EXHIBIT 33
It has come up more than once since the summer-
how do the counterparties at the banks provide enough liquidity to allow
the options to be put on?

My understanding is dealing desks are currently doing almost everything
on an order or best efforts basis - and not providing risk capital to
anyone,

Can we get some clarity from BLM on how he sees the markets and
liquidity from his counterparties on the options?

thanks

______________________________

From: Charles Murphy
Sent: 22 September 2008 16:49
To: Sentry Team
Cc: Executive Committee; Santiago Barenco
Subject: RE: [UPDATE] Impact of SEC emergency short selling rule on
Sentry

Gord/Amit: now that ban on shorting financials has been renewed and
expanded, are we able to confirm that BLM’s ability to implement its
strategy will be unimpeded?

Presumably, banks from whom BLM buys puts on the basket need to short
the financials in the S&P 100 in order to hedge their risk? Which
financials are still in the index? Citi/BOA etc?

______________________________

From: Sentry Team
Sent: Wednesday, July 23, 2008 10:36 AM
To: Sales and Marketing
Cc: Sentry Team
Subject: [UPDATE] Impact of SEC emergency short selling rule on Sentry

Sales & Marketing.

Footer
EXHIBIT 34
Went out to a friends for dinner- long weekend-

Around this weekend at home or Monday-

Can't wait to hear BLM comments on options liquidity-

-----Original Message-----
From: Amit Vijayvergiya
Sent: Friday, October 03, 2008 7:19 PM
To: Richard Landsberger
Subject:

I'm free to talk this afternoon ( ), or if you'd like we can pick it up on Monday?
PRIVATE AND CONFIDENTIAL – FOR INTERNAL USE ONLY

Subject: BLM Operational Due Diligence
Date: October 2, 2008
Attendees: Bernard L. Madoff, Frank Di Pascali, Walter Noel, Jeffrey Tucker, Mark McKeefry, Amit Vijayvergiya (by phone)
Location: Offices of Bernard L. Madoff Investment Securities, LLC

PREAMBLE

1) Comments on BLM’s market making business and profitability:

- Marketing making business has improved in profitability dramatically
- This has been the case for the past year
- Order flow has increased significantly
- BLM traded 600K trades on Friday [Sep 26], and on two other days (biggest days they’ve ever had)
- Average trading volume is around 250K – 400K per day
- When BLM executes 600K trades, he is not doing so at great profit, basically just to do the trade, accommodate the client.
- For a number of years their market making business was only running at a slight profit, but became a significant profit center again in the last year.
- BLM implied that some broker dealers probably considered closing their marketing making business pre-2007 (he claimed he never did).
- Currently the market making side of his business is more profitable than the proprietary trading side – this is not due to spreads widening – still only 1 penny b/a spread.
- Although market making profits have increased, it is not as profitable as when they used to make 30% on capital.
- Now they can make 10 – 15% on capital in their market making business and they have no risk in this business because they usually go out flat at the end of the day. This is a good, relatively low risk business for BLM.
- They believe that this will last a very long time; Why? Because the rise of ECN’s and electronic trading networks (which provide very efficient low cost execution with good liquidity) that offer access to ‘dark pools’ of liquidity.
- BLM indicated that a great deal of liquidity in U.S. equities is available across U.S., and Europe – this is the way things work now and will likely continue working in the future.
- BLM has great access to liquidity and can offer this to both their SSC and market making business clients.
- The proprietary side of the business is still profitable for them.
- AV’s NOTE: BLM has three business lines:
  - Market Making: high volume, low margin; profitable; volumes picking up
  - Proprietary trading: profitable; BLM trades about $700MM of firm capital
• **SSC strategy:** profitable; BLM earns about 90bps of AUM; BLM previously indicated that he executes about $20 billion, implying gross annual brokerage receipts of about $180MM; this is likely his most profitable business line

2. **Comments on DD meetings:**
   
   • BLM received a call from a friend of his at JPM who said he needed BLM to meet with some of the JPM people from London in order to do DD to provide leverage to some of BLM’s clients incl Sentry. BLM refused.
   
   • Same thing one week later. BLM refused; didn’t want to ‘just shake hands’ and ‘show them his office’. BLM says this is unbelievable.
   
   • This is indicative of what’s going on out there. Aversion to leverage, complex products that no one really understands.
   
   • Even Risk Management departments who questioned these products where turned down b/c profits were so enormous.
   
   • Recounted a story with ex “?” of Goldman Sachs; retired 5 yrs ago as second largest s/h who used to be in charge of equity derivatives desk.

3. **Comments on current issues affecting Wall Street:**
   
   • The first problem with demise of Wall Street was that after Wall Street firms became public companies, their partners no longer had incentive to stay on top of it and firms began to manage to quarterly results.
   
   • The partnership model was excellent and served to align the interest of clients with management.
   
   • As investment banks began to manage for quarterly profits, and as profit margins in traditional business lines began to shrink, firms like Lehman started to do more esoteric, derivative products that were approved b/c they chased profits.
   
   • Ultimately led to their demise and the current systemic problems

4. **Comments on the government rescue package to unseize credit markets**
   
   • Government has no choice but to pass the bill

5. **Comments on BLM’s great aversion to leverage:**
   
   • BLM’s experience having built a business from the ground up
   
   • Not having much money in the early days
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please provide a list of key personnel involved in the split-strike conversion (&quot;SSC&quot;) strategy. Provide a brief description of their roles.</td>
<td>The people involved in the SSC strategy are traders, system analysts, programmers and operations people. No names given.</td>
</tr>
<tr>
<td>Is there a succession plan in place? If yes, please provide details.</td>
<td>Yes. BLM responded that no one has a right to know. It involves family and others who have great experience with the strategy. BLM says what guarantee will client give to remain in SSC if he lost 2%</td>
</tr>
<tr>
<td></td>
<td>How long does BLM intend to be in business? Very long time</td>
</tr>
<tr>
<td></td>
<td>Though BLM gave no specific details about the successions plan, he has 2 sons, Mark and Andrew Madoff who each head the listed and unlisted business lines. Additionally, Frank Di Pascall has worked the firm for 32 years and is primarily responsible for SSC operations.</td>
</tr>
<tr>
<td>Provide a general description of the team responsible for executing the SSC strategy.</td>
<td>See above</td>
</tr>
<tr>
<td><strong>TRADING</strong></td>
<td></td>
</tr>
<tr>
<td>Describe procedures for trade entry and trade processing.</td>
<td>Not answered</td>
</tr>
<tr>
<td>Who authorizes the trades of the SSC? In the event that this person is not available, is anyone else authorized to trade the SSC?</td>
<td>Bernie is only the one authorized to initiate the trades of the strategy. Bernie is always available to authorize the trade, wherever he is, but he is almost always in NYC.</td>
</tr>
<tr>
<td></td>
<td>The models will tell them if correlation is being broken</td>
</tr>
<tr>
<td></td>
<td>About 6 people make the call on when to enter and exit the strategy. Bernie is the only one authorized to make the final decision to enter or exit.</td>
</tr>
<tr>
<td>Who is responsible for actually placing the trade orders of the SSC?</td>
<td>Traders, under the direction of supervisors</td>
</tr>
<tr>
<td>Who monitors trading?</td>
<td>Bernie, senior traders, and systems analysts that monitor the models. A number of people monitor the strategy each day once it has been implemented (incl. compliance guidelines). About 8 pp make the decision on when to exit the strategy.</td>
</tr>
<tr>
<td>How is unauthorized trading controlled?</td>
<td>Supervisors oversee the traders who place the orders into their order entry system. Traders cannot access the system without a supervisor first entering their password.</td>
</tr>
<tr>
<td></td>
<td>BLM is req'd to hold training seminars for his traders or unauthorized trading; his traders questioned why this was necessary because no one has access to information that they might be able to trade on.</td>
</tr>
<tr>
<td></td>
<td>The system is automated to block or lock-out traders from trading in a stock until customer orders are completed.</td>
</tr>
</tbody>
</table>
BLM gave example of a short sale in London (they inadvertently made a short sale after the short selling ban had been placed and proactively notified the FSA); they are trying to automate the lock-out of stocks on the 'no short selling' list

<table>
<thead>
<tr>
<th>How are executed trades allocated to accounts? Please explain in detail, particularly with respect to split fills.</th>
<th>Prorata based on assets. Split fills are also allocated prorata based on assets. You can verify this because returns between accounts are exactly the same except for fees.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who controls asset splits between trading books?</td>
<td>?? Assume supervisors (ie Frank?)</td>
</tr>
<tr>
<td>What front office system is used? Describe the capabilities and any known limitations.</td>
<td>Proprietary systems called &quot;MISS&quot; – Madoff Integrated Support System – that takes feeds from many market sources, including BBG, Thompson and other data sources. BLM has their own ticker plant that is also proprietary. BBG does not have this. BLM developed this system. They hired people who wrote the software, they worked at BLM for a long time as consultants from an external software development firm; then BLM hired the main developers so they could continue to build and maintain the systems in house. This basic system was sold to Goldman, after stripping away the parts that were proprietary to BLM. An important part of the NASDAQ platform was built by a BLM employee, Mr. Cassanova, who was seconded to NASDAQ for a year and a half.</td>
</tr>
</tbody>
</table>

| What percentage of the trading of the SSC is completed electronically? | 100% |
| What back office system is used? Describe the capabilities and any known limitations. | Hardware is IBM; software is proprietary |

<table>
<thead>
<tr>
<th>Options</th>
<th>Pricing and liquidity are negotiated by phone. Contracts are settled electronically (note: this is industry standard for OTC derivatives)</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the reconciliation procedure for option trades?</td>
<td>Locked-in trade, settled electronically. Once the liquidity and price has been negotiated, it is uploaded in to their system. At that point the trade is 'locked-in' and there is no walking away from it. Rarely any errors and omissions or operating breaks. BLM doesn't have these because 95% of their trades are locked-in, automated trades therefore they don't have the same levels of errors and omissions (&quot;e&amp;O&quot;) as other brokerage firms that do things more manually. If they do 300,000 trades in a day, they may see less than 5 errors reported the next day (ie 'you can count them on one hand')</td>
</tr>
</tbody>
</table>

Frank gave the story of an NYSE trader that made a good living trading out of the errors of brokerage firms
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>How often is reconciliation performed?</td>
<td>Every morning a 'break sheet' (aka 'exception report') is produced. BLM’s policy is that all errors must be closed out by the next day.</td>
</tr>
<tr>
<td>Describe the process and controls for settlement of option trades</td>
<td>Electronic settlement</td>
</tr>
<tr>
<td>Describe the process and controls for dealing with trade errors and omissions for options</td>
<td>Options errors are very rare because they are negotiated in advance and locked in their trading system with the c/p. There are typically very few errors; all must be resolved by next day.</td>
</tr>
<tr>
<td>Please describe the procedures relating to collection of performance assurance (T-Bills) from options counterparties in connection with long put option purchases and, if relevant, payment of performance assurance to options counterparties in connection with short call option sales.</td>
<td>c/p risk is limited by the amount of performance assurance held on behalf of their clients like FGG. They look at this performance assurance daily.</td>
</tr>
<tr>
<td>Example: If I'm an institution that enters into an OTC contract with GS, I'd have to post performance assurance to GS. Although GS would be required to put up performance assurance, a derivatives dealer is not required to do so, which is why BLM says he stopped dealing with derivatives dealers years ago and now goes directly to the other side (verify this – not sure I recorded this correctly)</td>
<td>BLM will not disclose the names of the c/p's 'for obvious reasons' (i.e. confidentiality')</td>
</tr>
<tr>
<td>BLM holds the collateral at the level the negotiated margin ratio (i.e. between 15% and 25%, depending on the c/p) and this is marked to market on a daily basis.</td>
<td>BLM conducts c/p credit assessment, but he is most focused on the collateral that he receives from all c/p's who sell puts.</td>
</tr>
<tr>
<td>Frank said that Sentry does NOT have any direct c/p exposure because the trades are 'pooled on the A side' and 'pooled on the B side'. For example, CS acts as Agent and pools a lot of their clients' options trades and 'faces off' against BLM who also acts as Agent and also pools their clients' trades. All the c/p's are large institutions.</td>
<td>Puts and calls are not necessarily matched at each c/p. Although BLM may choose to trade the same number of puts and calls with the same c/p, this does not necessarily need to be the case.</td>
</tr>
<tr>
<td>What percentage of the value of the options is posted as performance assurance by each counterparty (please specify whether this is on market value or nominal value)?</td>
<td>Between 15% to 25% of the underlying in T-Bills</td>
</tr>
<tr>
<td>Are these T-Bills settled?</td>
<td>Yes, in the name of BLM (must verify this with MM/JT).</td>
</tr>
<tr>
<td><strong>Segregation of Assets</strong></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>--</td>
</tr>
<tr>
<td>Do you use third party Custodians? If so, for what purpose?</td>
<td>No, all SSC stocks and options are custodied at BLM</td>
</tr>
<tr>
<td>Can BLM access the assets held in our cash and margin accounts for any purpose other than trading the SSC strategy? If so, please describe.</td>
<td>No, hypothecation is not permitted</td>
</tr>
<tr>
<td>Can any other entity access the assets held in our cash and margin accounts under any circumstance? If so, please describe.</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CASH MOVEMENTS</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Who has the authority to request the movement of cash and securities held in client accounts?</td>
<td>There is a list of authorized signatories</td>
</tr>
</tbody>
</table>
| Are dual signatories required? Please provide the names of people on the authorized signatory list. | Yes  
Names not provided |
| How are transfers logged? | Everything is logged electronically |
| Do money movements require any independent third party signature? Are dollar limits imposed? | Yes |

<table>
<thead>
<tr>
<th><strong>SYSTEMS</strong></th>
<th></th>
</tr>
</thead>
</table>
| Please describe the experience and tenure of the team responsible for developing the models/algorithms used by the split strike conversion strategy. | Between 16 years to 47 years.  
Frank has 32 years with BLM |
<p>| Please provide a general description of the models and algorithms and the factors upon which they are based? | Already answered in previous meetings (i.e. Momentum, mean reversion, volatility, liquidity) |
| In addition to producing entry and exit signals of when to trade the SSC strategy, do the | Yes. Liquidity screens are an important part of the models. This relates to the stocks and options and is essential in determining when to enter or exit the strategy (i.e. the amount of available liquidity in cash market equities is evaluated as is the amount of liquidity in the OTC |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>models/algorithms also indicate the percent of assets to deploy in the SSC strategy on any given trade day? If not, how is this decision made?</td>
<td>options market. The derivatives dealers initially provide 'indications of interest' relating to the amount of options they would be willing to trade (ie level of liquidity). When it comes time to actually trade the options, the price and quantity is negotiated and 'locked-in' (ie. Commitment to trade is established) and the trade is uploaded into BLM's system and settled electronically.</td>
</tr>
<tr>
<td>Have there been any changes to these models/algorithms in the past 3 years? If yes, please describe.</td>
<td>Yes, they are always looking at the models and fine-tuning them.</td>
</tr>
<tr>
<td>How many years of market data are used in the models/algorithms?</td>
<td>They are using their own data and ticker plant. This ticker plant can provide tick by tick data back 30 years at any point in time (to the second). 2 years of historical data is used to feed the models</td>
</tr>
<tr>
<td><strong>RISK MANAGEMENT &amp; INVESTMENT COMPLIANCE</strong></td>
<td></td>
</tr>
<tr>
<td>Please describe the systems, and procedures used to monitor compliance with the terms and conditions governing the execution of the SSC strategy (as outlined in the Trading Authorization agreement and the Terms &amp; Conditions for Options Transactions). How frequently are these limits monitored and by whom?</td>
<td>The same models that are referenced in the Terms and Conditions are used to monitor the entry/exit. Correlation is monitored daily. BLM has not been in violation. Occasionally correlation has drifted down to the 95% level; BLM has exited the strategy when this has happened.</td>
</tr>
<tr>
<td>What actions would be taken if any of these limits were violated?</td>
<td>If correlation limit were to be breached, BLM would liquidate.</td>
</tr>
<tr>
<td>Have any of these risk limits ever been violated? If so, when was the last time?</td>
<td>No</td>
</tr>
<tr>
<td>Do you trade the options upon completion of the stock basket trades on any given day, or are you trading the options positions at the same time as you trade the stocks (either buy or sell)?</td>
<td>Although there can be up to an hour between the time that stocks are purchased and the time that the corresponding puts are purchased, the time delay is typically not great. The puts are not, however, simultaneously purchased with the equities therefore there is some market risk.</td>
</tr>
<tr>
<td>Could there ever be a situation where an SSC</td>
<td>Yes, but very limited. BLM has previously mentioned that this may be about 1 hour.</td>
</tr>
</tbody>
</table>
client would have a stock basket unhedged for a period of time (i.e. during an implementation, exit or an options roll)?

<table>
<thead>
<tr>
<th>Do the long stocks held in the cash accounts cover the short calls held in the margin account? Can this be considered a form of collateral to the options counterparties that bought calls from the SSC account?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes. You can consider this a covered call – the amount of calls sold can not be greater than the amount of stock purchased. There is no circumstance in which an options c/p can seize stock (MM/JT to verify)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPACITY MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the maximum capacity of the SSC strategy?</td>
</tr>
<tr>
<td>Not answered</td>
</tr>
</tbody>
</table>

| What is the projected time frame to reach capacity? |
| Not answered |

<table>
<thead>
<tr>
<th>DOCUMENTS REQUESTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please provide the following documents:</td>
</tr>
<tr>
<td>a. an organization chart</td>
</tr>
<tr>
<td>b. proxy voting policy</td>
</tr>
<tr>
<td>c. waiver of hypothecation</td>
</tr>
<tr>
<td>d. OTC Options Risk Disclosure Statement</td>
</tr>
<tr>
<td>e. Code of Ethics</td>
</tr>
<tr>
<td>f. Advisor's Policy Statement on Insider Trading</td>
</tr>
<tr>
<td>g. SAS 70 internal Controls Report</td>
</tr>
<tr>
<td>h. Current Form ADV Part II</td>
</tr>
</tbody>
</table>

We asked for the Form ADV Part II – not clear whether BLM will provide the current 2008 version. I'd like to follow up with BLM to receive items c, e, f, and h.

BLM and Frank were sensitive that the topics discussed during this meeting be kept confidential (i.e. 'we not record' this meeting).
EXHIBIT 36
From: [redacted] (mailto:[redacted]@caledonpartners.com)
Sent: Monday, October 06, 2008 11:58 AM
To: Amit Vijayvergiya (mailto:amit@fggus.com)
Subject: RE: BM

Just left you a voice mail.
Plz let me know today if I can tell Barclays (tomorrow) if you feel another brief call is warranted (or not) re cash controls at BM.
(Fyi, my cell: [redacted])
Thanx

From: Amit Vijayvergiya (mailto:amit@fggus.com)
Sent: 06 October 2008 15:37
To: [redacted]
Subject: RE: BM

We spoke with BLM last week and had an extensive discussion about their back office, operations, systems and internal controls. Let's talk this afternoon and determine next steps. Thanks

From: [redacted] (mailto:[redacted]@caledonpartners.com)
Sent: Monday, October 06, 2008 10:54 AM
To: Amit Vijayvergiya
Subject: BM

Hi Amit,
Am seeing Barclays tomorrow.
Further to our last conf call, will it be worthwhile to have another conf call re BM's cash controls?
You said that you will know more about this after your visit with BM.
Barclays said they will have the call only if you recommend it. (Barclays don't want to take more of your time if you don't feel its value added).
Plz let me know ...
Thanx

Caledon Partners
7 Old Park Lane | London | W1K 1QR | United Kingdom
Tel: [redacted] | Fax: [redacted]
Email: [redacted]@caledonpartners.com | www.caledonpartners.com

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3/20/2009
EXHIBIT 37
From: Amit Vijayvergiya [amit@fggus.com]
Sent: Monday, October 20, 2008 5:14 PM
To: Sentry Team [SentryTeam@fggus.com]
Subject: Marketing Support for Sentry

When: Tuesday, October 21, 2008 9:00 AM-10:00 AM (GMT-04:00) Atlantic Time (Canada).

*~*~*~*~*~*~*~*~*~*

Agenda:

1. review DA's short marketing piece on performance and capital flows

2. what information do agents need to defend redemptions
   A) Market Risk:
      - Sentry performance (historical, relative to OEX, HFRI Market Neutral Index, T-Bills etc)
      - focus on crises periods (how many activations, % invested, P&L, did the trading activity change in any way -
        ie call buybacks and resales?)
      - can we use the crisis analysis done by Inv Team?
      - analysis of the past capital flows activity (how much went out, how long before it returned etc)
      - impact of T-Bill volatility
      - impact of model factors on performance

   B) Credit Risk
      - c/p terms

   C) Operational Risk
      - BLM operational DD

3. review client profile of Oct 1 and Nov 1 redemptions
4. pipeline (subs and reds)
5. Sentry clone data; write a script to defend defections to other Funds

Any other topics?

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is based upon information available to us at this date, and is subject to change without notice, and is not
warranted as to completeness or accuracy by Fairfield Greenwich Group (“FGG”). Any comments or
statements made herein do not necessarily reflect those of FGG.
From: Lourdes Barreneche [lourdes@fgus.com]
Sent: Tuesday, October 21, 2008 2:35 PM
To: @ml.com (mailto:@ml.com)
Cc: Amit Vijayvergiya [amit@fgus.com], Sentry Team [SentryTeam@fgus.com], Lourdes Team
[LourdesTeam@fgus.com]
Subject: RE: FAIRFIELD SENTRY LTD

Dear [Name],

Thank you for the feedback. The investment manager of the fund, Fairfield Greenwich (Bermuda) has been facilitating rigorous and very thorough investment and operational due diligence on Fairfield Sentry Ltd. in response to our clients' requests and in line with institutional demand. The members of our Sentry team, led by our Chief Risk Officer and Partner, Amit Vijayvergiya, are available for meetings and are ready to provide any information that will help your due diligence team at ML to understand all aspects of the fund. They can also demonstrate the risk, compliance and performance measurement systems and tools in person, by video conference or webex, whichever format is preferred by your due diligence team.

Among the information we provide are the following (some of which we request to be covered by a signed confidentiality agreement):

- Due Diligence Questionnaire
- Audited Financial Statements (FSL and BLM)
- Compliance Manuals
- ADV II report on Fairfield Greenwich (Bermuda) Ltd.
- Incorporation/Partnership verification (Certificate of Incorporation)
- Fairfield Sentry Ltd. Sector Comparison vs. S&P 100 Index
- Split-strike Conversion Strategy Approximate Performance Attribution by Instrument Type (2008 Unaudited)
- FSL Spread to T-Bill analysis
- Volatility vs Spread to T-Bills, vs. 12-month rolling returns, Equity Market Momentum and Implied Volatility Analysis
- Implementation Cycles Graphs including Data Tables (2006 and 2007)
- P&L attribution table (2006 and 2007)
- Latest Dun & Bradstreet Operational Rating report of BLM
- Brokerage Commission Ratio as a % of AUM
- Description of the Cash Controls
- Disaster Recovery and Business Continuity Plans
- Trade tickets (stocks and options)
- Risk Tools and Systems
- Counterparty Risk Mitigation
- Returns-based Client Risk Report
- Positions-based Risk Report
- Fact sheets and Marketing book
- PPM (Offering Memorandum) on Fairfield Sentry Ltd.
- Investor letters
- Other relevant documents pertaining to the organization, investment strategy, risk controls, investment performance reporting, valuation and pricing, trading, operations, technology and compliance

We understand that ML has a process. Rest assured, we are willing to work with you and your colleagues on this process. Please advise on how we should proceed.

3/16/2009
Talk to you soon.

Best,

Lourdes

---Original Message-----

From: Lourdes Barreneche [mailto:lourdes@fgus.com]
Sent: Tuesday, October 21, 2008 10:41 AM
To: (NYC-153E 53RD STREET(CITYCORP),NY)
Cc: LourdesTeam
Subject: FAIRFIELD SENTRY LTD

Dear [Name],

I wanted to drop you a note to keep you informed on our flagship fund, Fairfield Sentry Ltd. This Fund continues to hold ground this year with YTD returns of +4.63% (est. as of Oct 16). Sentry has endorsed our philosophy of capital preservation, low volatility and sound liquidity.

The fund continues to present an interesting opportunity for conservative investors— almost 18-year track record (only 15 down months since inception), low volatility with healthy Sharpe ratio of 2.73 since inception and monthly liquidity. Sentry's strategy neither utilizes any balance sheet leverage nor shorts stocks. The Fund is currently invested in a laddered portfolio of short dated US T-bills.

Given that Sentry has capacity, we would like to explore the possibility of presenting this Fund for consideration to your clients in Latin America. We have attached the latest tear sheet on the Fund, for your reference.

Our invitation to you and your colleagues to visit our office still holds and we defer to you to let us know when is a suitable time at your end.

Un abrazo,

Lourdes

Lourdes Barreneche
Partner
FAIRFIELD GREENWICH GROUP

3/16/2009
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EXHIBIT 39
From: Mami Hidaka [mami@fggus.com]
Sent: Friday, November 07, 2008 4:19 AM
To: Amit Vijayvergiya [amit@fggus.com]

Hey Amit -

Thank you again for taking the time to fly to Tokyo and join me for all of today's meetings. I just got very positive feedback from [redacted]. They were pleased with your recent due diligence with regard to BLM, and the risk management steps taken. They recognize the unusual structure with regard to Sentry...so they found the info you provided very helpful in getting comfortable with Sentry. They've asked to hear more about our operational risk monitoring, as well as legal on Monday. They have allocated 2 hours. I've got Jeffrey and will try to get Gord. If Dan can't make it, who should I get from NY? Also, legal wise, do you think I should get Mike or Anthony?

Btw - questions to follow up on:

OTC vs listed - difference in size of markets
How exactly does the derivatives dealers market work
If trade has not yet settled, and Madoff fails, what happens

Thanks again -
Mami

Mami Hidaka
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From: Amit Vijayvergiya [amit@fggus.com]
Sent: Thursday, December 11, 2008 10:26 AM
To: Andrew Smith [andrews@fggus.com]; Richard Landsberger [richard@fgguk.com]; Executive Committee [ExecutiveCommittee@fggus.com]
Cc: Lauren Ross [lauren@fggus.com]; Jeffrey Tucker [jeffrey@fggus.com]
Subject: Re: Fairfield Sentry redemption: $10mm

I would guess that the only issue is performance related -- impacted by higher fees and negative Non-SSC attribution.

We can meaningfully narrow the fee differential with discounts and/or rebates and effectively explain away the Non-SSC differential:

- going forward -- it will be less of an issue given our desire to reduce/eliminate this program and focus on a pure-play SSC.
- retroactively -- the ITD negative attribution of the Non-SSC program will be wholly or partially offset (once we decide whether 'principal protection' applies to just seedlings or both seedlings and strategic investments) via the cushion payment. But it would be in their interest to wait to receive this payment in Q1 otherwise they will be leaving this 'true-up' compensation on the table by redeeming for Jan 1.

I would also encourage setting up a meeting with [redacted] and/or Citi (the leverage provider) to outline our case and fully explain why Sentry is superior to Kingate (information edge, transparency, oversight, risk and compliance, shareholder communications, BLM op DD knowledge etc). It appears that he may not yet appreciate the important differences.

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From: Andrew Smith
To: Richard Landsberger; Executive Committee
Cc: Lauren Ross; Amit Vijayvergiya
Sent: Thu Dec 11 09:28:28 2008
Subject: Re: Fairfield Sentry redemption: $10mm

What's his issue, perf differential?

---

From: Richard Landsberger
To: Executive Committee
Cc: Lauren Ross; Amit Vijayvergiya
Sent: Thu Dec 11 09:09:38 2008
Subject: FW: Fairfield Sentry redemption: $10mm

spoke to [redacted] now-

he says he redeemed $50mm for this month-lauren, do you see it?? is putting some into kingate,

i asked him if he would reconsider , that i would check if we could increase his fee rebate-he said he didnt think so-but he would discuss remaining holdings-

told him our exposure in non sentry assets was now down to 1.1%-

any thoughts?
From: Lauren Ross
Sent: 10 December 2008 23:31
To: Sentry Team
Cc: Richard Landsberger; Philip Toub; Amanda Simone; Robert Netzel
Subject: FW: Fairfield Sentry redemption: $10mm

We can call him tomorrow but I think this is:

From: [mailto:********@citi.com]
Sent: Wednesday, December 10, 2008 5:45 PM
To: Amanda Simone; Lauren Ross
Cc: ********
Subject: Fairfield Sentry redemption: $10mm

Hello Amanda,

CGML is redeeming $10,000,000 from Fairfield Sentry Ltd for December month end. We have faxed the redemption request to you. Please find the fax report. Please confirm you have received our request and that all is in good order. Additionally, please advise as to when we can expect to receive the proceeds from this redemption.

Regards,

This e-mail message, including any attachments, is intended only for the persons to whom it is addressed, and may contain confidential information. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Any use, distribution, modification, copying or disclosure by any other person is strictly prohibited. If you have received this message in error please notify the sender by return e-mail and delete this message from your computer. Any data or views contained herein is based upon information available to us at this date, and is subject to change without notice, and is not warranted as to completeness or accuracy by Fairfield Greenwich Group (FGG). Any comments or statements made herein do not necessarily reflect those of FGG.

3/16/2009
EXHIBIT 41
Thank you.

-----Original Message-----
From: Gordon McKenzie
Sent: Wednesday, September 14, 2005 4:26 PM
To: Jeffrey Tucker; Dan Lipton; Carla Castillo
Cc: LB Team; Mark McKeefry
Subject: RE: Bayou Hedge Fund

I apologize for not being able to find out more but there are a number of Horowitz's licensed in the state of New York and could not tie back any to the firm. I have asked Frank at BLM to call me when he is back in the office and will get some more information if these questions come up again.

-----Original Message-----
From: Jeffrey Tucker
Sent: Wednesday, September 14, 2005 4:10 PM
To: Gordon McKenzie; Dan Lipton; Carla Castillo
Cc: LB Team; Mark McKeefry
Subject: RE: Bayou Hedge Fund

I hoped we could get info comparable to that obtained for Friehling.

-----Original Message-----
From: Gordon McKenzie
Sent: Wednesday, September 14, 2005 8:44 AM
To: Jeffrey Tucker; Dan Lipton; Carla Castillo
Cc: LB Team; Mark McKeefry
Subject: RE: Bayou Hedge Fund

Jeffrey,

I have looked into Horowitz and cannot find much information. I will give a call to see if he may be able to provide any additional information.

-----Original Message-----
From: Jeffrey Tucker
Sent: Tuesday, September 13, 2005 6:03 PM
To: Dan Lipton; Carla Castillo
Cc: LB Team; Gordon McKenzie; Mark McKeefry
Subject: RE: Bayou Hedge Fund

Gord,

we have a call at 10:15 tomorrow... please forward the info before if possible.

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

12/17/2008

Confidential Treatment Requested by Fairfield Greenwich Limited  FAI 00004543
From: Dan Lipton
Sent: Monday, September 12, 2005 7:29 PM
To: Carla Castillo; Jeffrey Tucker
Cc: LB Team; Gordon McKenzie; Mark McKeefry
Subject: RE: Bayou Hedge Fund

Wednesday I'll be in Dublin at CitcoBank - at that time, I may be in the airport or flying to Denmark to diligence SAXO. Sorry.

Frehling & Horowitz, CPAs are a small to medium size financial services audit and tax firm, specializing in broker-dealers and other financial services firms. They are located in Rockland County, NY. They have 100s of clients and are well respected in the local community. According to the NYS Education Department: FRIEHLING, DAVID GARY received his CPA license on 7/16/87, is up to date on fees and has not had any disciplinary actions taken against him since the database started in 1994. He is also an officer in the NY State Society of CPA's Rockland Chapter, which is the local state chapter of CPAs.

Gord is looking into Horowitz and should have some information tomorrow. I leave for Europe at 9pm tomorrow.

I personally do not think that size doesn't matter - regarding the accounting firm. It's really expertise in the area. As we know just a few years ago in 2002 it was the "Big 5" and Arthur Andersen was an extremely highly regarded firm. Some local Partners on the Enron account were not very familiar with the complicated rules about special purpose vehicles which US GAAP has some very specific rules about. It led to an unfortunate series of events ending up with Anderson dissolving -- thus becoming the "Big 4". E&Y last year was suspended for 6 months by the SEC for poor internal controls. And just a couple months ago KPMG settled a huge lawsuit regarding tax shelters, which would have seriously hindered their business. The auditing profession is intrinsically flawed as the auditors are supposed to issue an independent opinion on the materiality of the financial statements. How can the auditors do that and if the one paying them their fee is the firm who they are opining on? The self regulated industry needs to go thru some restructuring as many facets of their business model do not provide the public with the necessary comfort that they think they are getting from a "Big 4" accounting firm.

I could go on, but needless to say, in my opinion, the above was inevitable, and after 9 years at E&Y, I left because of it.

Hope this helps,
Dan

Daniel Lipton
Chief Financial Officer
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From: Carla Castillo
Sent: Monday, September 12, 2005 5:15 PM
To: Dan Lipton
Cc: LB Team
Subject: RE: Bayou Hedge Fund
Hi Dan,

Jeffrey will be available for the call with the client on Wednesday Sep 14 at 10:15 am EST. Jeffrey briefly went over the below questions and only had one question on the accounting firm used by Bernard L. Madoff Securities LLC. He would like to know more about this firm before the call. Please contact Jeffrey and share with him what you know about this accounting firm.

Thank you.

Best regards,
Carla

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From: Carla Castillo  
Sent: Monday, September 12, 2005 4:56 PM  
To: Dan Lipton  
Cc: LB Team  
Subject: FW: Bayou Hedge Fund  
Importance: High

Hi Dan,

Will you be available to speak with our client Capital Research (Victory Funds) and address the below questions posted on Fairfield Sentry Limited and Bernard L. Madoff Securities LLC? We had confirmed a conference call with the client tomorrow at 8:30 am EST, but Amit will not be available.

Can you please briefly read the clients' questions below and confirm if you will be available to speak with Capital Research tomorrow at 8:30 am EST as originally confirmed with the client?

Kind regards,
Carla

---

From: Carla Castillo  
Sent: Monday, September 12, 2005 2:01 PM  
To: Jeffrey Tucker  
Cc: LB Team  
Subject: FW: Bayou Hedge Fund

Hi Jeffrey,

Further to the write-up prepared by Amit on Sentry and Bayou, our client Capital Research (Victory Funds) had additional questions on Sentry and Madoff. We had scheduled a conference call with Victory Funds and Amit tomorrow Tuesday at 8:30 am EST, but as you probably are aware, [REDACTED]. Therefore, we will need to postpone the call.

Capital Research indicated on September 5 that they needed to update their investors on Sentry after this call - the clients' email is below for your reference. [REDACTED] we would like to ask for your help to address the client's request as soon as possible. In case you are available, we could arrange a call with Capital Research tomorrow or Wednesday after 10:30 am EST. Please advise.
We look forward to receiving your feedback.

Thank you.

Kind regards,
Carla Castillo

From: [redacted]@capresearch.se
Sent: Monday, September 05, 2005 10:46 AM
To: Carla Castillo
Cc: [redacted]
Subject: Bayou Hedge Fund

Dear Carla,

Thanks for your answer. Perhaps we were a bit unclear, but the question was not about Fairfield Greenwich Group but Bernard L. Madoff Securities LLC. Can you please revert to us about your comments on that? We would much like to have you comments to the status in Sentry.

Capital Research experience the following weaknesses with our investments in Sentry

1. With Broker: Bernard L. Madoff Securities LLC ("BLM"), is a NASD regulated broker / dealer that executes the split-strike conversion strategy on behalf of the Fund. BLM's sole source of income is derived from brokerage commissions charged to the Fund for executing the trades. Who supervise that everything is in order?

2. With Auditor: Bernard L. Madoff Securities LLC has employed a small accounting firm. Is the accounting firm checked and approved by Fairfield Greenwich Group?

- What, in your opinion, is the risk by investing in Sentry? The question has come up as we can recognise certain similarities with Bayou.

- Do you agree that the common opinion is that the risk is that Bernard L. Madoff Securities LLC use their own brokerage firm and that the auditor is a small firm and not belong to the "big four".

- Are there further risks in investing with Bernard L. Madoff Securities LLC? What transparency have Fairfield Greenwich Group against Bernard L. Madoff Securities LLC?

We much appreciate your comments to the above as soon as possible.

Yours sincerely,

[Redacted]

Capital Research Sweden AB
Hambgatan 11
111 47 Stockholm

12/17/2008

Confidential Treatment Requested by Fairfield Greenwich Limited
We hope everything is well at your end.

Further to your request on the perceived conflict of interest with the two relationships (brokerage and auditing) in Bayou Fund, and any potential similarities between Bayou Fund and Fairfield Sentry Limited related to their use of "in-house" brokerage, please find below the feedback provided by Mr. Amit Vilayeygliya, Vice President and Risk Manager of Fairfield Greenwich (Bermuda) Ltd. For your information, Mr. Vilayeygliya has not had any discussions with Mr. Madoff regarding Bayou. Please note that this information is confidential and is not for distribution to third parties.

Perceived Conflicts of Interest:

1. With Broker: Bayou Management LLC (an asset management firm) used an affiliated firm, Bayou Securities LLC (an NASD regulated broker/dealer), to execute trades. Records filed with the SEC purportedly show significant payments from Bayou’s hedge-fund unit to its brokerage arm and from its brokerage arm to the Investment Manager, Mr. Israel. Bayou did not charge investors a management fee, only a 20% performance fee.

   By contrast, Fairfield Greenwich (Bermuda) Ltd. ("FGBL"), the Investment Manager of Fairfield Sentry Ltd. ("Sentry" or the "Fund"), maintains an arm’s length relationship with Bernard L. Madoff Securities LLC ("BLM"), an NASD regulated broker/dealer that executes the split-strike conversion strategy on behalf of the Fund. Both FGBL and BLM are privately held entities and neither firm holds any ownership interest in the other. The Investment Manager does not share in or profit from the commissions charged by BLM for executing trades and does not receive any soft-dollar rebates for such trades from BLM. The sole source of income for FGBL, as Investment Manager of Sentry, is derived from the management and performance fees charged to investors. Similarly, BLM does not profit in any way from the management and performance fees charged by FGBL. BLM’s sole source of income is derived from brokerage commissions charged to the Fund for executing the trades.

   The Investment Manager believes that the Fund is charged a fair and competitive commission for the trade execution services provided by BLM.

2. With Auditor: Bayou used the accounting firm of Richmond-Fairfield Associates (no relation to Fairfield Greenwich Group) to audit its books. This is a very small accounting firm that Dun & Bradstreet,
a business information service, indicates has only three employees and annual revenues of $110,000 as of January, 2004. The perceived conflict of interest arises from the apparent association between Bayou CFO Daniel Marino and Richmond-Fairfield Associates. New York State records are said to show that Mr. Marino filed registration papers in October 2000 on behalf of this accounting firm although the firm said it did "independent" audits of Bayou Securities. Bayou's own marketing materials claim that Mr. Marino was CFO from the firm's inception in January 1997.

Fairfield Sentry Ltd., on the other hand, has employed the "big-four" accounting firm PricewaterhouseCoopers as the Fund's Auditor for many years. PwC prepares independent semi-annual and annual audits of the Fund's books. The Fund has received an unqualified audit opinion in each year since its inception. No employee of PwC is in a position to influence, make management decisions, provide accounting services, or have financial interest in any FGG Fund or entity. Similarly, no employee of FGG is concurrently an employee of PwC or has any influence over the audit opinion provided by PwC, except as relates to fully cooperating with PwC in the completion of their audit.

We hope the above provides you with the level of clarification that you requested. Should you require further information, please feel free to contact us at any time.

Kind regards,

Carla Castillo
International Client Services

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12/17/2008

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