

Exhibit 35

Redemption Memorandum

Date of Redemption: February 28th, 2005

Redemption Letter Date: February 11th, 2005

Funds:	Sterling Stamos Growth Fund, L.P.	\$7,682,898
	Sterling Stamos Growth (Offshore) Fund, Ltd.	\$3,051,038
	Sterling Stamos Friends & Family Fund, L.P.	\$2,390,228
	Sterling Stamos Levered (Offshore) Fund, Ltd.	\$18,951,983
	Sterling Stamos Liquidity (Offshore) Fund, Ltd.	\$760,568
	Sterling Stamos Liquidity Fund, L.P.	\$5,479,509
	Sterling Stamos Security (Offshore) Fund, Ltd.	\$6,182,765
	Sterling Stamos Security Fund, L.P.	<u>\$16,789,719</u>
	Total redemptions	\$61,288,708

Investment: Bayou Superfund, LLC
Bayou Offshore Fund A, Ltd.

Amount:

Date Funds Available: April 1st, 2005

Rationale:

We are redeeming from Bayou for the following reasons:

- While Bayou has generated risk-adjusted strong returns, we have become concerned about the strategic aspirations and operational developments at the fund. We have held numerous phone calls and meetings with Sam Israel and Jeff Singer to discuss these issues and in the end, they were unable to alleviate our concerns. Those issues include:
 - **Style Drift:** Sam Israel had decided to disband his current fund and launch a new fund with a different strategy. Sam will maintain his short-term trading focus, but rather than trade only equities, equity indices and derivatives, he intends to trade commodity futures as well. This brought cause for concern for two primary reasons. First, Sam has never traded these new instruments before and we believe that trading in the equity markets is markedly different than trading in the commodities markets. Sam has countered that "trading is trading" but we are uncomfortable with allowing him to "train" on our capital. Moreover, we are also concerned that commodity futures are more volatile instruments and trading in these securities will increase the volatility profile of the fund.
 - **AUM Growth:** Sam expressed his desire to run >\$1B for his next fund. He currently manages roughly \$500M. He therefore would be running twice as much capital as he currently does, partly trading instruments in which he has no track record.
 - **Operations:**
 - **Legal documentation:** Bayou utilizes non-standard legal documentation; they do not have an offering memorandum, but instead have issued only a limited partnership agreement which acts as a substitute for the offering memorandum. Per discussion with Dan Marino, the CFO of Bayou, we noted that he uses unconventional legal documentation because he feels that most investors ignore the standard forms. Hence, a different set of documents in Q&A format would force investors to pay greater attention to the forms.
 - **Restatement of K-1s:** For the year ended December 2003, Bayou made errors on K-1s that they sent out to investors and was forced to restate them twice. This flagged concerns over the competency of their back office team.
 - **Employee Issues and Civil Suits:** Sam has been involved in a number of lawsuits brought about by former employees. The more notable one was brought about by Paul T. Westervelt, Jr. and Paul T. Westervelt, III, both former employees, in 2003 and involved breach of contract. There has also been potential litigation

initiated against Sam and Bayou by Carl Raymond Oelkers, another formal employee. While the outcome of these suits have been settled, we find these lawsuits unsettling and although they have been resolved, they make us question Sam's hiring practices to start. Lastly, we noted that Bayou lost one trader during the course of our investment and the situation surrounding his departure was not entirely clear.

- In summary, we have had several meetings and discussions with Sam Israel, Jeff Singer (Investor Relations) and Dan Marino. The outcome of these discussions did not help us overcome our concerns cited above and we decided to redeem our entire investment in Bayou effective February 28th, 2005.