UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PASHA S. ANWAR, *et al.*, Plaintiffs, v. FAIRFIELD GREENWICH LIMITED, *et al.*, Defendant. This Document Relates To: All Actions	Master File No. 09-cv-118 (VM)

DECLARATION OF HOWARD L. VICKERY
IN SUPPORT OF PLAINTIFFS'
OPPOSITION TO MOTIONS TO DISMISS OF
PRICEWATERHOUSECOOPERS ACCOUNTANTS N.V.,
PRICEWATERHOUSECOOPERS LLP, AND
PRICEWATERHOUSECOOPERS INTERNATIONAL LIMITED

Exhibit 2

THE WALL STREET JOURNAL.
The Wall Street Journal

March 2, 2009 Monday

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HEADLINE: The Madoff Fraud Case: Fairfield Greenwich Says Madoff Provided Bad Data --- Firm Asserts Falsified Trading Documents That Were Supplied Fooled It and Auditor PricewaterhouseCoopers

BYLINE: By Tom Lauricella

BODY:

After funneling billions in investor money to Bernard Madoff over nearly two decades, Fairfield Greenwich Group is offering up its explanation to investors: It scrutinized Mr. Madoff's trading, but the documentation he provided was false.

The Manhattan-based firm is facing lawsuits, as it had $6.9 billion invested with Mr. Madoff, who authorities say admitted he perpetrated a massive Ponzi scheme. Separately, the secretary of the commonwealth of Massachusetts is investigating Fairfield Greenwich to see if the firm breached its fiduciary duties to clients, some of whom lived in Massachusetts.

Other so-called feeder firms have been sued privately as well. Fairfield is believed to be the largest among the Madoff feeder funds, based on firms' reports of their exposure.

The investor lawsuits against Fairfield allege that the firm didn't do "rigorous" and "deeper and broader" due diligence on Mr. Madoff, as its marketing materials said it would. That included examining what Fairfield described as reviewing "independent" trading records.

Last month, the trustee overseeing the bankruptcy of Bernard L. Madoff Investment Securities LLC said that over the past 13 years, Mr. Madoff didn't make a single investment on behalf of clients. Also, Mr. Madoff said his firm, not an independent firm, cleared its own transactions.

In an account of its dealings with Mr. Madoff provided to The Wall Street Journal concerning Fairfield's main Madoff fund, Fairfield Sentry, Fairfield says Mr. Madoff fooled them and others, including the Sentry fund's auditor, PricewaterhouseCoopers. Fairfield says the Madoff firm supplied falsified trading documents, including what Fairfield says now appear to have been fake electronic records from Depository Trust & Clearing Corp., an independent firm that inventories much of Wall Street's stock and bond holdings.

A lawyer for Mr. Madoff didn't comment. PWC declined to comment, citing its rules for client confidentiality. DTCC officials confirmed that Bernard L. Madoff Investment Securities was a member but said the firm wasn't in a position to comment on Fairfield's claim.

A Fairfield spokesman said Madoff provided the firm with printed trade confirmations for Sentry. Fairfield would "periodically" cross-check prices on the statements against stock quotes and found they matched up.

In the spring of 2001, a pair of articles in Barron's, published by Dow Jones & Co. which also publishes The Wall Street Journal, and a hedge-fund industry publication questioned the performance by Mr. Madoff.

In a visit to Mr. Madoff's offices around the time, Jeffrey Tucker, Fairfield's co-founder, discussed the articles with Mr. Madoff, according to a spokesman for the firm. Mr. Madoff gave Mr. Tucker a chance to do his own spot check, letting him randomly select two dates and, from those days, select two stocks that had been traded in Fairfield's accounts, the spokesman says.

Mr. Madoff showed Mr. Tucker paper records of trades for those stocks. Then Mr. Madoff showed Mr. Tucker a computer screen that appeared to show the stocks held by the Madoff firm as tracked by Depository Trust & Clearing Corp. It all matched, the spokesman says.

As evidence that the meeting occurred, Fairfield points to an internal email from August 2008 that was reviewed by The Wall Street Journal, in which the firm says a top Fairfield executive discussed the meeting. "I believe that Jeffrey may have verified the existence and segregation of assets in the past by tracking stocks from trade blotter to the stock record to DTCC and back to client accounts," wrote Amit Vijayvergiya, head of risk management at Fairfield.

Messrs. Tucker and Vijayvergiya declined through the spokesman to comment for this article.

Fairfield also says that auditors from PricewaterhouseCoopers, Sentry's auditor starting in 1993, accompanied by a Fairfield employee, went to Mr. Madoff's offices in 2002 and scrutinized a number of Sentry's trades and didn't raise any concerns to Fairfield. Fairfield says it looked into Mr. Madoff's options trading, which industry observers and the lawsuits have said posed a red flag that the Madoff investment business was a fraud.

The main issue is whether there was enough options-trading volume to absorb the strategy Mr. Madoff said he was employing. If not, that could have signaled to investors like Fairfield that the strategy as stated wasn't being executed.

In a Madoff options-trade confirmation for Fairfield Sentry, Madoff claimed on Dec. 16, 2004, to have sold 6,331 contracts for calls -- or a bet the stock price will rise -- on the Standard & Poor's 100-stock index. That was part of total trading that day for the firm of roughly 22,000 call contracts.

A spokesman for Fairfield says executives at the firm believed at the time that Mr. Madoff could have been managing in total roughly two or three times as much money as was in Sentry and employed the same strategy for all of his clients. That would have suggested that Mr. Madoff in total would have needed to hold some 44,000 to 66,000 call contracts.

But at the time of that trade confirmation, there were fewer than 14,000 such call contracts in existence in the market, according to publicly available information from the Chicago Board Options Exchange.

The firm looked into the options-volume question, the spokesman says. Mr. Madoff told them he was doing options trading in the over-the-counter market, not through the CBOE. Fairfield researched the size of the overall OTC market and came to the conclusion it would have supported his trading, the spokesman says.

Fairfield asked Mr. Madoff who his counterparties were on the OTC trades, but Mr. Madoff wouldn't name them. He showed them a sample contract that he said he used for OTC transactions, the spokesman says.

Robert Frank contributed to this article.

NOTES:
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