

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE REFCO, INC. SECURITIES LITIGATION

Master File No:
05 Civ. 8626 (GEL)

**ANSWER OF THE THL DEFENDANTS TO
THE SECOND AMENDED CONSOLIDATED CLASS ACTION COMPLAINT**

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-and-

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Thomas H. Lee Equity Fund V, L.P., Thomas H. Lee
Parallel Fund V, L.P., Thomas H. Lee Equity (Cayman)
Fund V, L.P., THL Equity Advisors V, Thomas H. Lee
Investors Limited Partnership, The 1977 Thomas H. Lee
Nominee Trust, Thomas H. Lee, David V. Harkins, Scott L.
Jaeckel and Scott A. Schoen*

Defendants Thomas H. Lee Partners, L.P. (“THLP”), Thomas H. Lee Equity Fund V, L.P., Thomas H. Lee Parallel Fund V, L.P., Thomas H. Lee Equity (Cayman) Fund V, L.P., THL Equity Advisors V, LLC, Thomas H. Lee Investors Limited Partnership and The 1997 Thomas H. Lee Nominee Trust (collectively, the “THL Partner Defendants”), Thomas H. Lee, David V. Harkins, Scott L. Jaeckel and Scott A. Schoen (collectively, the “THL Individual Defendants,” and together with the THL Partner Defendants, the “THL Defendants”), for their Answer to the Second Amended Consolidated Class Action Complaint (the “Complaint”), respond as follows:

1. Deny any wrongdoing, admit that Lead Plaintiffs purport to describe the nature of their claims and summarize their subsequent allegations, refer to Refco’s¹ October 10, 2005 Press Release for its true and complete contents, and otherwise deny the allegations contained in Paragraph 1 of the Complaint as directed to the THL Defendants.

2. Admit that Refco was a leading independent provider of execution and clearing services for exchange-traded derivatives and a major provider of prime brokerage services in the fixed income and foreign exchange markets that sought to offer its customers low-cost trade execution and clearing services on a broad spectrum of derivatives exchanges and over-the-counter markets, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning Refco’s historic practices prior to August 2004, and otherwise deny the allegations contained in Paragraph 2 of the Complaint as directed to the THL Defendants.

3. Aver that Refco’s former Chief Executive Officer Phillip Bennett and others (including, on information and belief, Robert Trosten, Joseph Collins and Santo Maggio, each of whom has been indicted for their participation in the fraud, and BAWAG, which has entered into a non-prosecution agreement with the government), with, on information and belief, the material

¹ Refco and its affiliates, subsidiaries and predecessors are collectively referred to herein as “Refco” or the “Company” unless reference to a specific Refco entity is made.

assistance of Refco's outside lawyers Mayer Brown LLP ("Mayer Brown"), engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 3 of the Complaint.

4. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 4 of the Complaint.

5. Deny any wrongdoing, aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 5 of the Complaint concerning the specific conduct of the other defendants particularized in that Paragraph, and otherwise deny the allegations contained in that Paragraph as directed to the THL Defendants.

6. Admit that in August 2004, Thomas H. Lee Equity Fund V, L.P., Thomas H. Lee Parallel Fund V, L.P., and Thomas H. Lee Equity (Cayman) Fund V, L.P. (collectively, the "THL Funds"), along with their affiliates and co-investors, acquired approximately 57% of the equity interests in Refco Group Ltd., LLC ("Refco Group") for approximately \$507 million in cash (the "August 2004 Transaction"), that at the time of the August 2004 Transaction, Refco Group and Refco Finance, Inc. issued \$600 million in aggregate principal amount of senior subordinated notes (the "Rule 144A Bond Offering") and that in 2004 and 2005, Refco made certain grants of restricted stock to certain of its officers and directors, refer to Refco's August

2005 Initial Public Offering Registration Statement (the “IPO Registration Statement”) for a description of those grants, the other compensation paid by the Company and the payments made by Refco Group Holdings, Inc. (“RGHI”) to Refco’s officers in connection with the August 2004 Transaction (of which they were aware at the time of the IPO), and otherwise deny the allegations contained in Paragraph 6 of the Complaint as directed to the THL Defendants.

7. Admit that on or about August 10, 2005, Refco conducted an Initial Public Offering of its common stock (the “IPO”), refer to the IPO Registration Statement for the terms of that offering, the identity and number of underwriters, the proceeds received in connection therewith, the terms of the exercise of the underwriters’ option to purchase additional shares, as well as the dividend paid to the existing shareholders, and otherwise deny the allegations contained in Paragraph 7 of the Complaint as directed to the THL Defendants.

8. Admit that Refco common stock was issued at \$22 per share in the IPO and that the Company was invited to ring the opening bell at the New York Stock Exchange, refer to the Company’s October 2005 press releases for the true and complete contents of Refco’s disclosures at that time, aver that portions of Refco’s financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the publicly reported market services for the price of Refco securities, and otherwise deny the allegations contained in Paragraph 8 of the Complaint as directed to the THL Defendants.

9. Admit that on October 10, 2005, Refco issued a press release, refer to that press release and Refco’s subsequent press releases for their true and complete contents, admit that Refco filed for bankruptcy protection on October 17, 2005, and otherwise deny the allegations contained in Paragraph 9 of the Complaint.

10. Refer to the documents cited for their true and complete contents, admit that Bennett was arrested and charged with securities fraud, refer to the publicly reported market services for the listing, price and trading history of Refco securities, and otherwise deny the allegations contained in Paragraph 10 of the Complaint as directed to the THL Defendants.

11. Admit that on or about July 11, 2007, the examiner appointed in Refco's bankruptcy proceeding issued a report purporting to describe the roles of certain of Refco's professional advisors in connection with the events leading to Refco's bankruptcy filing, refer to that report for its true and complete contents, and otherwise aver that the allegations contained in Paragraph 11 of the Complaint do not constitute allegations to which a response is required.

12. Admit that Lead Plaintiffs purport to describe the claims and legal conclusions contained in the Complaint, refer to the document cited for its true and complete contents, deny any liability to the Plaintiffs, and otherwise aver that the allegations contained in Paragraph 12 of the Complaint do not constitute allegations to which a response is required.

13. Admit that Lead Plaintiffs purport to describe the claims contained in the Complaint, deny any liability to the Plaintiffs, and otherwise aver that the allegations contained in Paragraph 13 of the Complaint do not constitute allegations to which a response is required.

14. Admit that Lead Plaintiffs purport to base jurisdiction over the subject matter of this action on the statutory provisions cited, and otherwise aver that the allegations contained in Paragraph 14 of the Complaint constitute legal conclusions to which no response is required.

15. Admit that Lead Plaintiffs purport to base venue on the statutory provisions cited, and otherwise aver that the allegations contained in Paragraph 15 of the Complaint constitute legal conclusions to which no response is required.

16. Aver that the allegations contained in Paragraph 16 of the Complaint constitute legal conclusions to which no response is required.

17. Admit that RH Capital Associates LLC was appointed Co-Lead Plaintiff in this action on February 3, 2006, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 17 of the Complaint.

18. Admit that Pacific Investment Management Company LLC was appointed Co-Lead Plaintiff in this action on February 3, 2006, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 18 of the Complaint.

19. Admit that Pacific Investment Management Series-PIMCO High Yield Fund has purported to join this action as a named plaintiff and a putative class representative and that it has not been appointed a Co-Lead Plaintiff, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 19 of the Complaint.

20. Aver that the allegations contained in Paragraph 20 of the Complaint do not constitute allegations to which a response is required.

21. Admit that Refco Inc. is not a party to this action, that it filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code on October 17, 2005, that prior to its bankruptcy filing, Refco was a leading independent provider of execution and clearing services for exchange-traded derivatives and a major provider of prime brokerage services in the fixed income and foreign exchange markets that sought to offer its customers low-cost trade execution and clearing services on a broad spectrum of derivative exchanges and over-the-counter markets, that Refco was a Delaware corporation with its principal offices located at

One World Financial Center, 200 Liberty Street, Tower A, New York, New York, that Refco Inc. was formed in connection with the IPO, that immediately following the IPO, approximately 42.7% of Refco's common stock was owned by the THL Funds, their affiliates and co-investors, approximately 36.5% was owned by Bennett, Refco's management and independent directors, and approximately 20.8% was owned by the public, refer to the financial statements cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 21 of the Complaint.

22. Admit that Refco Group Ltd., LLC ("Refco Group") is not a party to this action, that it filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code on October 17, 2005, that Refco Group is a Delaware limited liability company that, prior to its bankruptcy filing, had its principal offices at One World Financial Center, 200 Liberty Street, Tower A, New York, New York, that it was the co-issuer of the Company's registered bonds (the "Registered Bond Offering"), that from at least August 2004 until the IPO, Refco conducted its business through Refco Group and its direct and indirect subsidiaries, and that it filed with the Securities and Exchange Commission (the "SEC") in July 2005 together with Refco Finance Inc., a Form 10-K, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 22 of the Complaint.

23. Admit that New Refco Group Ltd., LLC ("New Refco") is not a party to this action, that it filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code on October 17, 2005, that upon completion of the August 2004 Transaction, the THL Funds, their affiliates and co-investors owned approximately 57% of the equity interests in Refco Group with Bennett and other members of management owning the remaining interests, that

upon completion of the IPO, Refco Inc. became the owner of all of the outstanding member interests of New Refco, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 23 of the Complaint.

24. Admit that Refco Finance Holdings LLC (“Refco Finance Holdings”) is not a party to this action, that it was a co-issuer of the Company’s Rule 144A bonds, and that it merged with and into Refco Group on August 5, 2004, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 24 of the Complaint.

25. Admit that Refco Finance Inc. is not a party to this action, that it filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code on October 17, 2005, that it was a co-issuer of the Company’s Rule 144A bonds and registered bonds and that it filed with the SEC in July 2005, together with Refco Group, a Form 10-K, refer to the document cited for its true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 25 of the Complaint.

26. Admit that Refco Capital Markets Ltd. is not a party to this action, that it filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code on October 17, 2005 and that it was a Refco subsidiary, organized under Bermuda law, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 26 of the Complaint.

27. Admit that Refco Managed Futures LLC (“Refco Futures”) is no longer a party to this action, that it was, at the time of the Registered Bond Offering, a Delaware limited liability

company and a Refco subsidiary with its principal executive offices at One World Financial Center, 200 Liberty Street, Tower A, New York, New York, and that it was a guarantor and co-registrant of the Company's registered bonds, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 27 of the Complaint.

28. Admit that Westminster-Refco Management LLC is no longer a party to this action, that it was, at the time of the Registered Bond Offering, a Delaware limited liability company and a subsidiary of Refco with its principal executive offices at One World Financial Center, 200 Liberty Street, Tower A, New York, New York and that it was a guarantor and co-registrant of the Company's registered bonds, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 28 of the Complaint.

29. Admit that Lind-Waldock Securities, LLC is no longer a party to this action, that it was, at the time of the Registered Bond Offering, a Delaware limited liability company and a subsidiary of Refco with its principal executive offices at One World Financial Center, 200 Liberty Street, Tower A, New York, New York, and that it was a guarantor and co-registrant of the Company's registered bonds, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 29 of the Complaint.

30. Aver that the allegations contained in Paragraph 30 of the Complaint do not constitute allegations to which a response is required.

31. Admit on information and belief that RGHI is a Delaware corporation, that after August 5, 2004, it was purported by Bennett to be wholly owned and controlled by him, and that prior to that time, it was owned 50% by Bennett and 50% by Tone Grant, that Bennett purported

to hold a portion of his ownership interests in Refco through RGHI, and that Bennett and RGHI engaged in undisclosed related-party transactions designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those transactions, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 31 of the Complaint.

32. Admit on information and belief that, at the time of the IPO, The Phillip R. Bennett Three Year Annuity Trust (the "Bennett Trust") was a U.S. domestic trust organized and existing under the laws of the State of Delaware and that Bennett purported to hold a portion of his ownership interests in Refco through the Bennett Trust, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 32 of the Complaint.

33. Admit on information and belief the allegations contained in the first seven sentences of Paragraph 33 of the Complaint, as of the time of the IPO, that Bennett subsequently left the Company at some point after the Bankruptcy filing, and that he has been indicted by a grand jury, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

34. Admit on information and belief the allegations contained in the first four sentences of Paragraph 34 of the Complaint, as of the time of the IPO, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

35. Admit on information and belief the allegations contained in the first, third and fifth sentences of Paragraph 35 of the Complaint, as of the time of the IPO, and that Sexton was appointed Chief Executive Officer of Refco after Bennett was required to take a leave of absence in October 2005, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

36. Admit on information and belief the allegations contained in the first, second and fifth sentences of Paragraph 36 of the Complaint, as of the time of the IPO, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

37. Admit on information and belief the allegations contained in the first four sentences of Paragraph 37 of the Complaint, as of the time of the IPO, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

38. Admit on information and belief that Silverman served as Secretary of Refco, refer to the documents cited for their true and complete contents and signatories, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 38 of the Complaint.

39. Admit on information and belief the allegations contained in the first, second, third and sixth sentences of Paragraph 39 of the Complaint, as of the time of the IPO, refer to the documents cited for their true and complete contents and signatories, and otherwise deny

knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

40. Aver that the allegations contained in Paragraph 40 of the Complaint do not constitute allegations to which a response is required.

41. Admit on information and belief that Trosten served as Refco's Chief Financial Officer and Executive Vice President from 2001 until his departure following the August 2004 Transaction and that he has been indicted by a grand jury, refer to the indictment for its true and complete contents, refer to Refco's SEC filings for a description of his compensation, refer to the July 22, 2004 Rule 144A Offering Memorandum (the "Rule 144A Offering Memorandum") for its true and complete contents, refer to the Trosten testimony cited for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 41 of the Complaint.

42. Admit on information and belief that Grant served as President of Refco until in or about September 1998, that he sold his 50% interest in RGHI to Bennett in connection with the August 2004 Transaction and that he has been indicted by a grand jury, refer to the indictment for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 42 of the Complaint.

43. Admit on information and belief the allegations contained in the second, third and fourth sentences of Paragraph 43 of the Complaint and that O'Kelley was named to the Board of Managers and the Audit Committee of New Refco in November 2004 and then in July 2005 to the Board of Directors and Audit Committee of Refco Inc., serving through at least the end of the purported class period, refer to the documents cited for their true and complete contents and

signatories, refer to the records of those Boards for a description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in that Paragraph.

44. Admit on information and belief the allegations contained in the second and third sentences of Paragraph 44 of the Complaint and that Breitman was named to the Board of Managers and the Audit Committee of New Refco in November 2004 and then in July 2005 to the Board of Directors and Audit Committee of Refco Inc., serving through at least the end of the purported class period, refer to the documents cited for their true and complete contents and signatories, refer to the records of those Boards for a description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in that Paragraph.

45. Admit on information and belief the allegations contained in the second, third and fourth sentences of Paragraph 45 of the Complaint and that Gantcher was named to the Board of Managers and the Audit Committee of New Refco November 2004 and then in July 2005 to the Board of Directors and Audit Committee of Refco Inc., serving through at least the end of the purported class period, refer to the documents cited for their true and complete contents and signatories, refer to the records of those Boards for a description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in that Paragraph.

46. Aver that the allegations contained in the first sentence of Paragraph 46 of the Complaint do not constitute allegations to which a response is required, admit that Gantcher, Breitman and O'Kelley were named to the Board of Managers of New Refco in November 2004 and then comprised the Audit Committee of Refco Inc. from July 31, 2005 through at least the end of the purported class period, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required.

47. Admit the allegations contained in the first sentence of Paragraph 47 of the Complaint, that in August 2004 the THL Funds and their affiliates and co-investors acquired approximately 57% of the equity interests in Refco Group for approximately \$507 million cash, that Lee had voting and investment control over the Refco common shares owned by The 1997 Thomas H. Lee Nominee Trust, that Thomas H. Lee Investors Limited Partnership is a Massachusetts limited partnership, that Thomas H. Lee Equity Fund V, L.P. and Thomas H. Lee Parallel Fund V, L.P. are each Delaware limited partnerships, that Thomas H. Lee Equity (Cayman) Fund V, L.P. is a Cayman Islands limited partnership, that the general partner of each of the THL Funds is THL Equity Advisors V, LLC and that THLP is the sole member of THL Equity Advisors V, LLC, and otherwise deny the allegations contained in that Paragraph.

48. Aver that the allegations contained in Paragraph 48 of the Complaint do not constitute allegations to which a response is required.

49. Admit that Refco conducted a public offering of its common stock in August 2005, refer to the IPO Registration Statement for the terms of that offering and the proceeds received by the THL Funds, their affiliates and co-investors in connection therewith, and otherwise deny the allegations contained in Paragraph 49 of the Complaint.

50. Admit that Lee founded the Thomas H. Lee Company, the predecessor to THLP, that at the time of the August 2004 Transaction he served as its Chairman and Chief Executive Officer, that he currently is President and Chief Executive Officer of Thomas H. Lee Capital LLC, a financial services company founded by him in December 1996, and that he served on the Board of Managers of New Refco following the August 2004 Transaction through July 2005 and then on the Board of Directors of Refco Inc. through at least the end of the purported class period, refer to the documents cited for their true and complete contents and signatories, refer to

the records of those Boards for a description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in Paragraph 50 of the Complaint.

51. Admit the allegations contained in the second sentence of Paragraph 51 of the Complaint and that Harkins served on the Board of Managers of New Refco following the August 2004 Transaction through July 2005 and then on the Board of Directors of Refco Inc. through at least the end of the purported class period, refer to the documents cited for their true and complete contents and signatories, refer to the records of those Boards for a description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in that Paragraph.

52. Admit the allegations contained in the second, third and fourth sentences of Paragraph 52 of the Complaint, that Jaeckel served on the Board of Managers of New Refco following the August 2004 Transaction through July 2005 and then on the Board of Directors of Refco Inc. through at least the end of the purported class period, and that he participated in certain meetings with potential purchasers of the Rule 144A bonds, refer to the documents cited for their true and complete contents and signatories, refer to the records of those Boards for a description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in that Paragraph.

53. Admit the allegations contained in the second, third and fourth sentences of Paragraph 53 of the Complaint and that Schoen served on the Board of Managers of New Refco following the August 2004 Transaction through July 2005 and then on the Board of Directors of Refco Inc. through at least the end of the purported class period, refer to the documents cited for their true and complete contents and signatories, refer to the records of those Boards for a

description of any action they took with respect to the cited documents, and otherwise deny the allegations contained in that Paragraph.

54. Aver that the allegations contained in Paragraph 54 of the Complaint do not constitute allegations to which a response is required.

55. Admit that Grant Thornton LLP (“Grant Thornton”) served as Refco’s outside auditors from at least 2002 through at least the end of the purported class period, that it replaced Arthur Andersen in that role, and that it issued clean and unqualified audit opinions on Refco’s consolidated financial statements for fiscal years 2003, 2004 and 2005, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 55 of the Complaint.

56. Admit the allegations contained in Paragraph 56 of the Complaint.

57. Admit that Grant Thornton provided auditing and accounting services to Refco following the August 2004 Transaction, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 57 of the Complaint.

58. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 58 of the Complaint.

59. Admit that Credit Suisse First Boston LLC is an investment banking firm that served as underwriter in connection with the IPO and as an initial purchaser and joint book-running manager in connection with the Rule 144A Bond Offering, refer to the IPO Registration Statement and the Rule 144A Offering Memorandum for a description of those offerings, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 59 of the Complaint because those allegations constitute legal conclusions that are not directed to the

THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

60. Admit that Banc of America Securities LLC is an investment banking firm that served as underwriter in connection with the IPO and as an initial purchaser and joint book-running manager in connection with the Rule 144A Bond Offering, refer to the IPO Registration Statement and the Rule 144A Offering Memorandum for a description of those offerings, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 60 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

61. Admit that Deutsche Bank Securities, Inc. is an investment banking firm that served as underwriter in connection with the IPO and as an initial purchaser and joint book-running manager in connection with the Rule 144A Bond Offering, refer to the August 2005 IPO Registration Statement and the Rule 144A Offering Memorandum for a description of those offerings, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 61 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

62. Admit that Goldman, Sachs & Co. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 62 of the Complaint because those allegations constitute legal conclusions that are

not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

63. Admit that Merrill Lynch, Pierce, Fenner & Smith Incorporated is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 63 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

64. Admit that J.P. Morgan Securities Inc. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 64 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

65. Admit that Sandler O'Neill & Partners, L.P. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 65 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

66. Admit that HSBC Securities (USA) Inc. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fifth sentence of Paragraph 66 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

67. Admit that William Blair & Company LLC is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fourth sentence of Paragraph 67 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

68. Admit that Harris Nesbitt Corp. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fourth sentence of Paragraph 68 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

69. Admit that CMG Institutional Trading LLC is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the

fourth sentence of Paragraph 69 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

70. Admit that Samuel A. Ramirez & Company, Inc. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fourth sentence of Paragraph 70 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

71. Admit that Muriel Siebert & Co Inc. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fourth sentence of Paragraph 71 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

72. Admit that The Williams Capital Group, L.P. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fourth sentence of Paragraph 72 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or

information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

73. Admit that Utendahl Capital Partners, L.P. is an investment banking firm that served as underwriter in connection with the IPO, refer to the IPO Registration Statement for a description of that offering, aver that no response is required to the allegations contained in the fourth sentence of Paragraph 73 of the Complaint because those allegations constitute legal conclusions that are not directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

74-75. Aver that the allegations contained in Paragraphs 74 and 75 of the Complaint do not constitute allegations to which a response is required.

76. Admit that Mayer Brown is a large sophisticated international law firm that served as Refco's primary outside legal counsel for many years, refer to the firm's website and its public statements for a description of the firm and its structure, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 76 of the Complaint.

77. Admit on information and belief that Collins, at the time of the August 2004 Transaction, had worked closely with Refco for many years, including while a partner at Mayer Brown and before that, Schiff Hardin & Waite, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 77 of the Complaint.

78. Admit on information and belief that Collins and Mayer Brown had long-served as Refco's primary outside counsel, refer to the document cited for its true and complete

contents, refer to the Complaint filed by the THL Funds against Mayer Brown for their understanding as to Collins' relationship with Refco, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 78 of the Complaint.

79. Refer to the documents cited for their true and complete contents, refer to the Complaint filed by the THL Funds against Mayer Brown for their understanding as to Collins' relationship with Refco, aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 79 of the Complaint.

80. Admit on information and belief that Paul K. Koury and Robert Monk are former Mayer Brown lawyers who worked with Collins on Refco matters, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 80 of the Complaint.

81. Admit that Lead Plaintiffs purport to bring this action as a class action pursuant to Fed. R. Civ. P. 23(a) and Fed. R. Civ. P. 23(b)(3) on behalf of the putative class defined in the Complaint, and otherwise aver that the allegations contained in Paragraph 81 of the Complaint do not constitute allegations to which a response is required.

82. Admit that during the purported class period, Refco conducted an exchange offer involving \$600 million in senior subordinated notes and an initial public offering of common stock, deny knowledge or information as to the size of the putative class, and otherwise aver that the allegations contained in Paragraph 82 of the Complaint constitute legal conclusions to which

no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

83-87. Aver that the allegations contained in Paragraphs 83 through 87 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

88. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 88 of the Complaint.

89. Admit that, prior to its bankruptcy filing, Refco was a leading independent provider of execution and clearing services for exchange-traded derivatives and a major provider of prime brokerage services in the fixed income and foreign exchange markets, that Refco sought to offer its customers low-cost trade execution and clearing services on a broad spectrum of derivatives exchanges and over-the-counter markets and that Refco customers included corporations, government agencies, hedge funds, managed futures funds, pension funds, financial institutions, retail clients and professional traders, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 89 of the Complaint.

90. Admit on information and belief that Refco's revenues were primarily comprised of transaction fees earned from executing and clearing customer orders, interest income earned on cash balances in its customers' accounts and from providing financing through repurchase transactions, and otherwise deny knowledge or information sufficient to form a belief as to the truth of allegations contained in Paragraph 90 of the Complaint.

91. Admit that Refco's volume of cleared transactions in exchange-traded derivatives contracts totaled approximately 654 million in fiscal year 2005, and otherwise deny knowledge

or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 91 of the Complaint.

92. Refer to the contemporaneous news reports for a description of the “Asian financial crisis,” and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92 of the Complaint.

93. Refer to the contemporaneous news reports for a description of the impact of the “Asian financial crisis” on the U.S. markets, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93 of the Complaint.

94. Refer to the media reports cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 94 of the Complaint.

95. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 95 of the Complaint.

96. Aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco’s true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 96 of the Complaint.

97. Aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco’s true financial condition, deny any involvement in, or knowledge of, those activities, refer to the document cited for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 97 of the Complaint.

98. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 98 of the Complaint.

99. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 99 of the Complaint.

100. Admit that in late 2003, THLP began to consider and then subsequently negotiate with Bennett a possible investment in Refco, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 100 of the Complaint.

101. Admit that on June 8, 2004, THL Refco Acquisition Partners entered into an equity purchase and merger agreement with Refco Merger LLC, RGHI and Refco Group, and that Mayer Brown negotiated, drafted and reviewed that agreement on behalf of both Refco Group and RGHI, refer to that agreement (as amended) and the Examiner's Report for their true and complete contents, and otherwise deny the allegations contained in Paragraph 101 of the Complaint.

102. Admit that in August 2004, the THL Funds, their affiliates and co-investors acquired approximately 57% of the equity interests in Refco Group for approximately \$507

million cash, that Bennett exchanged his existing equity investment of approximately \$382.5 million in Refco Group for an approximate 42.8% equity interest in New Refco, that Refco Group entered into senior credit facilities providing for a fully drawn \$800 million term loan and an undrawn \$75 million revolving loan facility and, together with Refco Finance, Inc., issued \$600 million in aggregate principal amount of senior subordinated debt, and otherwise deny the allegations contained in Paragraph 102 of the Complaint.

103. Admit on information and belief that on August 5, 2004, that Refco purported to distribute \$550 million in cash and all of the equity interests of Forstmann-Leff International Associates, LLC to RGHI, refer to BAWAG's public admissions concerning the payments made to BAWAG by RGHI, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 103 of the Complaint.

104. Refer to the Rule 144A Offering Memorandum and the Senior Credit Facility for a description of the roles played by the listed defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 104 of the Complaint.

105. Refer to the Rule 144A Offering Memorandum for a description of that offering, admit that Refco Finance Holdings and Refco Finance Inc. were co-issuers of the Rule 144A bonds and that Refco Finance Holdings Inc. merged with and into Refco Group, and otherwise deny the allegations contained in Paragraph 105 of the Complaint.

106. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 106 of the Complaint.

107. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a true and complete description of those offerings, and otherwise aver that the

allegations contained in Paragraph 107 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

108. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a description of those offerings, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 108 of the Complaint regarding any other transactions referenced, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

109. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a description of those offerings, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning the “understanding and expectation” of the “Bond Underwriter Defendants,” and otherwise aver that the allegations contained in Paragraph 109 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

110. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a description of those offerings and the timing of each, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning the market’s reaction to the pricing of those offerings, and otherwise aver that the allegations contained in Paragraph 110 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

111. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a description of those offerings and their terms, and otherwise aver that the allegations contained in Paragraph 111 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

112. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a description of those offerings, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning the actions of the Plaintiffs and other members of the purported class, and otherwise aver that the allegations contained in Paragraph 112 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

113. Refer to the Rule 144A Offering Memorandum for its true and complete contents and a description of that offering, and otherwise aver that the allegations contained in Paragraph 113 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

114. Deny the allegations contained in Paragraph 114 of the Complaint concerning the actions of Jaeckel and the THL Partner Defendants, refer to the Rule 144A Offering Memorandum for its true and complete contents, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

115. Admit that the listed defendants (and/or their counsel) participated to some extent in the drafting of the Rule 144A Offering Memorandum and that Refco's financial statements were prepared with the substantial assistance and participation of Grant Thornton, refer to the

documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 115 of the Complaint as directed to the THL Defendants.

116. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, admit that Mayer Brown represented Refco Group in connection with the Rule 144A Offering and participated in the drafting of the Rule 144A Offering Memorandum, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 116 of the Complaint.

117. Aver that portion of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 117 of the Complaint.

118. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 118 of the Complaint.

119. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or

information sufficient to form a belief as to the truth of the allegations contained in Paragraph 119 of the Complaint.

120-127. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 120 through 127 of the Complaint.

128. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, admit that Mayer Brown participated in the drafting of the Rule 144A Offering Memorandum, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 128 of the Complaint.

129. Admit that the THL Funds have commenced actions against Bennett, Maggio, Grant, Grant Thornton and Mayer Brown seeking to recover the losses they suffered as a result of the fraudulent scheme, refer to their complaints for their true and complete contents and the allegations made therein, refer to the press release cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 129 of the Complaint.

130. Aver that portions of the Rule 144A Offering Memorandum and the Company's financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 130 of the Complaint.

131. Aver that portions of the Rule 144A Offering Memorandum and the Company's financial statements were rendered false and misleading by reason of the fraudulent scheme

engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that no response is required to the allegations contained in Paragraph 131 of the Complaint because those allegations are not directed to the THL Defendants.

132-134. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraphs 132 through 134 of the Complaint.

135. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the Rule 144A Offering Memorandum for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 135 of the Complaint.

136. Admit that Collins and Mayer Brown participated in the drafting and review of the Rule 144A Offering Memorandum, aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, with, on information and belief, the material assistance and active participation of Collins, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 136 of the Complaint.

137. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the Rule 144A Offering Memorandum for its true and complete contents, and otherwise deny knowledge or information

sufficient to form a belief as to the truth of the allegations contained in Paragraph 137 of the Complaint.

138-139. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraphs 138 and 139 of the Complaint.

140. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 140 of the Complaint.

141-142. Refer to the Rule 144A Offering Memorandum for its true and complete contents and its discussion of the risk factors relating to the Company, and otherwise deny the allegations contained in Paragraphs 141 and 142 of the Complaint.

143. Refer to the Rule 144A Offering Memorandum for the terms of the Rule 144A bonds, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 143 of the Complaint.

144. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 144 of the Complaint.

145. Refer to the Rule 144A Offering Memorandum for its true and complete contents and its discussion of the risk factors relating to the Company, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 145 of the Complaint concerning the actions of the other defendants, and otherwise deny the allegations contained in that Paragraph as directed to the THL Defendants.

146. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 146 of the Complaint.

147-149. Refer to the Rule 144A Offering Memorandum for its true and complete contents and its discussion of the risk factors relating to the Company, and otherwise deny the allegations contained in Paragraphs 147 through 149 of the Complaint.

150. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 150 of the Complaint.

151-152. Refer to the Rule 144A Offering Memorandum for its true and complete contents and its discussion of the risk factors relating to the Company and the regulatory environment in which it operated, and otherwise deny the allegations contained in Paragraphs 151 and 152 of the Complaint.

153. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 153 of the Complaint.

154-155. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the Rule 144A Offering Memorandum for its true and complete contents, refer to BAWAG's public admissions as to its relationship with Refco, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 154 and 155 of the Complaint.

156. Refer to the documents cited for their true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations regarding the actions of the other defendants, and otherwise deny the allegations contained in Paragraph 156 of the Complaint.

157. Refer to the publicly reported market services for the ratings assigned to the 144A bonds, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 157 of the Complaint.

158. Admit that the Company met with potential purchasers of its Rule 144A bonds in various U.S. cities, that Jaeckel attended certain of those sessions, and that the initial purchasers organized those meetings which certain of their representatives attended, and otherwise deny the allegations contained in Paragraph 158 of the Complaint as directed to the THL Defendants.

159-160. Admit that the Company made presentations to potential purchasers during road show meetings, deny that Jaeckel made representations as to the Company's financial condition and results, aver that Bennett and Trosten did make such representations and that certain of these representations were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or

knowledge thereof, and otherwise deny the allegations contained in Paragraphs 159 and 160 of the Complaint as directed to the THL Defendants.

161. Refer to the presentations made at the referenced meetings and the other documents cited for their true and complete contents, admit that Jaeckel participated in the preparation of certain of the materials, which he believed to be true, deny knowledge or information sufficient to form a belief as to the truth of the allegations regarding the conduct of the other defendants, and otherwise deny the allegations contained in Paragraph 161 of the Complaint as directed to the THL Defendants.

162. Refer to the presentations made at the referenced meetings and the other documents cited for their true and complete contents, aver that portions of Refco's financial statements and representations made by its officers at road show meetings were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 162 of the Complaint.

163. Refer to the documents cited for their true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations regarding the actions of the other defendants, and otherwise deny the allegations contained in Paragraph 163 of the Complaint as directed to the THL Defendants.

164. Refer to the document cited for its true and complete contents, aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, deny knowledge or information sufficient to form a belief as to

the truth of the allegations contained in Paragraph 164 of the Complaint concerning the conduct of the Plaintiffs and the “numerous other institutional investors,” and otherwise deny the allegations contained in that Paragraph.

165. Refer to the documents cited for their true and complete contents, the terms of the Registered Bond Offering and its timing, and otherwise deny the allegations contained in Paragraph 165 of the Complaint.

166. Refer to the Bond Registration Statement and its amendments for their true and complete contents and the timing of the offering, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 166 of the Complaint concerning the conduct of the Plaintiffs, and otherwise deny the allegations contained in that Paragraph.

167. Admit the allegations contained in the first sentence of Paragraph 167 of the Complaint, refer to the Bond Registration Statement for a list of the co-registrants, and otherwise deny the allegations contained in that Paragraph.

168. Refer to the Bond Registration Statement for a true and complete list of its signatories, and otherwise deny the allegations contained in Paragraph 168 of the Complaint.

169. Refer to the documents cited for their true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 169 of the Complaint concerning the conduct of the other defendants, and otherwise deny the allegations contained in that Paragraph.

170-180. Refer to the documents cited for their true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in

Paragraphs 170 through 180 of the Complaint concerning the conduct of the other defendants, and otherwise deny the allegations contained in those Paragraphs.

181-182. Aver that portions of the Rule 144A Offering Memorandum and the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 181 and 182 of the Complaint.

183. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 183 of the Complaint.

184-187. Aver that portions of the Rule 144A Offering Memorandum and the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 184 through 187 of the Complaint.

188. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 188 of the Complaint.

189. Aver that portions of the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 189 of the Complaint.

190-191. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 190 and 191 of the Complaint.

192-193. Aver that portions of the Company's financial statements and the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the complaint filed by the THL Funds for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 192 and 193 of the Complaint.

194. Aver that portions of the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 194 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

195. Refer to the IPO Registration Statement for a description of the IPO and the identity of the underwriters, and otherwise deny the allegations contained in Paragraph 195 of the Complaint as directed to the THL Defendants.

196. Admit that Refco's management conducted a roadshow in connection with the IPO, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 196 of the Complaint.

197. Admit that Refco Inc. was formed in order to undertake the IPO, refer to the Prospectus for its true and complete contents, and otherwise deny the allegations contained in Paragraph 197 of the Complaint.

198. Admit that Refco common stock was offered to the public in the IPO, refer to the IPO Registration Statement for a description of that offering and its terms, and otherwise deny the allegations contained in Paragraph 198 of the Complaint.

199. Refer to the IPO Registration Statement for its signatories, and otherwise deny the allegations contained in Paragraph 199 of the Complaint.

200. Admit that the Underwriter Defendants were involved in the drafting of the IPO Registration Statement, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 200 of the Complaint.

201. Admit that Collins and Mayer Brown were directly involved in reviewing and drafting the IPO Registration Statement in their role as co-counsel to Refco on the IPO, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 201 of the Complaint.

202. Refer to the documents cited for their true and complete contents, admit that Refco's financial statements were prepared with the substantial assistance and participation of Grant Thornton, and otherwise deny the allegations contained in Paragraph 202 of the Complaint.

203. Aver that portions of the IPO Registration Statement, Offering Memorandum and Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 203 of the Complaint.

204. Aver that portions of the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 204 of the Complaint.

205-214. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 205 through 214 of the Complaint.

215. Aver that portions of the Company's financial statements and the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the complaint filed by the THL Funds for its true and complete contents and the allegations made therein, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 215 of the Complaint.

216. Aver that portions of the Company's financial statements and the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, refer to the complaint filed by the THL Funds for its true and complete contents and the allegations made therein, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 216 of the Complaint.

217. Aver that portions of the Company's financial statements and the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme

engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise aver that no response is required to the allegations contained in Paragraph 217 of the Complaint because those allegations are not directed to the THL Defendants.

218-220. Refer to the documents for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 218 through 220 of the Complaint.

221. Admit that Collins and Mayer Brown participated in the drafting and review of the IPO Registration Statement, aver that portions of the IPO Registration Statement and the Prospectus were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 221 of the Complaint.

222-223. Aver that portions of the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 222 and 223 of the Complaint.

224-225. Refer to the IPO Registration Statement for its true and complete contents, and otherwise deny the allegations contained in Paragraphs 224 and 225 of the Complaint.

226. Aver that portions of the Company's financial statements and the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme

engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 226 of the Complaint.

227-229. Refer to the IPO Registration Statement for its true and complete contents, and otherwise deny the allegations contained in Paragraphs 227 through 229 of the Complaint.

230. Aver that portions of the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the document cited for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 230 of the Complaint.

231. Aver that portions of the Prospectus were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to BAWAG's public admissions as to its relationship with Refco, refer to the document cited for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 231 of the Complaint.

232. Aver that Bennett and others failed to disclose the existence of related-party transactions between RGHI and Refco, until a questionable transaction was identified by a Refco employee in October 2005, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 232 of the Complaint.

233-235. Refer to Refco's October 10, 2005 Press Release for its true and complete contents, admit that the Board of Directors requested that Bennett and Maggio each take a leave

of absence in October 2005, and otherwise deny the allegations contained in Paragraphs 233 through 235 of the Complaint.

236. Refer to the publicly reported market services for the trading price, volume and ratings of Refco securities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 236 of the Complaint.

237. Refer to Refco's October 10, 2005 Press Release for its true and complete contents, aver that the allegations contained in the first sentence of Paragraph 237 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny the allegations contained in that Paragraph.

238. Refer to Refco's October 10, 2005 Press Release for its true and complete contents, aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, refer to BAWAG's public admission as to its role in the fraudulent scheme, aver that the allegations contained in the last sentence of Paragraph 238 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny the allegations contained in that Paragraph.

239. Admit that the SEC commenced an investigation into the fraudulent conduct of Bennett and his others and refer to the SEC's announcement for a description of that investigation, refer to Refco's October 11, 2005 Press Release for its true and complete contents, refer to the publicly reported market services for the trading price of Refco securities, and otherwise deny the allegations contained in Paragraph 239 of the Complaint.

240. Admit that the United States Attorney's Office for the Southern District of New York announced Bennett's arrest on October 12, 2005, refer to the publicly reported market services for the trading price and volume of Refco securities, and otherwise deny the allegations contained in Paragraph 240 of the Complaint.

241. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 241 of the Complaint.

242. Refer to the records of Moody's and S&P for a true and complete description of their ratings on Refco bonds, and otherwise deny the allegations contained in Paragraph 242 of the Complaint.

243. Refer to the publicly reported market services for the trading price, history and rating of Refco securities, and to the records of S&P for a true and complete description of its ratings on Refco bonds, and otherwise deny the allegations contained in Paragraph 243 of the Complaint.

244. Admit that on October 17, 2005, Refco filed for bankruptcy protection, refer to the publicly reported market services for the trading price and volume of Refco securities and the Company's market capitalization, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 244 of the Complaint.

245. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 245 of the Complaint.

246. Aver that the allegations contained in Paragraph 246 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

247. Admit that Bennett, Grant, Trosten and Collins have been indicted for their roles in the fraudulent scheme, that Maggio has pled guilty, and that criminal, civil and regulatory investigations concerning that scheme were commenced, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 247 of the Complaint.

248-249. Aver that the allegations contained in Paragraphs 248 and 249 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

250. Aver that portions of Refco's financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 250 of the Complaint.

251-252. Aver that the allegations contained in Paragraphs 251 and 252 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

253. Aver that portions of the Company's financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 253 of the Complaint.

254. Aver that Bennett and his others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and

otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 254 of the Complaint.

255. Aver that portions of the Company's financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 255 of the Complaint.

256. Aver that Bennett and his others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, aver that the allegations contained in the first two sentences of Paragraph 256 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

257. Aver that portions of the Company's financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 257 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

258. Aver that the allegations contained in the first sentence of Paragraph 258 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny

knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

259. Aver that portions of Refco's SEC filings were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 259 of the Complaint.

260-261. Aver that the allegations contained in Paragraphs 260 and 261 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

262-302. Aver that no response is required to the allegations contained in Paragraphs 262 through 302 of the Complaint because those allegations are not directed to the THL Defendants.

303. Refer to the documents cited for their true and complete contents and signatories, and otherwise aver that the allegations contained in Paragraph 303 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

304-309. Aver that no response is required to the allegations contained in Paragraphs 304 through 309 of the Complaint because those allegations are not directed to the THL Defendants.

310. Refer to the IPO Registration Statement for its true and complete contents and signatories, and otherwise aver that the allegations contained in Paragraph 310 of the Complaint

constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

311. Aver that no response is required to the allegations contained in Paragraph 311 of the Complaint because those allegations are not directed to the THL Defendants.

312. Repeat and reallege their responses to Paragraphs 1 through 311 of the Complaint above as if fully set forth herein, and otherwise deny the allegations contained in Paragraph 312 of the Complaint as directed to the THL Defendants.

313-315. Aver that no response is required to the allegations contained in Paragraphs 313 through 315 of the Complaint because those allegations are not directed to the THL Defendants.

316-320. Aver that no response is required to the allegations contained in Paragraphs 316 through 320 of the Complaint because those allegations constitute legal conclusions (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

321. Aver that no response is required to the allegations contained in Paragraph 321 of the Complaint because those allegations are not directed to the THL Defendants.

COUNT ONE

322. Repeat and reallege their responses to Paragraphs 1 through 321 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claim of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 322 of the Complaint.

323-335. Aver that no response is required to the allegations contained in Paragraphs 323 through 335 of the Complaint because Count One has been dismissed by the Court; as Lead Plaintiffs have stated in their December 3, 2007 letter to the Court, it has been included in the Complaint “in order to ensure preservation of plaintiffs’ rights to appeal the dismissal of [this

Count] ... Lead Plaintiffs acknowledge that the Court's prior decision remains applicable ..." to Count One.

COUNT TWO

336. Repeat and reallege their responses to Paragraphs 1 through 335 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claim of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 336 of the Complaint.

337-347. Aver that no response is required to the allegations contained in Paragraphs 337 through 347 of the Complaint because Count Two has been dismissed by the Court and, as to Harkins, Schoen and Jaeckel, is not asserted against them; as Lead Plaintiffs have stated in their December 3, 2007 letter to the Court, this Count has been included in the Complaint "in order to ensure preservation of plaintiffs' rights to appeal the dismissal of [this Count] ... Lead Plaintiffs acknowledge that the Court's prior decision remains applicable ..." to Count Two.

COUNT THREE

348. Repeat and reallege their responses to Paragraphs 1 through 347 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claim of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 348 of the Complaint.

349. Admit that Lead Plaintiffs purport to bring a claim under Section 11 of the Securities Act against the listed defendants, aver that the Court has dismissed this Count as to those plaintiffs who traded their unregistered Rule 144A bonds for registered bonds in the

Registered Bond Offering, and otherwise deny the allegations contained in Paragraph 349 of the Complaint.²

350. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 350 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

351. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 351 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants aver that portions of the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

352. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 352 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants deny any liability for the violations alleged, and otherwise aver that no response is required to the allegations contained in that Paragraph because those allegations are not directed to them.

² Lead Plaintiffs have stated in a letter, dated January 25, 2008, that Count Three has been included in the Complaint as to these plaintiffs only “in order to preserve the plaintiffs’ appellate rights, and not in an attempt to resurrect those claims through repleading.”

353. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 353 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants refer to the Bond Registration Statement for its true and complete contents and signatories, and otherwise deny the allegations contained in that Paragraph.

354. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 354 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants admit that at the time the Bond Registration Statement was filed, Bennett, Lee, Harkins, Jaeckel, Schoen, O'Kelley, Gantcher and Breitman served on the New Refco Board of Managers, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

355-356. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraphs 355 and 356 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants aver that no response is required to the allegations contained in those Paragraphs because those allegations are not directed to them.

357-359. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraphs 357 through 359 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants aver that the allegations contained in those Paragraphs constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

360. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 360 of the Complaint because Count Three is not asserted against them.

The THL Individual Defendants refer to the public records for the date on which the claim was filed and to the Bond Registration Statement for the timing of the Exchange Offer, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

361. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 361 of the Complaint because Count Three is not asserted against them. The THL Individual Defendants aver that the Court has dismissed Count Three as to those plaintiffs who traded their unregistered Rule 144A bonds for registered bonds in the Registered Bond Offering, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

COUNT FOUR

362. Repeat and reallege their responses to Paragraphs 1 through 361 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claims of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 362 of the Complaint.

363. Admit that Lead Plaintiffs purport to bring a claim under Section 15 of the Securities Act against the listed defendants, aver that the Court has dismissed Count Four as to those plaintiffs who traded their unregistered Rule 144A bonds for registered bonds in the

Registered Bond Offering, and otherwise deny the allegations contained in Paragraph 363 of the Complaint.³

364. Deny any liability for the violation alleged, aver that portions of the Bond Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 364 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

365. Aver that the Court has dismissed Count Four as to those plaintiffs who traded their unregistered Rule 144A bonds for registered bonds in the Registered Bond Offering, and otherwise aver that the allegations contained in Paragraph 365 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

366-367. Deny the allegations contained in Paragraphs 366 and 367 of the Complaint.

368-371. Aver that no response is required to the allegations contained in Paragraphs 368 through 371 of the Complaint because those allegations are not directed to the THL Defendants.

372-373. Aver that the allegations contained in Paragraphs 372 and 373 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

³ Lead Plaintiffs have stated in a letter, dated January 25, 2008, that Count Four has been included in the Complaint as to these plaintiffs only “in order to preserve the plaintiffs’ appellate rights, and not in an attempt to resurrect those claims through repleading.”

374. Refer to the public records for the date on which the claim was filed and to the Bond Registration Statement for the timing of the Exchange Offer, and otherwise aver that the allegations contained in Paragraph 374 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed against them).

375. Aver that the Court has dismissed Count Four as to those plaintiffs who traded their unregistered Rule 144A bonds for registered bonds in the Registered Bond Offering, and otherwise aver that the allegations contained in Paragraph 375 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

COUNT FIVE

376. Repeat and reallege their responses to Paragraphs 1 through 375 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claims of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 376 of the Complaint.

377. Admit that Lead Plaintiffs purport to bring a claim pursuant to Section 11 of the Securities Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 377 of the Complaint.

378. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 378 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

379. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 379 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants aver that portions of the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

380. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 380 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants deny any liability for the violation alleged, and otherwise aver that no response is required to the allegations contained in that Paragraph because those allegations are not directed to them.

381. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 381 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants refer to the IPO Registration Statement for its true and complete contents and signatories, and otherwise deny the allegations contained in that Paragraph.

382. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraph 382 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants deny that Sherer was a Refco director at the time the IPO Registration Statement was filed, and otherwise admit the allegations contained in that Paragraph.

383-384. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraphs 383 and 384 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants aver that no response is required to the allegations contained in those Paragraphs because those allegations are not directed to them.

385-388. The THL Partner Defendants aver that no response is required to the allegations contained in Paragraphs 385 through 388 of the Complaint because Count Five is not asserted against them. The THL Individual Defendants aver that the allegations contained in those Paragraphs constitute legal conclusions to which no response is required (to the extent a response is required, the THL Individual Defendants deny those allegations as directed to them).

COUNT SIX

389. Repeat and reallege their responses to Paragraph 1 through 388 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claims of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 389 of the Complaint.

390. Admit that Lead Plaintiffs purport to bring a claim under Section 15 of the Securities Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 390 of the Complaint.

391. Deny any liability for the violation alleged, aver that portions of the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 391 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

392. Aver that the allegations contained in Paragraph 392 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

393-394. Deny the allegations contained in Paragraphs 393 and 394 of the Complaint.

395-398. Aver that no response is required to the allegations contained in Paragraphs 395 through 398 of the Complaint because those allegations are not directed to the THL Defendants.

399-403. Aver that the allegations contained in Paragraphs 399 through 403 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

404. Refer to the public records for the date on which the claim was filed and to the IPO Registration Statement for the timing of the IPO, and otherwise aver that the allegations contained in Paragraph 404 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

405. Aver that the allegations contained in Paragraph 405 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

COUNT SEVEN

406. Repeat and reallege their responses to Paragraphs 1 through 405 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claims of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 406 of the Complaint.

407-413. Aver that no response is required to the allegations contained in Paragraphs 407 through 413 of the Complaint because Count Seven is not asserted against the THL Defendants.

COUNT EIGHT

414. Repeat and reallege their responses to Paragraphs 1 through 413 of the Complaint as if fully set forth herein, admit that Lead Plaintiffs purport to assert only strict liability and negligence claims, disclaiming any claims of fraud or intentional misconduct, and otherwise deny the allegations contained in Paragraph 414 of the Complaint.

415. Admit that Lead Plaintiffs purport to bring a claim under Section 15 of the Securities Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 415 of the Complaint.

416. Deny any liability for the violations alleged, aver that portions of the IPO Registration Statement were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 416 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

417-422. Aver that the allegations contained in Paragraphs 417 through 422 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

423. Refer to the public records for the date on which the claim was filed and to the IPO Registration Statement for the timing of the IPO, and otherwise aver that the allegations contained in Paragraph 423 of the Complaint constitute legal conclusions to which no response is

required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

424. Aver that the allegations contained in Paragraph 424 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

* * *

425-426. Aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 425 and 426 of the Complaint.

427. Refer to the indictment for its true and complete contents, and otherwise admit the allegations contained in Paragraph 427 of the Complaint.

428. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 428 of the Complaint.

429. Refer to the article cited for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 429 of the Complaint.

430. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 430 of the Complaint.

431. Refer to the article cited for its true and complete contents, refer to the contemporaneous news reports for a description of the "Asian Financial Crisis," and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 431 of the Complaint.

432-433. Refer to the contemporaneous news reports for a description of the developments affecting the Russian economy in 1998, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 432 and 433 of the Complaint.

434. Refer to the documents cited for their true and complete contents and to BAWAG's public admissions as to its role in the fraudulent scheme, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 434 of the Complaint.

435. Aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 435 of the Complaint.

436. Admit that Bennett became President, Chief Executive Officer and Chairman of Refco Group in or about September 1998, aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 436 of the Complaint.

437. Refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 437 of the Complaint.

438-448. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or

knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 438 through 448 of the Complaint.

449. Aver that Maggio has pled guilty for his role in the fraudulent scheme engaged in by Bennett and others, refer to the information for a description of the charges to which he pled guilty, and otherwise deny knowledge or information sufficient to form a belief as the truth of the allegations contained in Paragraph 449 of the Complaint.

450. Aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 450 of the Complaint.

451-453. Aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, refer to BAWAG's public admissions as to its role in that scheme, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 451 through 453 of the Complaint.

454. Refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 454 of the Complaint.

455-519. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or

knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 455 through 519 of the Complaint.

520-548. Refer to BAWAG's public admissions as to its role in the fraudulent scheme engaged in by Bennett and others, deny any involvement in, or knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 520 through 548 of the Complaint.

549-577. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny any involvement in, or knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 549 through 577 of the Complaint.

578-587. Aver that portions of Refco's financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 578 through 587 of the Complaint.

588. Deny any wrongdoing or making any false and misleading statements or omitting to disclose any material facts, aver that Bennett and others made false and misleading statements of material fact and omitted to disclose material facts in connection with the Rule 144A Bond Offering, deny any involvement therein, liability therefor or knowledge thereof, incorporate by

reference as if fully set forth herein their responses to Paragraphs 118-155 and 159-162 of the Complaint, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 588 of the Complaint.

589. Deny any wrongdoing or making any false and misleading statements or omitting to disclose any material facts, aver that Bennett and others made false and misleading statements of material fact and omitted to disclose material facts in connection with the Registered Bond Offering, the IPO, and certain of the Company's other public disclosures, deny any involvement therein, liability therefor or knowledge thereof, admit that after the Registered Bond Offering, Refco became subject to SEC filing requirements, deny the allegations contained in the second sentence of Paragraph 589 of the Complaint as directed to the THL Defendants, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

590. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 590 of the Complaint.

591. Aver that portions of Refco's public disclosures were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 591 of the Complaint.

592-593. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraphs 592 and 593 of the Complaint.

594. Aver that portions of Refco's public disclosures and financial statements were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and

others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 594 of the Complaint.

595-604. Refer to the documents cited for their true and complete contents, admit that Refco's financial statements were prepared with the substantial assistance and participation of Grant Thornton, and otherwise deny the allegations contained in Paragraphs 595 through 604 of the Complaint.

605. Aver that portions of Refco's SEC filings were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 605 of the Complaint.

606. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 606 of the Complaint.

607. Aver that portions of Refco's public disclosures were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the document cited for its true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 607 of the Complaint.

608-614. Refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 608 through 614 of the Complaint.

615. Aver that portions of Refco's SEC filings were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 615 of the Complaint.

616-617. Aver that to the allegations contained in Paragraphs 616 and 617 of the Complaint that constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

618-626. Refer to the documents cited for their true and complete contents, deny that any of the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial conditions, deny any involvement in, or knowledge of, those activities, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 618 through 626 of the Complaint.

627. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in the chart set forth in Paragraph 627 of the Complaint, aver that Bennett and others engaged in a fraudulent scheme designed to hide Refco's true financial conditions, deny any involvement in, knowledge of, those activities, and otherwise aver the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

628. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning the loans to customers, customer accounts and the conduct of the other defendants contained in Paragraph 628 of the Complaint, and otherwise deny the allegations contained in that Paragraph as directed to the THL Defendants.

629. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, aver that the allegations contained in the first, eighth and tenth sentences contained in Paragraph 629 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

630. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that the allegations contained in the first sentence of Paragraph 630 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning the "circular quarter-end transactions," and otherwise deny the allegations contained in that Paragraph as directed to them.

631. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, aver that the allegations contained in the last sentence of Paragraph 631 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

632. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that the allegations contained in the last sentence of Paragraph 632 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

633. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny the allegations contained in the last sentence of paragraph 633 of the Complaint as directed to them, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained that Paragraph.

634. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, aver that the allegations contained in the first and last sentences of Paragraph 634 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and

otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

635. Refer to the IPO Registration Statement for its true and complete contents, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that the allegations contained in the first and last sentences of Paragraph 635 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), aver that no response is required to the allegations contained in the second and fifth sentences of that Paragraph because those allegations are not directed to them, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

636. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, aver that the allegations contained in the last sentence of paragraph 636 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny the allegations contained in that Paragraph as directed to the THL Defendants.

637. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, refer to the documents cited for their true and complete contents,

and otherwise deny the allegations contained in Paragraph 637 of the Complaint as directed to the THL Defendants.

638. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny that they had any involvement in, or knowledge of, those activities, admit that they understood at the time of the IPO that Bennett held a portion of his interests in Refco through RGHI, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in that Paragraph as directed to the THL Defendants.

639. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in or knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise aver that no response is required to the allegations contained in Paragraph 639 of the Complaint because those allegations are not directed to the THL Defendants.

640. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that the allegations contained in the first sentence of Paragraph 640 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), refer to the documents cited for their true and complete contents, admit that Maggio had served as RCM President, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

641-642. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to hide Refco's true financial condition, deny that they had any involvement in, or knowledge of, those activities, refer to the documents cited for their true and complete contents, and otherwise aver that no response is required to the allegations contained in Paragraphs 641 and 642 of the Complaint because those allegations are not directed to the THL Defendants.

643. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny any involvement in, or knowledge of, the referenced payment to Trosten, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 643 of the Complaint.

644. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny involvement in, or knowledge of, those activities, aver that the allegations contained in the third and fourth sentences of Paragraph 644 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), refer to the IPO Registration Statement for a description of Trosten's compensation arrangements of which they were aware, deny that they approved or were aware of the "\$45 million severance package" referenced, deny the allegation that they "paid him off in an effort to buy his silence," and otherwise deny knowledge

or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

645. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny that they had any involvement in, or knowledge of, those activities, refer to the documents cited for their true and complete contents, deny the allegations contained in the first, second and fourth sentences of Paragraph 645 of the Complaint as directed to them, refer to the IPO Registration Statement for a description of Refco's regulatory history and its public disclosures relating thereto, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

646. Admit that Refco Securities, LLC received a Wells Notice from the SEC arising out of an investigation into short sales of the stock of Sedona Corporation (refer to that Wells Notice for its true and complete contents), that Mayer Brown represented Refco in connection therewith, and that at the time of the IPO, Refco was working to finalize the terms of a settlement of that matter, refer to the IPO Registration Statement for a description of that matter and the disclosures relating thereto, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 646 of the Complaint.

647. Refer to the IPO Registration Statement for a description of the enforcement actions identified in Paragraph 647 of the Complaint including the nature of the alleged violations, the awards and settlements paid and the disclosures relating thereto, deny Lead Plaintiffs' characterization of the conduct underlying the referenced enforcement actions,

deny the allegations contained in the last sentence of that Paragraph as directed to the THL Defendants, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

648. Refer to the document cited for its true and complete contents, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny Lead Plaintiffs' characterization of the conduct underlying the referenced enforcement action, deny the allegations contained in the last sentence of Paragraph 648 of the Complaint as directed to them, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

649. Refer to the decision cited for its true and complete contents, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny Lead Plaintiffs' characterization of the conduct underlying the litigation described, deny the allegations contained in the last sentence of Paragraph 649 of the Complaint as directed to them, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in that Paragraph.

650. Admit that Refco, prior to the August 2004 Transaction, had been the subject of litigation and regulatory proceedings and matters and had paid fines imposed by the Commodity Futures Trading Commission (the "CFTC"), which history was the subject of public disclosures, including in the IPO Registration Statement, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 650 of the Complaint.

651. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 651 of the Complaint with respect to the statements of the “Former Refco Officer,” and otherwise deny the allegations contained in that Paragraph as directed to the THL Defendants.

652-654. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, and otherwise aver that no response is required to the allegations contained in Paragraphs 652 through 654 of the Complaint because those allegations are not directed to the THL Defendants.

655. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the IPO Registration Statement for a description of the payments made in connection with the IPO and the terms of the restricted stock unit grants, aver that the allegations contained in the first sentence of Paragraph 655 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them), and otherwise deny the allegations contained in that Paragraph as directed to them.

656. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the IPO Registration Statement for a description of the August 2004 Transaction, refer to the news report cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 656 of the Complaint as directed to the THL Defendants.

657. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, and

otherwise aver that no response is required to the allegations contained in Paragraph 657 of the Complaint because those allegations are not directed to the THL Defendants.

658. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents and the nature of the payments made, and otherwise deny the allegations contained in Paragraph 658 of the Complaint.

659. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the IPO Registration Statement for the stock holdings of Refco's officers and directors at the time of the IPO, and otherwise aver that the allegations contained in Paragraph 659 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

660. Refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 660 of the Complaint.

661. Refer to the IPO Registration Statement for a description of the IPO, the shares sold by Bennett and the THL Defendants as well as the terms under which Refco's officers and directors could sell shares, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the document cited for its true and complete contents, and otherwise aver that the allegations contained in Paragraph 661 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

662. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the IPO Registration Statement for a description of the "green shoe"

dividend, and otherwise deny the allegations contained in Paragraph 662 of the Complaint as directed to them.

663. Refer to the IPO Registration Statement for a description of the stock sales made in connection with the IPO, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning the conduct of the other defendants, deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, and otherwise deny the allegations contained in Paragraph 663 of the Complaint as directed to them.

664. Admit that THLP was in the process of planning a new investment fund at or around the time of the IPO, and otherwise deny the allegations contained in Paragraph 664 of the Complaint.

665-684. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, and otherwise aver that no response is required to the allegations contained in Paragraphs 665 through 684 of the Complaint because those allegations are not directed to the THL Defendants.

685. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, deny that they had any involvement in, or knowledge of, the fraudulent scheme, admit that the THL Funds, with the assistance of outside professionals (including, among others, Weil, Gotshal & Manges LLP, and KPMG LLP) engaged in extensive due diligence in connection with the August 2004 Transaction, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 685 of the Complaint.

686-688. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 686 through 688 of the Complaint.

689. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that THLP, RGHI and Refco Group signed a letter of intent, dated April 16, 2004, with respect to a proposed equity investment in Refco, refer to that document for its true and complete contents, and otherwise deny the allegations contained in Paragraph 689 of the Complaint.

690. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 690 of the Complaint.

691. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that on or about May 17, 2004, KPMG provided certain of the THL Defendants with a draft report regarding its accounting due diligence for the August 2004 Transaction, refer to that document for its true and complete contents, and otherwise deny the allegations contained in Paragraph 691 of the Complaint.

692. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that THLP representatives did not meet with Ernst & Young in connection with the August 2004 Transaction, refer to the document cited for its true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations regarding Ernst & Young LLP's work for Refco and its subsequent resignation, and otherwise deny the allegations contained in Paragraph 692 of the Complaint.

693. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 693 of the Complaint.

694. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that in late May 2004, THLP received a call from a contact at an investment bank who reported that his cousin had worked at Refco in the 1990s and told him that in the 1990s Refco had “sloughed off” certain trading losses into a then unconsolidated foreign subsidiary, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 694 of the Complaint.

695. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that KPMG provided THLP with a list of possible questions for the cousin, along with other potential procedures to consider, should THLP decide further inquiry was necessary based on its assessment, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 695 of the Complaint.

696. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that representatives of THLP met with Bennett to discuss the information they had learned, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 696 of the Complaint.

697. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 697 of the Complaint.

698. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that the THL Funds, along with their affiliates and co-investors

acquired 57% of the equity interests in Refco Group at the time of the August 2004 Transaction, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 698 of the Complaint.

699. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that on or about June 17, 2004, THLP was advised by Refco that a jury had returned a verdict against Refco in favor of Tradewinds Financial, which litigation previously had been the subject of discussions with Refco personnel, and that following the verdict, the THL Defendants expressed a desire for continuous disclosure as to the status of that proceeding, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 699 of the Complaint.

700. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that the THL Individual Defendants served on the New Refco Board of Managers following the August 2004 Transaction through July 2005 and on the Refco Board of Directors following the IPO, admit that on or about August 5, 2004, New Refco, Refco Group and THL Managers entered into a Management Agreement, refer to the Management Agreement for its true and complete contents, and otherwise deny the allegations contained in Paragraph 700 of the Complaint.

701. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, and otherwise deny the allegations contained in Paragraph 701 of the Complaint.

702. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, aver that certain of the THL Defendants were provided with a copy of Grant Thornton's October 15, 2004 letter in the course of the IPO process, after the close of the August

2004 Transaction, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 702 of the Complaint.

703. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraph 703 of the Complaint.

704-705. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraphs 704 and 705 of the Complaint.

706. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, admit that THLP representatives discussed the possibility of Refco retaining a “Big Four” accounting firm following the August 2004 Transaction, refer to the documents cited for their true and complete contents, and otherwise deny the allegations contained in Paragraph 706 of the Complaint.

707-708. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, refer to the document cited for its true and complete contents, and otherwise deny the allegations contained in Paragraphs 707 and 708 of the Complaint.

709. Deny that the facts alleged support a strong inference that the THL Defendants acted with scienter, and otherwise deny the allegations contained in Paragraph 709 of the Complaint.

710-721. Aver that Bennett and others, with, on information and belief, the material assistance of Mayer Brown and the active participation of Collins, engaged in a fraudulent scheme designed to hide Refco’s true financial condition, deny any involvement in, or knowledge of, those activities, deny that the facts allege support a strong inference that the THL

Defendants cited with scienter, refer to the documents cited for their true and complete contents, and otherwise aver that no response is required to the allegations contained in Paragraphs 710 through 721 of the Complaint because those allegations are not directed to the THL Defendants.

722-723. Aver that the allegations contained in Paragraphs 722 and 723 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

724. Refer to the publicly reported market services for the trading price of Refco securities, admit that Refco filed for bankruptcy protection on October 17, 2005, aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise aver that the allegations contained in Paragraph 724 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

725. Aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise aver that the allegations contained in Paragraph 725 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

726-729. Aver that the allegations contained in Paragraphs 726 through 729 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

730-731. Refer to the document cited for its true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning

the actions and intentions of those who purchased the Rule 144A bonds as well as the conduct of the other defendants, and otherwise aver that the allegations contained in Paragraphs 730 and 731 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

732. Aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, and otherwise aver that the allegations contained in Paragraph 732 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

733. Aver that portions of the Rule 144A Offering Memorandum were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, refer to the documents cited for their true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations regarding the market for the referenced securities, and otherwise aver that the allegations contained in Paragraph 733 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

734-737. Aver that Bennett and others engaged in a fraudulent scheme designed to conceal Refco's true financial condition, deny any involvement in, or knowledge of, those activities, refer to the document cited for its true and complete contents, deny knowledge or information sufficient to form a belief as to the truth of the allegations regarding the market for the referenced securities, and otherwise aver that the allegations contained in Paragraphs 734 through 737 of the Complaint constitute legal conclusions to which no response is required (to

the extent a response is required, the THL Defendants deny those allegations as directed to them).

738-739. Refer to the Rule 144A Offering Memorandum and the Bond Registration Statement for a description of the marketability of the Refco bonds cited and to the publicly reported market services for information regarding trading in the Company's bonds, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraphs 738 and 739 of the Complaint.

740-741. Admit that Refco was covered by securities analysts and was the subject of media reports, refer to those reports and the documents cited for their true and complete contents, and otherwise aver that the allegations contained in Paragraphs 740 and 741 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

742. Admit that during the cited period Refco's stock was traded on the New York Stock Exchange, refer to the publicly reported market services for the price and trading volume of Refco securities and Refco's market capitalization, refer to the research reports cited for their true and complete contents, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 742 of the Complaint.

743-744. Aver that the allegations contained in Paragraphs 743 and 744 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

COUNT NINE

745. Repeat and reallege their responses to Paragraphs 1 through 744 of the Complaint as if fully set forth herein.

746. Admit that Lead Plaintiffs purport to bring a claim under Section 10(b) of the Securities Exchange Act and Rule 10b-5 promulgated thereunder against the listed defendants, and otherwise deny the allegations contained in Paragraph 746 of the Complaint.

747-755. Deny any wrongdoing, aver that portions of the referenced documents and SEC filings were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraphs 747 through 755 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

COUNT TEN

756. Repeat and reallege their responses to Paragraphs 1 through 755 of the Complaint as if fully set forth herein.

757-763. Aver that no response is required to the allegations contained in Paragraphs 757 through 763 of the Complaint because Count Ten is not asserted against the THL Defendants.

COUNT ELEVEN

764. Repeat and reallege their responses to Paragraphs 1 through 763 of the Complaint as if fully set forth herein.

765-773. Aver that no response is required to the allegations contained in Paragraphs 765 through 773 of the Complaint because Count Eleven is not asserted against the THL Defendants.

COUNT TWELVE

774. Repeat and reallege their responses to Paragraphs 1 through 773 of the Complaint as if fully set forth herein.

775. Admit that Lead Plaintiffs purport to bring a claim pursuant to Section 20(a) of the Securities Exchange Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 775 of the Complaint.

776. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraph 776 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee deny any liability for the violations alleged, aver that portions of Refco's public filings and disclosures were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Partner Defendants and Lee deny those allegations as directed to them).

777. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraph 777 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Partner Defendants and Lee deny those allegations as directed to them).

778-779. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraphs 778 and 779 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee deny the allegations contained in those Paragraphs.

780-782. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraphs 780 through 782 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee aver that no response is

required to the allegations contained in those Paragraphs because those allegations are not directed to them.

783-784. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraphs 783 and 784 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee aver that the allegations contained in those Paragraphs constitute legal conclusions to which no response is required (to the extent a response is required, the THL Partner Defendants and Lee deny those allegations as directed to them).

785. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraph 785 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee repeat and reallege their responses to the previous allegations cited, aver that the allegations contained in the first and fourth sentences of that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Partner Defendants and Lee deny those allegations as directed to them), deny that the facts alleged support a strong inference of their culpability, and otherwise aver that no response is required to the allegations contained in that Paragraph because those allegations are not directed to them.

786. Harkins, Jaeckel and Schoen aver that no response is required to the allegations contained in Paragraph 786 of the Complaint because Count Twelve is not asserted against them. The THL Partner Defendants and Lee aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, the THL Partner Defendants and Lee deny those allegations as directed to them).

COUNT THIRTEEN

787. Repeat and reallege their responses to Paragraphs 1 through 786 of the Complaint as if fully set forth herein.

788. Admit that Lead Plaintiffs purport to bring a claim pursuant to Section 20(a) of the Securities Exchange Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 788 of the Complaint.

789. Deny any liability for the violation alleged, aver that portions of Refco's public filings and disclosures were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 789 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

790. Aver that the allegations contained in Paragraph 790 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

791. Deny the allegations contained in Paragraph 791 of the Complaint.

792-798. Aver that no response is required to the allegations contained in Paragraphs 792 through 798 of the Complaint because those allegations are not directed to the THL Defendants.

799-801. Aver that the allegations contained in Paragraphs 799 through 801 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

802. Repeat and reallege their responses to the previous allegations cited, deny that the facts alleged support a strong inference of the THL Defendants' culpability, and otherwise deny the allegations contained in Paragraph 802 of the Complaint as directed to them.

803. Aver that the allegations contained in Paragraph 803 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

COUNT FOURTEEN

804. Repeat and reallege their responses to Paragraphs 1 through 803 of the Complaint as if fully set forth herein.

805. Admit that Lead Plaintiffs purport to bring a claim pursuant to Section 20(a) of the Securities Exchange Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 805 of the Complaint.

806. Deny any liability for the violation alleged, aver that portions of Refco's public filings and disclosures were rendered false and misleading by reason of the fraudulent scheme engaged in by Bennett and others, deny any involvement therein, liability therefor or knowledge thereof, and otherwise aver that the allegations contained in Paragraph 806 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

807. Aver that the allegations contained in Paragraph 807 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

808. Deny the allegations contained in Paragraph 808 of the Complaint.

809-812. Aver that no response is required to the allegations contained in Paragraphs 809 through 812 of the Complaint because those allegations are not directed to the THL Defendants.

813-815. Aver that the allegations contained in Paragraphs 813 through 815 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

816. Deny that the facts alleged support a strong inference of the THL Defendants' culpability, repeat and reallege their responses to the previous allegations cited, and otherwise deny the allegations contained in Paragraph 816 of the Complaint as directed to them.

817. Aver that the allegations contained in Paragraph 817 of the Complaint constitute legal conclusions to which no response is required (to the extent a response is required, the THL Defendants deny those allegations as directed to them).

COUNT FIFTEEN

818. Repeat and reallege their responses to Paragraphs 1 through 818 of the Complaint as if fully set forth herein.

819-827. Aver that no response is required to the allegations contained in Paragraphs 819 through 827 of the Complaint because Count Fifteen is not asserted against the THL Defendants.

COUNT SIXTEEN

828. Repeat and reallege their responses to Paragraphs 1 through 827 of the Complaint as if fully set forth herein.

829. Admit that Lead Plaintiffs purport to bring a claim pursuant to Section 20A of the Securities Exchange Act against the listed defendants, and otherwise deny the allegations contained in Paragraph 829 of the Complaint.

830. The THL Individual Defendants, THL Equity Advisors V LLC, the Thomas H. Lee Nominee Trust and THLP aver that no response is required to the allegations contained in Paragraph 830 of the Complaint because Count Sixteen is not asserted against them. The other THL Defendants aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, these defendants deny those allegations as directed to them).

831. The THL Individual Defendants, THL Equity Advisors V LLC, the Thomas H. Lee Nominee Trust and THLP aver that no response is required to the allegations contained in Paragraph 831 of the Complaint because Court Sixteen is not asserted against them. The other THL Defendants refer to the IPO Registration Statement for the number of shares sold and the identity of the selling stockholders in the IPO, and the amount each sold, and otherwise deny the allegations contained in that Paragraph.

832. The THL Individual Defendants, THL Equity Advisors V LLC, the Thomas H. Lee Nominee Trust and THLP aver that no response is required to the allegations contained in Paragraph 832 of the Complaint because Court Sixteen is not asserted against them. The other THL Defendants aver that the allegations contained in that Paragraph constitute legal conclusions to which no response is required (to the extent a response is required, these defendants deny those allegations as directed to them).

833. The THL Individual Defendants, THL Equity Advisors V LLC, the Thomas H. Lee Nominee Trust and THLP aver that no response is required to the allegations contained in Paragraph 833 of the Complaint because Count Sixteen is not asserted against them. The other THL Defendants aver that the allegations contained in that Paragraph constitute legal

conclusions to which no response is required (to the extent a response is required, these defendants deny those allegations as directed to them).

JURY DEMAND

834. Admit that Lead Plaintiffs seek a jury trial, and otherwise deny the allegations contained in Paragraph 834 of the Complaint.

GENERAL DENIAL

With respect to the Complaint in its entirety, the THL Defendants deny that they participated in, knew of (or with reasonable diligence could have known of) or are otherwise responsible for the fraudulent scheme, the misrepresentations and other wrongdoing alleged and further deny that they engaged in, assisted in or are in any way responsible for any wrongful or illegal conduct, any false or misleading statements, or any injuries or damages allegedly suffered by the Lead Plaintiffs and/or any member of the putative class. Except as expressly admitted above, all allegations addressed, referring or relating in any way to the THL Defendants are denied, including all allegations directed at other defendants which allegations are intended to apply or relate to claims against any of the THL Defendants.

DEFENSES AND AFFIRMATIVE DEFENSES

Without admitting any of the allegations of the Complaint and without admitting or suggesting that the THL Defendants bear the burden of proof on any of the following issues, as separate and independent defenses and/or affirmative defenses, the THL Defendants state as follows:

FIRST DEFENSE

1. The Complaint fails to state a claim upon which relief may be granted against the THL Defendants.

SECOND DEFENSE

2. Plaintiffs have failed to plead their claims against the THL Defendants with particularity.

THIRD DEFENSE

3. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because the THL Defendants did not make any false or misleading statements of material fact or omit to state any material facts and the THL Defendants are not otherwise responsible in law or fact for any alleged false or misleading statements or omissions of material fact made, or manipulative or deceptive devices employed, by any other defendant or any non-party to this action.

FOURTH DEFENSE

4. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because the THL Defendants acted at all times in good faith and had no knowledge of and were not reckless in not knowing that any of the statements or omissions alleged in the Complaint to be actionable were false or misleading. Any and all actions taken by the THL Defendants were, at all times, lawful, proper and consistent with their duties and obligations and the THL Defendants did not otherwise have any obligation or duty to take any other action or make other disclosure.

FIFTH DEFENSE

5. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because the conduct and actions of persons other than the THL Defendants constituted a superseding or intervening cause of any damage, loss or injury allegedly sustained.

SIXTH DEFENSE

6. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because they have not suffered any injury or harm as a result of any action, conduct, statement or omission of the THL Defendants.

SEVENTH DEFENSE

7. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because the depreciation in the price of Refco securities resulted from factors other than any conduct of the THL Defendants; no action or inaction by the THL Defendants is the cause, in law or fact, of any injury they suffered and their alleged losses were not actually or proximately caused by the THL Defendants.

EIGHTH DEFENSE

8. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because to the extent, if any, they have suffered injury or loss, such injury or loss is the result of factors, events, actions or occurrence unrelated to any actions or alleged failures to act on the part of the THL Defendants and outside of and beyond the control of the THL Defendants, including the conduct, actions, omissions, negligence, and contributory and/or comparative fault of Lead Plaintiffs, the putative class members, and/or other persons over whom the THL Defendants had no control.

NINTH DEFENSE

9. The claims against the THL Individual Defendants under Section 11 of the Securities Act for any alleged false or misleading statements or omissions of material fact contained in any registration statement or prospectus challenged in the Complaint (which were not purported to be made on the authority of an expert and did not purport to be a copy of or an extract from a report or work product of an expert) are barred because the THL Individual

Defendants had, after reasonable investigation, reasonable grounds to believe and did believe, at the time the registration statement and prospectus became effective, that the statements contained therein were true and that there was no omission of any material fact required to be stated therein or necessary to make the statements contained therein not misleading.

TENTH DEFENSE

10. The claims against the THL Individual Defendants under Section 11 of the Securities Act for any alleged false or misleading statements or omissions of material fact contained in any registration statement or prospectus challenged in the Complaint are barred to the extent that the claims alleged relate to any part of such document purporting to be made on the authority of an expert (or which was a copy of or extract from a report or other work product prepared by an expert), including but not limited to the financial statements contained therein, because the THL Individual Defendants had no reasonable grounds to believe, and did not believe, at the time those filings became effective, that the statements therein were untrue or that there was an omission of any material fact required to be stated therein or necessary to make the statements contained therein not misleading or that any such part of the registration statement and prospectus did not fully represent the statement of an expert or was not a fair copy of an extract from the report or work product of an expert.

ELEVENTH DEFENSE

11. The claims asserted by Lead Plaintiffs and the putative class against the THL Defendants are barred, in whole or in part, because of the lack of transaction causation and/or loss causation.

TWELFTH DEFENSE

12. The damages allegedly suffered by Lead Plaintiffs and the putative class, if any, are due to the negligence, or other acts, omissions, wrongdoing or fault of persons or entities

other than the THL Defendants; however, in the event that a finding is made that negligence or other wrongdoing exists on the part of the THL Defendants that proximately contributed to those purported damages, the THL Defendants' liability, if any, should be reduced, at least, by an amount proportionate to the amount by which the fault, comparative negligence, or other acts or omissions of such persons or entities contributed to those injuries and/or those persons' percentage of responsibility.

THIRTEENTH DEFENSE

13. Lead Plaintiffs and the putative class lack standing to maintain some or all of their claims, including those who did not purchase their Refco securities pursuant to a registration statement.

FOURTEENTH DEFENSE

14. Any Lead Plaintiff or putative class member is barred from any recovery: (a) where it acted without due diligence or due care with respect to its investment in Refco securities, (b) where it failed to mitigate its damages, (c) where it is asserting that any part of the Bond Registration Statement and/or IPO Registration Statement contained an untrue statement or an omission but was aware of that untruth or omission at the time it purchased Refco securities, (d) to the extent that the alleged misrepresentation or omission attributable to the Audit Committee Defendants was not made in connection with the purchase or sale of any securities by that person, and/or (e) has failed to comply with the applicable statute of limitations.

FIFTEENTH DEFENSE

15. The claims against the THL Defendants under Section 15 of the Securities Act are barred, in whole or in part, because the THL Defendants are not controlling persons of any of the alleged primary violators and, in any event, acted at all times in good faith and had no

knowledge of, or reasonable grounds to believe that, any alleged statement or omission made by any person over whom it allegedly exercised control was false or misleading.

SIXTEENTH DEFENSE

16. The claims against the THL Defendants under Section 20(a) of the Securities Exchange Act are barred, in whole or in part, because the THL Defendants were not in any meaningful sense culpable participants in the misconduct or fraud engaged in by the persons alleged to be primary violators.

SEVENTEENTH DEFENSE

17. The claims against the THL Defendants under Section 20(a) of the Securities Exchange Act are barred, in whole or in part, because the THL Defendants are not controlling persons of any of the alleged primary violators and, in any event, acted at all times in good faith and did not directly or indirectly induce the acts which constitute the alleged primary violation.

EIGHTEENTH DEFENSE

18. The claims are barred, in whole or in part, against the THL Defendants to the extent that Plaintiffs and of the putative class members did not reasonably rely on any conduct, statements or actions of the THL Defendants.

NINETEENTH DEFENSE

19. The THL Defendants are not liable to the Plaintiffs and the putative class members because any alleged misstatements they made were forward-looking statements and/or contained sufficient cautionary language and risk disclosure.

TWENTIETH DEFENSE

20. The relief sought by Lead Plaintiffs and the putative class is barred, in whole or in part, by the doctrines of laches, waiver, equitable estoppel, in *pari delicto*, unclean hands, and/or other related equitable doctrines.

TWENTY-FIRST DEFENSE

21. The relief sought by the Lead Plaintiffs and the putative class is barred, in whole or in part, by Lead Plaintiffs' failure to join necessary, proper and/or indispensable parties to this action.

TWENTY-SECOND DEFENSE

22. The relief sought by the Plaintiffs and the putative class members is barred, in whole or in part, because the Complaint fails to allege the fraud-related claims against the THL Defendants with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure and by the Private Securities Litigation Reform Act of 1995.

TWENTY-THIRD DEFENSE

23. The relief sought by the Plaintiffs and the putative class members in Count Nine is barred, in whole or in part, because the THL Defendants did not act with the scienter required to state a claim under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

TWENTY-FOURTH DEFENSE

24. The THL Defendants reserve the right to assert additional defenses as may be appropriate.

WHEREFORE, the THL Defendants pray for judgment as follows:

1. For a judgment and decree dismissing the Complaint with prejudice;
2. For a judgment and decree awarding costs, including attorneys' fees; and
3. For such other and further relief as the Court may deem just and proper under the circumstances.

Dated: New York, New York
February 14, 2008

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