: 28/10, 2000

AK 0310
EFG_Capital-007722

A member of the EFG Bank Group

NOTICE TO CLIENTS

Re: Fairfield Sentry Limited (the "Fund")

We enclose for your information and review a copy of the latest revised version of the Fund's Information Memorandum which you should review carefully.

The Fund's performance speaks for itself (attached). However, we would like to highlight the fact that the Fund's assets are custodied with its investment adviser, Bernard L. Madoff Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with most investment funds. Bernard L. Madoff Investment Securities had capital as of October 31, 2000 of US \$325 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

If you have any questions, please contact your relationship officer.

EFG Capital International

I/we specifically confirm that I/we have received and reviewed Fairfield Sentry Limited's Information Memorandum and accept the risks outlined therein and in this letter.

Signature: _____

Date: _____

0048



EPG Capital International Corp.
777 Bachek Avenue, Suite 1150
Miami, Florida 33131, USA
Telephone: (305) 430-4100
Facsimile: (305) 430-4100

Victor M. Esteve Wartin
Chief Executive Officer

Agosto 2000

Estimado cliente:

Le escribimos con respecto a sus inversiones en el fondo Fairfield Sentry Limited (el Fondo). Para su información y lectura, incluimos una copia recién actualizada del Memorandum de Inversión (Prospectus) de este fondo.

El rendimiento del Fondo se destaca en la copia adjunta. Sin embargo, deseamos darle énfasis al hecho que los activos del Fondo se mantienen bajo custodia del asesor de inversiones del Fondo, Bernard L. Madoff Investment Securities, y no con un banco internacional importante (o una de sus subsidiarias) como es el caso en la mayoría de los de fondos de inversiones. Bernard L. Madoff Investment Securities tiene un capital de US \$275 millones de dólares el 31 de octubre de 1999, inferior al capital de bancos internacionales importantes, en cuyo caso invertir en el Fondo representaría un riesgo.

Si tiene alguna pregunta o duda, por favor comuníquese con su ejecutivo de cuenta.

Atentamente,

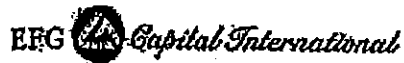
Yo/nosotros, sus/as suscritor/es, recibimos el Prospectus y aceptamos los riesgos indicados en esta carta.

REDACTED

Fecha: 2-28-01, 2000

A member of the EFG Group

EPG_Capital-007755



EFG Capital International Corp.
777 Brickell Avenue, Suite 1130
Miami, Florida 33131, USA
Telephone (US) 777-3400
Facsimile (US) 777-2460

NOTICE TO CLIENTS

Re: Fairfield Sentry Limited (the "Fund")

We enclose for your information and review a copy of the latest revised version of the Fund's Information Memorandum that you should review carefully.

The Fund's performance speaks for itself (attached). However, we would like to highlight the fact that the Fund's assets are custodied with its investment advisor, Bernard L. Madoff Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with most investment funds. Bernard L. Madoff Investment Securities had capital as of October 31, 2004 of US \$400 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

We would also like you, if you are a natural person, to confirm that you, either individually, or together with your spouse have a net worth in excess of US\$1,000,000.

If you have any questions, please contact your relationship officer.

EFG Capital International Corp.

We specifically confirm that I/we have received and reviewed Fairfield Sentry Limited's Information Memorandum and accept the risks outlined therein and in this letter. I/we, if natural person(s) also confirm that, either individually or together with our spouse, have a net worth in excess of US\$1,000,000.

Signature: REDACTED

Date: Jan. 9, 2002

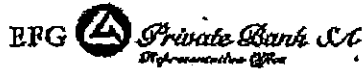
AC. 8717

A member of the EFG Bank Group

EFG_Capital-007875

06 Jan 03 03:56p EFG Private Bank

p. 3



EFG Private Bank SA
Representative Office
Av. Madara #42, 16th Floor
(C1166ACW) Buenos Aires, Argentina
Telephone +5411 4878 3333
Facsimile +5411 4878 3228

REDACTED

30/4

AVISO A CLIENTES

Re: Fairfield Sentry Limited

Para su información y lectura, incluimos una copia actualizada del Memorandum de Información de este fondo, el cual debe ser revisado.

El rendimiento del Fondo se destaca en la copia adjunta. Sin embargo, deseamos darle énfasis al hecho que los activos del Fondo se mantienen bajo custodia del asesor de inversiones del Fondo, Bernard L. Madoff Investment Securities, y no con un banco internacional importante (o una de sus subsidiarias) como es el caso en la mayoría de los de fondos de inversiones. Bernard L. Madoff Investment Securities tiene un capital de US \$400 millones de dólares el 31 de octubre de 2001, inferior al capital de bancos internacionales importantes. Este factor representa uno de los riesgos en invertir en el fondo.

Si tiene alguna pregunta o duda, por favor comuníquese con su ejecutivo de cuenta.

EFG Capital International

Yo/ nosotros acusamos recibo del Prospectus y aceptamos los riesgos indicados en esta carta.

Firma: _____

Fecha: 20-05-02

A member of the EFG Bank Group



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

AVISO AOS CLIENTES

Ref: Fairfield Sentry Limited (o "Fundo")

Em anexo, para sua informação e atualização, enviamos uma cópia da última versão do Memorandum do Fundo de Informação o qual deverá ser cuidadosamente revisto.

O rendimento do fundo, por si só, demonstra sua qualidade. Porém, neste ensejo, desejamos ressaltar que os ativos do mencionado Fundo são mantidos sob custódia do assessor de investimentos do Fundo, Bernard L. Madoff Investment Securities, e não com um banco internacional de grande porte (ou uma de suas subsidiárias) como é o caso na maioria dos fundos. Bernard L. Madoff Investment Securities, conforme publicado em 31 de outubro de 2001, mantém um capital de US \$400 milhões de dólares, este nível de capital é inferior ao capital de bancos internacionais de grande porte, em cujo caso, o custodiante representa um dos riscos de investimento no Fundo.

Em caso de alguma dúvida, ou maiores esclarecimentos sobre o acima mencionado, por favor, comunique-se com o seu gerente de conta.

EFG Capital International

Eu/ós aceito(s) recebimento do Prospectus e aceito(s) os riscos indicados nesta carta.

Assinatura REDACTED

Data: 13/11/2007

A member of the EFG  Bank Group

EFG_Capital-007739

NOTICE TO CLIENTS

Re: Fairfield Sentry Limited (the "Fund")

We enclose for your information and review a copy of the latest revised version of the Fund's Information Memorandum that you should review carefully.

The Fund's performance speaks for itself (attached). However, we would like to highlight the fact that the Fund's assets are custodied with its investment advisor, Barnard L. Mandel Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with most investment funds. Barnard L. Mandel Investment Securities had capital as of October 31, 2002 of US\$436 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

We would also like you, if you are a natural person, to confirm that you, either individually or together with your spouse have a net worth in excess of USD1,000,000.

If you have any questions, please contact your relationship officer.

EFG Capital International Corp.

We specifically confirm that I/we have received and reviewed Fairfield Sentry Limited's Information Memorandum and accept the risks outlined therein and in this letter. I/we, if a natural person(s) also confirm that, either individually or together with our spouse, have a net worth in excess of USD1,000,000.

Signature: REDACTED



Date: JAN 30 2005

8 26 2

AVISO A CLIENTES

Fidelity Sentry Limited

Para su información y lectura, incluimos una copia actualizada del Memorandum de Información de este fondo, el cual deberá ser revisado.

El rendimiento del Fondo se destaca en la copia adjunta. Sin embargo, deseamos darle énfasis al hecho que los activos del Fondo se mantienen bajo custodia del asesor de inversiones del Fondo, Bernard L. Madoff Investment Securities, y no con un banco Internacional Importante (o una de sus subsidiarias) como es el caso en la mayoría de los de fondos de inversión. Bernard L. Madoff Investment Securities tiene un capital de US\$ 498 millones de dólares el 31 de octubre de 2002, inferior al capital de bancos internacionales importantes. Este factor representa uno de los riesgos en invertir en el fondo.

También quiséramos que el Uct. es una persona natural, nos confirma que tanto individualmente o en conjunto con su esposa/o, tiene un patrimonio neto en exceso a un millón de Dólares Americanos. (US Dólares 1,000,000)

Si tiene alguna pregunta o duda, por favor comuníquese con su ejecutivo de cuenta.

EFG Capital International

Confirmo o confirmamos por este medio haber recibido y revisado el Memorandum de Información de Fidelity Sentry Limited, acepto el riesgo mencionado en el mismo y en esta carta. También confirmo o confirmamos, que si somos personas naturales, tanto en forma individual o conjunta con mi esposa/o, poseemos un patrimonio neto en exceso a US Dólares 1,000,000.

Firma: REDACTED

Fecha: 10-28-03

REDACTED 8587

NOTICE TO CLIENTS

Re: Fairfield Sentry Limited (the "Fund")

We enclose for your information and review a copy of the latest revised version of the Fund's Information Memorandum that you should review carefully.

The Fund's performance speaks for itself (attached). However, we would like to highlight the fact that the Fund's assets are custodized with its investment adviser, Bernard L. Madoff Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with most investment funds. Bernard L. Madoff Investment Securities had capital as of October 31, 2003 of US \$478 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

We would also like you, if you are a natural person, to confirm that you, either individually, or together with your spouse have a net worth in excess of USD1,000,000.

If you have any questions, please contact your relationship officer.

EFG Capital International Corp.

I/we specifically confirm that I/we have received and reviewed Fairfield Sentry Limited's Confidential Private Placement Memorandum and accept the risks outlined therein and in this letter. I/we, if natural person(s) also confirm that, either individually or together with our spouse, have a net worth in excess of USD1,000,000.

Signature: [Signature]

Date: 7/13/11

31-03-05 08:15
1.1
EFG
1) file

NOTICE TO CLIENTS

Re: Fairfield Sentry Limited (the "Fund")

We enclose for your information and review a copy of the latest revised version of the Fund's Information Memorandum that you should review carefully.

The Fund's performance speaks for itself (attached). However, we would like to highlight the fact that the Fund's assets are invested with an increased level of risk relative to other investment vehicles, rather than with more conservative investments (directly or through a subsidiary) or in the case with most investment funds, Bernard L. Madoff Investment Securities had capital as of October 31, 2008 of US \$400 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

We specifically confirm that we have received and reviewed Fairfield Sentry Limited's Confidential Private Placement Memorandum and accept the risks outlined therein and in this letter. We, if natural person(s) also confirm that either individually or together we/ we spouse have a net worth in excess of US\$1,000,000.

If you have any questions, please contact your relationship officer.

Signature: REDACTED

Date: 08/25/2008

8289



Page 34 of 48

03/12/06 21:53 Pg. 2



ADDITIONAL FUND DISCLOSURES
Collected under FILE #

NOTICE TO CLIENTS
RE: FAIRFIELD SENTRY FUND LIMITED (the "Fund")

Please review the following information and verify your understanding by completing the signature section(s) below.

We enclose for your information and review a copy of the Fund's Private Placement Memorandum dated May 6, 2008. It contains important information needed to evaluate a potential investment in the Fund and important disclosures regarding risks, fees and expenses, and is the sole document upon which investors should rely.

In addition to the risk factors included in this document, we would like to highlight the Fund's potential serious consequences. As a result of the investment, Manager's selection of Richard L. Madoff Investment Securities, LLC ("RIM") as execution agent of the Fund's capital allocation strategy, RIM serves as a sub-custodian of the Fund.

Accordingly, substantially all of the Fund's assets will be held in segregated accounts at RIM's prime broker or other financial institution in the case with most investment funds. RIM, a U.S. registered broker-dealer and qualified custodian, has capital of \$554 million as of October 31, 2008. This amount is lower than the capital base of many major international banks.

In consideration of the custody arrangement, we ask that you carefully review the disclosure relating to Custodian/Clearing Arrangements at the Fund's Private Placement Memorandum.

If you have any questions, please contact your Client Relationship Officer.

BFG Capital International Corp.

By my signature below, I affirm to understand and agree to the statement.

ACKNOWLEDGED BY:

REDACTED

Name of Primary Investor / Account Name

Account Number

Signature of Primary Investor / Authorized Representative

Date

Manolo RUIZ
Name of BFG CRO / Representative

[Signature]
Name of BFG CRO / Representative

October 24, 2008
Date

(360)

LETTER TO EFG PB CLIENTS HOLDING FAIRFIELD SENTRY

Re: Your holdings in the Fairfield Sentry Fund

Dear Client,

We are writing to you with regard to your recently acquired holdings in the Fairfield Sentry Limited fund (the Fund).

The Fund has shown an excellent performance during the last years and we hold at your disposal the information material (prospectus) detailing this performance and the audited financial statements.

However, we would like to highlight the fact that the Fund's assets are custodized with the Fund's investment adviser, Bernard L. Madoff Investment Securities, a registered broker dealer in New York (not affiliated with the Fund's Directors or the investment manager Fairfield Greenwich Ltd.) rather than with a major international bank (directly or through a subsidiary) as it is the case with most investment funds. Bernard L. Madoff Investment Securities has capital of US \$275 million. This is much less than the capital of a major international bank. To that extent, investing in the Fund represents a risk.

If you have any questions, please contact your relationship officer.

We kindly ask you to sign the attached copy of this letter and return it to us. This copy will be kept on file internally with the Bank only

Sincerely,

EFG Private Bank SA

We acknowledge receipt of this letter and accept the risk highlighted in it

Place and date: Caracas, Venezuela Signature: X REDACTED

Dec 16, 2007.

EFG_Capital-007938

EXHIBIT 37

MEMORANDUM

DATE: June 7, 2002
TO: CROs
FROM: Victor M. Echevarria
SUBJECT: Fairfield Sentry Ltd. Confirmation Letter

Attached please find a list of all of your clients who hold shares of Fairfield Sentry. You will note that the list identifies those clients who still have not signed the confirmation letter. Kindly ensure that this list is complete in accordance with the recent Management Committee Notice.

For new purchase of Fairfield Sentry, the Management Committee in Switzerland has requested that the letter be signed prior to the purchase. All CROs must comply with this requirement.

cc: D. Montgomery

From: CAMPANO, Sixto <cas@efg.com>
Sent: Tuesday, August 27, 2002 4:55 PM
To: MONTGOMERY Dart <DMontgomery@EFGCapitalMiami.COM>
Subject: RE: Fairfield Sentry

I understood that Isaac had a special letter....

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

From: MONTGOMERY Dart
Sent: Tuesday, August 27, 2002 4:53 PM
To: CAMPANO, Sixto
Subject: RE: Fairfield Sentry

Isaac's customers sign the same letter as everyone else (if I'm correct in assuming they each have their own accounts at EFG). There is a Fairfield Sentry 'log' which tracks the letters. I'm not sure who keeps now - it used to be Sal, then Elisa, then I'm not sure.

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

From: CAMPANO, Sixto
Sent: Tuesday, August 27, 2002 4:45 PM
To: MONTGOMERY Dart
Subject: RE: Fairfield Sentry

Dart:
what does isaac have his customers sign?!

romy:

how do we keep track of who has signed this letter?

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

From: MONTGOMERY Dart
Sent: Tuesday, August 27, 2002 3:50 PM
To: *EFGMIA All CROs; *EFGMIA All Operations Users; *EFGBA All Users
Cc: PAZ, Arys
Subject: Fairfield Sentry

Fairfield Sentry has revised its prospectus and is now requiring investors who are natural persons to certify that they (individually or with their spouse) have a net worth in excess of USD 1,000,000.

We have accordingly amended the Fairfield Sentry letter that clients need to sign when they 1st purchase Fairfield. The English version of this letter is attached below. Please delete the existing versions from your files as this is the only version which should be used going forward. I hope to have Spanish and Portuguese versions for you shortly.

Please remember that when clients purchase Fairfield Sentry for the 1st time, they must be given a copy of the prospectus. (When clients sign the letter they are also acknowledging receipt of a copy of the prospectus.) Arys Paz will have copies of the revised prospectus available for you to give to your clients. Clients who already hold Fairfield Sentry should also be given a copy of the new prospectus. This can be done on when you next meet with the

Confidential
EFG_Cap_E-0006333

client.

If you have any questions, please let me know.

Dart Montgomery

<< File: Fairfield English Letter.doc >>

From: ECHEVARRIA Victor <veche@efg.com>
Sent: Thursday, December 19, 2002 9:21 AM
To: ROQUE, Ivonne <IRoque@EFGCapitalMiami.COM>
Cc: MONTGOMERY Dart <DMontgomery@EFGCapitalMiami.COM>;
CAMPANO, Sixto <SCampano@EFGCapitalMiami.COM>; MASSENS Juan
<JMassens@EFGCapitalMiami.COM>
Subject: FW: Waivers for Special purchases & Fairfield funds
Attach: missing waivers 19.12.2002.xls

Ivonne,

Please read this e-mail and see me. I would like for you to "inherit" this project and deal with the CROs in obtaining the pending documents as well as ensuring that Geneva's records match ours. Obviously the individual currently maintaining these lists internally within EFG Capital will continue with that activity.

Victor

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

From: El-Shelhi Moizz
Sent: Thursday, December 19, 2002 5:00 AM
To: ECHEVARRIA Victor
Subject: Waivers for Special purchases & Fairfield funds

Dear Victor,

The listing I provided to you is correct. It shows every accounts that need to have a waiver of special purchases or a Fairfield letter signed.

I compared the list sent by Elisa to mine. The accounts of my list do also appear on hers. A few of them do not because both lists are not printed at the same time. Some clients may have sold their fund, signed the documents or so in between time.

Still, my list ONLY shows accounts that need to have some documents signed at the moment I print it. KO.M stands for Document Missing (please refer to my mail of October the 30th).

You will find attached the latest listing. At the present time, we need a waiver or a Fairfield Letter for all of them.

Best Regards,
Moizz

<<...>>

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

From: ECHEVARRIA Victor

Confidential
EFG_Cap_E-0007162

Sent: vendredi, 13. décembre 2002 00:21
To: El-Shelhi Moizz
Cc: MASSENS Juan; CAMPANO, Sixto
Subject: RE: Waivers for Special purchases & Fairfield funds

Moizz,

The latest listing you have provided us cannot possibly be correct. I have not checked the missing Fairfield Letters report we maintain in Miami in a month but we certainly do not have very many outstanding and certainly none outstanding for extended periods of time. If you have obtained this information from Globus, then I believe that this information has been encoded improperly. By means of this e-mail I'm requesting that Juan Massens e-mail you the Fairfield Letters report that we maintain in Miami for you to review against the list you have provided. Please coordinate any discrepancies with Juan directly until it is resolved.

We have just begun purchasing the US Dollar Floating Rate Fund for clients. As such, we are working to obtain the waiver for these recent purchases.

Regards,
Victor

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

From: El-Shelhi Moizz
Sent: Thursday, December 12, 2002 11:36 AM
To: ECHEVARRIA Victor
Cc: Bresson Robert
Subject: Waivers for Special purchases & Fairfield funds

Dear Mr. Echevarria,

Please find attached the latest listing for missing waivers and Fairfield letters.

Best Regards,
Moizz

<< File: Missing Waivers.xls >>

EXHIBIT 38

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

<<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

EXHIBIT 39

From: MASSENS, Juan <juan.massens@efgcapital.com>
Sent: Friday, December 12, 2008 5:03 PM
To: .EFGBA All CROs <EFGBAAllCROs@efgcapital.com>; .EFLA All CROs <EFLAAllCROs@efgcapital.com>; .EFLIMA All CROs <EFLIMAAllCROs@efgcapital.com>; .EFGMIA All CROs <EFGMIAAllCROs@efgcapital.com>; .EFGMIA Only Marketing Assistants <EFGMIAOnlyMarketingAssistants@efgcapital.com>; .EFGNY All CROs <EFGNYAllCROs@efgcapital.com>
Cc: .EFGMIA Operations <EFGMIAOperations@efgcapital.com>; CAMPANO, Sixto <sixto.campano@efgcapital.com>; ECHEVARRIA, Victor <victor.echevarria@efgcapital.com>; SCHAEFER, Noemi <noemi.schaefer@efgcapital.com>; ARGUMEDO, Guillermo <guillermo.argumedo@efgcapital.com>
Subject: FAIRFIELD SENTRY

Following the advice of legal council, **EFG Capital will place a forced redemption of our client positions in the Fairfield Sentry fund.** We are processing redemptions directly with the fund from the Operations department based on the list I gave you all this morning.

We will **not include pending redemptions from Nov 08 in today's redemption** with the fund.

Please book your redemption orders through Globus by Monday afternoon.

Thank you


Juan C. Massens

EFG Capital International


FINANCIAL & OPERATIONS PRINCIPAL

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EFG_Cap_E-0021205

EXHIBIT 40

IN THE
UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA
CASE NO. 10-20206-CIV-MARTINEZ/BROWN
LORRENE DA SILVA FERREIRA and
ARLETE DA SILVA FERREIRA, individually and on behalf of all others similarly situated,
Plaintiffs,
v.
EFG CAPITAL INTERNATIONAL CORP. and EFG BANK f/k/a EFG
PRIVATE BANK SA, Defendants.

EXPERT REPORT OF PAUL F. MEYER

JANUARY 26, 2011

1. Qualifications and remuneration
 - 1.1. I am employed by Securities Litigation and Consulting Group ("SLCG") as a Principal and Testifying Witness. Prior to joining SLCG, I was Principal of Paul F. Meyer LLC, which provided litigation consulting and expert witness testimony in securities industry matters. I have been qualified as an expert by Federal and State Courts, and FINRA and JAMS arbitration panels. In addition, I have been retained as an expert in suitability, supervision and industry standards of care by the United States Securities and Exchange Commission and by the state securities commissions of North Carolina and Pennsylvania.
 - 1.2. I worked in the securities industry continuously for 26 years, from 1979 through 2005. My only employer was Smith Barney or one of its predecessor firms. I have 11 years of experience as a registered representative, ten years as a branch office manager, and five years as a regional manager. When employed in the securities industry, I held the following licenses: Series 3, Series 7, Series 8, Series 63, and Registered Options Principal. I also held a Series 65 license, which qualified me as an investment adviser representative under the Investment Advisers Act of 1940. A copy of my curriculum vitae accompanies this report.
 - 1.3. SLCG is compensated for my time at the rate of \$275 per hour, plus expenses.
2. Assignment -- Counsel for the Plaintiffs have retained SLCG for the purpose of describing certain duties and obligations a broker-dealer owes its customers. In addition, we have been asked to offer opinions, if any, about EFG's discharge of those duties in the context of Plaintiffs' and class members investments in Fairfield Sentry.
3. Materials Reviewed
 - 3.1. SEC Broker-Dealer Guide to Registration
 - 3.2. FINRA Rule 2110
 - 3.3. FINRA Rule 2310
 - 3.4. Deposition of Sixto Campano
 - 3.5. Documents as referenced in report
4. Summary of Opinions
 - 4.1. Through its actions, EFG assumed an advisory relationship with its customers who held Fairfield Sentry.
 - 4.2. Their duties applied equally to customers who purchased Fairfield Sentry based on EFG's recommendation or received no recommendation from EFG.
 - 4.3. An advisory relationship between a broker-dealer and a customer imposes on the broker-dealer duties and obligations similar to fiduciary duties.
 - 4.4. With respect to recommended investments, a broker-dealer's obligations include a duty to perform initial and ongoing due diligence; and a duty to monitor the investment; and a duty to inform customers of all material regarding the investment.
 - 4.5. In the context of an advisory relationship, a broker-dealer has a duty to warn its customers about the risks of an investment, regardless of whether the customer received a recommendation or not. In addition, the broker has the duties described in 4.4 above.
5. Major duties of a broker-dealer
 - 5.1. Under FINRA Rule 2110 a broker-dealer such as EFG, "in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."

- 5.2. The United States Securities and Exchange Commission (“the SEC”) imposes on broker-dealers certain duties and responsibilities. “These include the duties to execute orders promptly, disclose certain material information (i.e., information the customer would consider important as an investor), charge prices reasonably related to the prevailing market, and fully disclose any conflict of interest.”¹
- 5.3. The SEC sets out certain disclosure obligations of a broker-dealer. “The [broker-dealer has an] obligation to disclose all material facts to a customer.” “Broker/dealers also have obligations under federal securities laws, as well as common law, fiduciary duties, to advise customers of the risks of securities transactions. Disclosure of the risks of investing in a particular securities product relative to other investments or the relative risks and rewards of liquidating an insured product to invest in an uninsured securities product is required if the circumstances surrounding the investment decision lead the member to believe the investor would regard the fact as material to his or her investment objectives and financial situation.”²
- 5.4. If a broker-dealer recommends a security on which it has performed little or no due diligence, it must disclose that to its customer at the time of the recommendation. The broker-dealer must make the customer of aware of the risks associated with such a recommendation.
6. The nature of the advisory relationship – Under FINRA Rule 2310 a broker-dealer must have a reasonable basis for the recommendations made to its customers. In carrying out this duty a broker dealer is required to conduct reasonable due diligence on an investment before recommending it to individual customers.
7. EFG assumed an advisory relationship with its customers holding Fairfield Sentry.
 - 7.1. Campano: “We did quarterly suitability reviews on all accounts.”
 - 7.2. EFG provided investment advice.
 - 7.2.1. On February 24, 2003, Mats Pehrsson prepared a memorandum summarizing a due diligence meeting conducted at the New York offices of Fairfield Greenwich Group.³ The memorandum outlines in detail many of the concerns about FS raised as a result of that meeting.
 - 7.2.2. Shortly thereafter, EFG reviewed all customer accounts regardless of whether EFG Capital recommended Fairfield Sentry to the customer, and undertook to advise “all clients who hold a significant percentage of Fairfield in their portfolios”⁴ about the importance of portfolio diversification. Later qualified as 20% concentration.
 - 7.2.3. EFG sent the letter on its own initiative. It was not a routine mailing or otherwise required by regulators.
 - 7.2.4. The letter contained investment advice and a specific “recommendation”⁵ to diversify.

¹ SEC BD Guide

² *Ibid.*

³ 7759ff

⁴ 0007432

⁵ 7456 “Some clients will take this as a recommendation to sell.”

7.2.5. To underscore the extent of the advisory relationship, it is important to note that EFG did not simply mail the letter. They followed up with each customer individually to make sure the letter was read and understood.⁶

The forced redemption

1.1.1. On December 12, 2008, EFG placed “a forced redemption of [its] client positions in the Fairfield Sentry fund.” EFG did not have prior authorization, and placed the redemption for all clients regardless of whether those clients received a recommendation or not.

1.1.2. In choosing to exercise such control over their customers’ accounts, EFG conclusively demonstrated its advisory role.⁷

2. Disclaimer: The foregoing is based upon the documents cited in the report. As additional information is received in depositions or document discovery, I reserve the right to amend the opinions herein expressed or provide additional opinions.

Respectfully submitted,

/s/Paul F. Meyer

SECURITIES LITIGATION AND CONSULTING GROUP

⁶ 7851

⁷ 0021205



Paul F. Meyer
Principal

PAULMEYER@SLCG.COM
310-917-1075

Key Qualifications

Mr. Meyer is Principal, Securities Litigation and Consulting Group, Inc. He has 26 years of experience in the securities industry as a registered representative, branch office manager, and regional officer for a major Wall Street firm.

Mr. Meyer spent eleven years as a registered representative. In that position developed a large retail business, providing financial advice and managing investment portfolios for business owners, professionals, and retirees.

At his firm's invitation, Mr. Meyer left retail production to begin a career in management. He spent nine years as a branch manager, with responsibility for various offices in Los Angeles. In addition to compliance and supervisory duties, these positions involved the recruitment of experienced brokers and the hiring and training of individuals new to the industry.

Mr. Meyer also spent five years as a regional officer. In that position he had direct responsibility for 20 branch managers and their offices, in an area that included parts of Central and Southern California and all of Nevada.

Prior to joining Securities Litigation and Consulting Group, Mr. Meyer was Principal, Paul F. Meyer LLC, a litigation consulting firm. He has appeared as a testifying expert in Federal and State courts and before FINRA, JAMS, and AAA arbitration panels. In addition, he has been retained by entities such as the U.S. Securities and Exchange Commission and the State Bar of Nevada to provide litigation support and expert testimony regarding industry custom and practice, suitability and supervision.

Professional Experience

SECURITIES LITIGATION AND CONSULTING GROUP, INC.

2008 - *Principal*
Provides expert consulting and testifying in securities industry disputes.

Paul F. Meyer, LLC

2005-2008 *Principal*
Provided litigation consulting and expert testimony in retail securities matters.

SMITH BARNEY

2003-2005 *Senior Vice President, Senior Portfolio Manager*
Managed \$50 million in balanced accounts for individuals.

2002-2003 *Senior Vice President, Complex Manager*
Supervised two offices in Westwood, CA; merged them, and recruited seven brokers from a major competitor.

1998-2002 *Executive Vice President, Regional Director*
Responsible for 20 branch offices and 500 Financial Advisers in California and Nevada.

1989-1998 *Senior Vice President, Branch Manager*
Managed branch offices in Encino and Woodland Hills, CA. The latter employed 40 Financial Advisers and had annual revenues of \$15 million.

1979-1988 *Vice President, Financial Adviser*
Received initial licensing and training. Acquired and advised client accounts.

Education

UNIVERSITY OF ST. THOMAS, ST. PAUL MN
1975 M.A., Education/Teaching

MACALESTER COLLEGE, ST. PAUL, MN
1972 B.A., Classical Languages

Licenses Held While Registered

- Series 7 NYSE Registration (General Securities Representative)
- Series 8 NYSE Registration (General Securities Sales Supervisor)
- Series 3 CTFC Registration (Commodities Futures)
- Series 15 NYSE Registration (Foreign Currencies)
- Series 65 NASAA Registration (Investment Adviser Representative)
- Registered Options Principal
- Life Insurance and Variable Annuity licenses: California and Arizona

Areas of Expertise

- Supervision of registered representatives and branch managers
- Compliance: sales practices and suitability
- Standards of care and industry practice
- Recruitment and training disputes, promissory notes, contracts
- Portfolio management and diversification
- Employment issues

Professional Activities

FINRA Dispute Resolution, Non-public Arbitrator and Panel Chair

Testimony, Depositions, and Reports

Federal Court

U. S. Securities and Exchange Commission v. Kenderio Ainsworth, et al., United States District Court, Central District of California, Eastern Division, Case No. EDCV08-1350 VAP (OPx)
Expert Report, December 11, 2009
Deposition, February 2, 2010

In re: Schwab Corp. Securities Litigation, United States District Court, Northern District of California, San Francisco Division, Case No. 08-cv-01510 WHA
Expert Report, November 27, 2009
Deposition, January 8, 2010

JPMorgan Chase v. Ann Fletcher, United States District Court, Northern District of Oklahoma, Case No. 06-CV-624-GFK-SAJ
Expert Report, October 15, 2009
Deposition, March 8, 2010

City of Cedar Rapids and Cedar Rapids/Linn County Solid Waste Agency v. Wells Fargo Brokerage Services, LLC, United States District Court, Northern District of Iowa, Cedar Rapids Division, Case Nos. 1-08-cv-00070 and 1:08-cv-00072
Expert Report, September 3, 2009

CountryMark Cooperative, LLP v. Morgan Keegan & Company, Inc., United States District Court, Southern District of Indiana, Indianapolis Division, Case No. 1:08-cv-00118-RLY-JMS
Expert Report, April 6, 2009

Ma v. Merrill Lynch and Irene Ng, United States District Court, Southern District of New York, Case No. 06 CV 15497.
Expert Report, December 26, 2007
Deposition, January 25, 2008

United States of America v. Bryan Laurienti, et al, United States District Court, Central District of California, No. CR 03-620-TJH.
Declaration, April 30, 2007
Trial Testimony, November 23, 2006

State Court

Axelrod v. Ameriprise Financial, et al, Superior Court of the State of Arizona, in and for the County of Maricopa, Case No. CV2008-025498
Deposition, July 15, 2009

Cha et al, v. Wells Fargo Bank, California Superior Court (Los Angeles County), Case No. BC 327975.
Expert Report, May 2007
Deposition, June 6, 2007
Trial Testimony, September 14, 2007

Erickson, et al v. Edwin Torres and SunAmerica Securities, California Superior Court (Contra Costa County), Case No. C05-00332.
Expert Report, November 26, 2006
Deposition, December 5, 2006
Deposition May 16, 2007
Trial Testimony, July 31, 2007

Walter and Aeshea Jayasinghe v. Lakshman Wickremesinghe, California Superior Court (Riverside County), Case No. INC024182.
Trial Testimony, March 2006

Arbitration Testimony

Hagman v. Smith Barney, FINRA Case No. 09-03251, August 2010

Quiros v. Merrill Lynch, FINRA Case No. 09-02059, August 2010

Mullins v. UBS, FINRA Case No. 09-00230, August 2010

McCray v. Wachovia Securities, FINRA Case No. 09-04335, May 2010

Benoit v. JPMorgan Securities, FINRA Case No. 08-03828, November 2009

Billera v. UBS, FINRA Case No. 08-03716, September 2009

Andriani v. Wachovia Securities and Morgan Stanley, FINRA Case No. 08-04451, September 2009

Tandler v. First Republic Securities Co., AAA Case No. 30-435-Y-0074-08, August 2009
Yarbrough v. Smith Barney, FINRA Case No. 08-02081, August 2009
Reid v. Morgan Keegan, FINRA Case No. 08-02091, June 2009
Brezden, et al. v. Assoc. Securities & Jeffrey Forrest, FINRA Case No. 07-03054, February 2009
Misha v. Stone & Youngberg, FINRA Case No. 08-00326, January 2009
Pompilio v. Goldman Sachs, FINRA Case No.05-00557, November 2008
Anderson v. Ameriprise Financial Services, FINRA Arbitration, April 2008
Cohen v. UBS, FINRA Case No. 07-00114, January 2008
Pena v. GBS Financial, FINRA Case No. 06-03867, September 2007
Sokol v. AG Edwards, FINRA Case No. 06-01793, June 2007
Marshall v. RBC/Dain Rauscher, FINRA Case No. 03-03243, April 2007
Bear Stearns v. Goldberg, FINRA Case No. 05-03465, February 2007
Arenson, et al v. JP Morgan Chase, JAMS Case No. 1220030586, November 2006
Dahl v. RBC/Dain Rauscher, FINRA Case No. 05-04487, October 2006
Van Order v. Securities America, FINRA Case No. 05-04487, November 2006
Kim v. Ameritrade, FINRA Case No. 05-04626, August 2006
Zucker v. Grattan Financial, FINRA Case No. 04-06212, June 2006.
Bouse v. Wedbush Morgan, FINRA Case No. 05-01410, May 2006
Megson v. Citigroup, FINRA Case No. 04-02795, April 2006

EXHIBIT 41

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 10-20206-CIV-MARTINEZ/BROWN

LORRENE DA SILVA FERREIRA and
ARLETE DA SILVA FERREIRA,
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

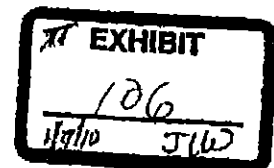
EFG CAPITAL INTERNATIONAL CORP.
and EFG BANK f/k/a EFG PRIVATE BANK
SA,

Defendants.

AFFIDAVIT OF SIXTO CAMPANO

BEFORE ME, the undersigned, duly authorized to take acknowledgments and administer oaths, personally appeared Sixto Campano who, after being duly sworn, deposes and states as follows:

1. My name is Sixto Campano. I am over eighteen years of age, and I suffer from no mental or legal disability. All statements contained in this affidavit are based upon my personal knowledge.
2. I have been employed in the financial services industry since January 1989.
3. I currently hold a Series 3, 4, 7, 24, 27, and 63 license from the Financial Industry Regulatory Authority ("FINRA"). A Series 7 license is a general securities registered representative license that authorizes the holder to buy and sell all types of securities products with the exception of commodities and futures. A Series 3 license authorizes the holder to buy and sell commodities and futures. A Series 4 license authorizes the holder to be a Registered Options Principal and supervise options sales personnel. A Series 24 license authorizes the



holder to be a General Securities Principal and supervise branch activities. A Series 27 license authorizes the holder to be a General Options Financial Principal and is required for the Chief Financial Officer of a FINRA member firm. A Series 63 license authorizes the holder to execute orders for any type of security in a particular state.

4. I am presently employed by EFG Capital International Corp. ("EFG Capital") as its Chief Executive Officer ("CEO"). I have been employed by EFG Capital since February 2002, and I have been its CEO since August 2005.

5. My duties and responsibilities as CEO include overseeing all aspects of EFG Capital's business.

6. EFG Capital is a broker-dealer incorporated in Delaware and headquartered in Miami, Florida. EFG Capital has offices located in Florida, New York, and Peru and employs more than 100 people throughout those offices.

7. I have reviewed the business records of EFG Capital regarding Fairfield Sentry Limited ("Fairfield Sentry") that were (i) made at or near the time by, or from information transmitted by, a person with knowledge, (ii) made by EFG Capital in the course of its regularly conducted business as a regular practice, and (iii) kept by EFG Capital in the course of its regularly conducted business as a regular practice.

Fairfield Sentry

8. EFG Capital was neither a sponsor nor an investment manager for Fairfield Sentry, nor was it a so-called "feeder fund" to Bernard L. Madoff or Bernard L. Madoff Investment Securities LLC.

9. During the period of time from January 1997 through December 11, 2008, EFG Capital offered a wide array of investments to its customers, including stocks, bonds, mutual

funds, and alternative investments such as hedge funds. Fairfield Sentry was one of many hedge funds that were available to EFG Capital's customers.

10. As set forth in Fairfield Sentry's offering memorandum, investment in Fairfield Sentry was only available to persons with a net worth of at least \$1,000,000 and to "professional investors" whose ordinary business involved buying or trading in the same kind of investments as Fairfield Sentry. A copy of Fairfield Sentry's Private Placement Memorandum dated October 1, 2004 is attached hereto as Exhibit 1.

11. EFG Capital did not have a single or comprehensive marketing plan with regard to Fairfield Sentry or any other hedge fund or security. Rather, each of EFG Capital's Client Relationship Officers ("CROs" or "brokers") was permitted to present Fairfield Sentry to, and discuss issues regarding Fairfield Sentry with, their customers in accordance with their investment objectives and financial needs.

12. EFG Capital did not recommend Fairfield Sentry to all of its customers, nor did it recommend Fairfield Sentry to all of its customers who subscribed for shares of Fairfield Sentry through EFG Capital and held all or a portion of their shares on December 11, 2008.

13. Based on the Fairfield Investors' conversations with their CROs and the information they provided to EFG Capital, some of the Fairfield Investors were already familiar with Fairfield Sentry before their CRO discussed it with them, and some of the Fairfield Investors had previously invested in Fairfield Sentry through another brokerage firm prior to subscribing for Fairfield Sentry shares through EFG Capital.

The Ferreras

14. When Lorrene da Silva Ferreira and Arlete da Silva Ferreira ("the Ferreras") opened their EFG Capital account, they signed a New Account Application, attached hereto as

Exhibit 2, pursuant to which they agreed to be bound by an Account Agreement, attached hereto as Exhibit 3, which contained an arbitration agreement requiring them to arbitrate any dispute they might have with EFG Capital in the arbitral forum provided by FINRA.

15. None of the documents signed by or provided to Ferreira state that EFG Capital or their CRO would monitor their Fairfield Sentry investment after they subscribed for shares.

16. EFG Capital would not have permitted the Ferreiros to open an account with EFG Capital if they had disclosed that the source of the funds deposited into their account was two \$50,000 cash "bonuses" (dominated in U.S. dollars) that were delivered to Lorrene da Silva Ferreira in Uruguay in an envelope and kept in her boss' safe because this would have raised concerns of potential money laundering.

17. EFG Capital would not have permitted the Ferreiros to invest in Fairfield Sentry if Lorrene da Silva Ferreira had disclosed that she was, in fact, a secretary (as opposed to being a financial advisor, as she had represented when the Ferreiros opened their account) because the Ferreiros would not have satisfied the minimum qualifications for investing in Fairfield Sentry as set forth in Fairfield Sentry's offering memorandum.

The Putative Class Members

18. A total of 279 EFG Capital customers and EFG Bank customers subscribed for shares of Fairfield Sentry through EFG Capital and held all or a portion of their shares on December 11, 2008 ("Fairfield Investors").

19. Of the 279 Fairfield Investors, 255 Fairfield Investors were brokerage customers of EFG Capital ("EFG Capital Customers"), and 24 customers were EFG Bank customers ("EFG Bank Customers").

20. None of the Fairfield Investors are United States citizens.

21. None of the EFG Bank Customers maintained an account with EFG Capital.

22. Based on the Fairfield Investors' conversations with their CROs and the information they provided to EFG Capital, the Fairfield Investors comprise a collection of wealthy and sophisticated individuals -- including off-shore entities, British Virgin Island investment corporations, financial consultants, commodities traders, and an Ecuadorean bank -- who reasonably understood the risks of investing in an off-shore hedge fund and the fee arrangement between a broker-dealer and a hedge fund.

23. The following table lists (i) the 26 countries of residence or incorporation of the direct owners of the EFG Capital accounts in which the 255 EFG Capital Customers held their Fairfield Sentry shares on December 11, 2008 and (ii) the number of EFG Capital Customers associated with each country (because a number of the EFG Capital Customers' accounts had more than one direct owner, more than one country of residence may be associated with some of the EFG Capital Customers):

<u>Country of Residence or Incorporation</u>	<u>No. of EFG Capital Customers</u>
Argentina	58
Bahamas	4
Belize	4
Bolivia	10
Brazil	20
British Virgin Islands	66
Canada	1
Chile	5
Colombia	13

<u>Country of Residence or Incorporation</u>	<u>No. of EFG Capital Customers</u>
Ecuador	14
France	1
Grand Cayman	3
Great Britain	1
Italy	1
Jersey Channel Islands	2
Liechtenstein	1
Mexico	13
Netherlands Antilles	1
Nevis	1
Panama	16
Peru	14
Puerto Rico	1
Singapore	1
Spain	2
Uruguay	2
Venezuela	2

EFG Capital's CROs

24. A total of 25 different CROs located in Miami, New York, Peru, and Argentina executed each individual Fairfield Investor's separate instructions to subscribe for shares of Fairfield Sentry through EFG Capital.

25. EFG Capital's CROs primarily interact with their customers verbally -- either over the telephone or in person -- in various different languages including English, Portuguese, and Spanish. On occasion, the CROs would travel to their customers' home countries to meet with them in person and discuss their investments.

26. EFG Capital's CROs take into consideration a customer's age, income, net worth, investment objectives, financial needs, tolerance for risk, sophistication, and investment experience when recommending an investment to a customer.

The Putative Class Members' Investment
in Fairfield Sentry

27. Based on each Fairfield Investor's personal conversation with his or her EFG Capital CROs and the information he or she provided to EFG Capital, many of the Fairfield Investors had accounts at other banks and brokerage firms prior to and contemporaneous with their account at EFG Capital; and a number of the Fairfield Investors had previously invested in Fairfield Sentry through another brokerage firm prior to subscribing for shares through EFG Capital. Indeed, 4 Fairfield Investors subscribed for Fairfield Sentry shares through another brokerage firm and then transferred their shares to their account at EFG Capital.

28. Of the 279 Fairfield Investors, 158 Fairfield Investors subscribed for Fairfield Sentry shares through EFG Capital prior to January 22, 2006 -- i.e., more than four years before the Plaintiffs filed their Complaint -- and did not subscribe for shares through EFG Capital after January 22, 2006.

29. Of the 279 Fairfield Investors, 86 Fairfield Investors subscribed for Fairfield Sentry shares through EFG Capital after January 22, 2006. Of those 86 Fairfield Investors, 22 Fairfield Investors also subscribed for Fairfield Sentry shares through EFG Capital prior to

January 22, 2006, and 64 Fairfield Investors subscribed for Fairfield Sentry shares through EFG Capital only after January 22, 2006.

30. Of the 279 Fairfield Investors, 119 Fairfield Investors made one or more redemptions of their Fairfield Sentry shares.

31. Of the 279 Fairfield Investors, 132 Fairfield Investors subscribed for Fairfield Sentry shares through EFG Capital more than one time.

32. The Fairfield Investors subscribed for Fairfield Sentry shares through EFG Capital on 642 different occasions. Due to the passage of time and the need to review every single transaction with every Fairfield Investor, it is not possible to ascertain whether or to what extent the Fairfield Investors' subscriptions for Fairfield Sentry were based on recommendations by EFG Capital. EFG Capital has attempted to review its trade confirmations. As a general rule, the trade confirmations indicate whether a trade was solicited or unsolicited. Of those trade confirmations that EFG Capital has managed to locate after a diligent search, the trade confirmations evidence that the 186 of Fairfield Investors' subscriptions were solicited and 296 of their subscriptions were unsolicited.

33. The terms "solicited" and "recommended" are terms of art in the securities industry. The Financial Industry Regulatory Authority ("FINRA") states in its Notice to Members 96-60: "[A] broad range of circumstances may cause a transaction to be considered recommended [A] transaction will be considered to be recommended when the member brings a specific security to the attention of the customer through any means, including, but not limited to, direct telephone communication, the delivery of promotional material through the mail, or the transmission of electronic messages." FINRA also states in its Notice to Members 01-23: "[T]he test for determining whether any communication (electronic or traditional)

constitutes a 'recommendation' remains a 'facts and circumstances' inquiry to be conducted on a case-by-case basis." As a result, it is sometimes appropriate for a CRO to mark an investment as solicited even if the CRO did not recommend that investment as might be commonly understood by a layman. The unique circumstances surrounding a CRO's communications and dealings with his or her customer regarding each transaction will determine whether that transaction should be deemed "solicited" under FINRA's rules.

34. Even as to those Fairfield Investors whose investment was marked solicited, EFG Capital subsequently recommended that they sell their Fairfield Sentry shares. See *infra* ¶ 56.

**The Putative Class Members' Net Investment in Fairfield Sentry
on December 11, 2008**

35. The 279 Fairfield Investors had a total net investment of \$43,407,760.74 in Fairfield Sentry on December 11, 2008. The net investment in Fairfield Sentry on December 11, 2008 of each individual Fairfield Investor is listed in the table attached hereto as Exhibit 4.

36. Of the 279 Fairfield Investors, 19 Fairfield Investors made a net profit on their investment in Fairfield Sentry.

37. Of the 279 Fairfield Investors, 2 Fairfield Investors neither made a profit nor incurred a loss (i.e., they broke even).

38. The 258 Fairfield Investors who did not make a profit on their investment in Fairfield Sentry had a total net investment of \$50,339,288.08 in Fairfield Sentry on December 11, 2008. The net investment in Fairfield Sentry on December 11, 2008 of each individual Fairfield Investor who did not make a profit on his or her investment ranged from \$4,480.08 to \$3,000,000. The average net investment in Fairfield Sentry on December 11, 2008 of each individual Fairfield Investor who did not make a profit on his or her investment in Fairfield Sentry was \$195,113.52.

39. Of 258 Fairfield Investors who did not make a profit on their investment in Fairfield Sentry, 254 Fairfield Investors had a net investment in Fairfield Sentry on December 11, 2008 greater than \$10,000; 234 Fairfield Investors had a net investment in Fairfield Sentry on December 11, 2008 greater than or equal to \$25,000; 129 Fairfield Investors had a net investment in Fairfield Sentry on December 11, 2008 greater than \$100,000; 42 Fairfield Investors had a net investment in Fairfield Sentry on December 11, 2008 greater than \$250,000; and 8 Fairfield Investors had a net investment in Fairfield Sentry on December 11, 2008 greater than \$1,000,000.

The Putative Class Members' Accounts

40. Of the 255 EFG Capital Customers, 253 EFG Capital Customers subscribed for shares of Fairfield Sentry only in a "non-discretionary" account -- i.e., an account for which EFG Capital had no authority or discretion to execute trades without the Fairfield Investors' authorization -- and 2 EFG Capital Customers subscribed for shares of Fairfield Sentry in a "discretionary" account.

41. None of the documents signed by or provided to the EFG Capital Customers who subscribed for Fairfield Sentry shares in a non-discretionary account state that EFG Capital or their CROs would monitor their Fairfield Sentry investment after they subscribed for shares.

42. All of the 255 EFG Capital Customers signed a New Account Application pursuant to which they agreed to arbitrate any dispute they might have with EFG Capital in the arbitral forum provided by the FINRA.

43. Of the 255 EFG Capital Customers, 12 EFG Capital Customers have filed an arbitration claim with FINRA seeking to recover alleged losses relating to their investment in

Fairfield Sentry. See Braver, et al. v. EFG Capital Int'l Corp., FINRA Case No. 10-00840 (Feb. 22, 2010); Besser v. EFG Capital Int'l Corp., FINRA Case No. 09-07227 (Dec. 28, 2009).

44. Of the 255 EFG Capital Customers, 3 EFG Capital Customers signed a release pursuant to which they released all claims related to their investment in Fairfield Sentry.

Written Disclosures

45. Fairfield Sentry updated its offering memorandum on an annual basis. As a result, the information and disclosures contained in the offering memorandum was different from year to year.

46. EFG Capital provided all of the Fairfield Investors with a copy of the Fairfield Sentry offering memorandum that was in effect at the time they each subscribed for shares.

47. The Ferreiros were provided with a copy of the Fairfield Sentry offering memorandum that was in effect as of October 1, 2004. See Exhibit 1, attached hereto.

48. During the period of time from January 12, 2000 through June 9, 2008, 167 of the 279 Fairfield Investors signed a written disclosure ("Madoff Disclosure") describing the fact that Fairfield Sentry's assets were custodied BMIS. The Madoff Disclosure stated in pertinent part:

[W]e would like to highlight the fact that the Fund's assets are custodized with its investment adviser, Bernard L. Madoff Investment Securities, rather than with a major international bank (directly or through a subsidiary) as is the case with most investment funds. Bernard L. Madoff Investment Securities had capital as of October 31, 2003 of US \$478 million. This is much less than the capital of a major international bank; to that extent investing in the Fund represents one of the risks of investing in the Fund.

See Composite Exhibit 5, attached hereto.

49. Over the years, the form of the Madoff Disclosure was revised and updated, and it was translated into English, Portuguese, and/or Spanish depending on the Fairfield Investor

who signed it. Examples of all versions of the Madoff Disclosure that were signed by the Fairfield Investors are attached hereto as Composite Exhibit 5.

50. The following table identifies the number of Fairfield Investors that received each version of the Madoff Disclosure:

MADOFF DISCLOSURE			
<u>Version</u>	<u>English</u>	<u>Portuguese</u>	<u>Spanish</u>
A	1	0	0
B	36	0	1
C	0	0	38
D	0	13	0
E	8	0	0
F	0	0	4
G	26	0	0
H	0	0	2
I	0	1	0
J	4	0	0
K	0	0	2
L	24	0	0
M	1	0	0
N	9	0	0
O	1	0	0
P	13	0	0

51. The Ferreras did not sign a Madoff Disclosure.

52. During the period of time from March 31, 2005 through September 14, 2008, 70 of the 279 Fairfield Investors signed a written disclosure ("Hedge Fund Disclosure") acknowledging that (i) the risks of investing in Fairfield Sentry had been disclosed to them and that they understood those risk, (ii) the fees and expenses associated with Fairfield Sentry had been explained to them, and (iii) they had received a copy of Fairfield Sentry's prospectus and/or offering memorandum. The Hedge Fund Disclosure stated in pertinent part:

- I have been provided with the Supplement Risk Disclosure Information, been explained each risk, and understand them in general terms.
- I have been explained and understand the primary differences in hedge fund investment strategies.
- *****
- I have been explained and understand the fees and expenses for the hedge fund purchase(s) I am making.
- I have been provided with a prospectus and/or offering memorandum and have read and understand its contents.

See Composite Exhibit 6, attached hereto.

53. Over the years, the form of the Hedge Fund Disclosure was revised and updated, and it was translated into English, Portuguese, and/or Spanish depending on the Fairfield Investor who signed it. Examples of all versions of the Hedge Fund Disclosure that were signed by the Fairfield Investors are attached hereto as Composite Exhibit 6.

54. The following table identifies the number of Fairfield Investors that received each version of the Hedge Fund Disclosure:

HEDGE FUND DISCLOSURE			
<u>Version</u>	<u>English</u>	<u>Portuguese</u>	<u>Spanish</u>
A	67	0	0

HEDGE FUND DISCLOSURE			
<u>Version</u>	<u>English</u>	<u>Portuguese</u>	<u>Spanish</u>
B	0	0	9
C	1	0	0
D	2	0	0

55. The Ferréiras signed a Hedge Fund Disclosure on June 17, 2005. See Exhibit 7, attached hereto.

56. On February 28, 2003, EFG Capital sent a letter ("Concentration Letter") to 79 of the 279 Fairfield Investors advising them that their investment in Fairfield Sentry represented 20% or more their holdings at EFG Capital and recommending that they reduce the size of their investment in Fairfield Sentry. The Concentration Letter stated in pertinent part:

[W]e note that your investment in Fairfield represents a significant percentage of the accounts holdings. 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 the great majority of Fairfield's assets are customized with its executing broker

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

For these reasons, we wish to take this opportunity to recommend that you consider increasing your portfolio's diversification by reducing its concentration in Fairfield to less than 20%.

See Composite Exhibit 8, attached hereto.

57. EFG Capital sent out different versions of the Concentration Letter translated into English, Portuguese, or Spanish depending on the Fairfield Investor to whom it was being sent. Examples of all versions of the Concentration Letter that were sent to the Fairfield Investors are attached hereto as Composite Exhibit 8.

58. The following table identifies the number of Fairfield Investors that received each version of the Concentration Letter:

CONCENTRATION LETTER			
<u>Version</u>	<u>English</u>	<u>Portuguese</u>	<u>Spanish</u>
A	1	0	0
B	0	9	0
C	0	0	69
D	0	3	0

59. EFG Capital did not send the Ferreras a Concentration Letter because they did not maintain an account at EFG Capital in 2003.

60. Of the 79 Fairfield Investors who were sent a Concentration Letter, 24 Fairfield Investors did not reduce size of their investment in Fairfield Sentry during the period of time from February 28, 2003 through December 31, 2003; and 11 Fairfield Investors increased the size of their investment in Fairfield Sentry during the period of time from February 28, 2003 through December 31, 2003.

61. Of the 79 Fairfield Investors who were sent a Concentration Letter, 18 Fairfield Investors never reduced the size of their investment in Fairfield Sentry after February 28, 2003; and 40 Fairfield Investors increased the size of their investment in Fairfield Sentry after February 28, 2003.

62. I have reviewed the documents attached as exhibits to this affidavit and confirm that they are business records of EFG Capital that were (i) made at or near the time by, or from information transmitted by, a person with knowledge, (ii) made by EFG Capital in the course of its regularly conducted business as a regular practice, and (iii) kept by EFG Capital in the course of its regularly conducted business as a regular practice.

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FURTHER AFFIANT SAYETH NAUGHT.

[Handwritten Signature]

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 15 day of November in the year 2010 by affiant.



Notary: Diana Rivera
Print Name: Diana Rivera
Notary Public, State of Florida
My commission expires: 10/18/2011

Personally Known OR Produced Identification

Type of Identification Produced: _____