

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE TREMONT SECURITIES LAW, STATE LAW AND INSURANCE LITIGATION This Document Relates To: All Actions	: : : MASTER FILE NO.: : 08 CIV. 11117 (TPG) : : : : : :
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**SUPPLEMENTAL DECLARATION OF ANDREW J. ENTWISTLE IN FURTHER
SUPPORT OF MOTION FOR APPROVAL OF FUND DISTRIBUTION ACCOUNT
PLAN OF ALLOCATION AND DISTRIBUTION PROCEDURES**

Andrew J. Entwistle, admitted to practice law in the State of New York and this Court,
hereby declares under the penalty of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. I am a partner in the law firm of Entwistle & Cappucci LLP, Co-Lead Counsel for the Plaintiffs in the consolidated State Law Actions in the above-captioned matter. I respectfully submit this declaration in further support of Class Counsel's Motion for Approval of Fund Distribution Account Plan of Allocation and Distribution Procedures, attaching hereto the exhibit book ("Exhibit Book") we anticipate distributing at the hearing today.

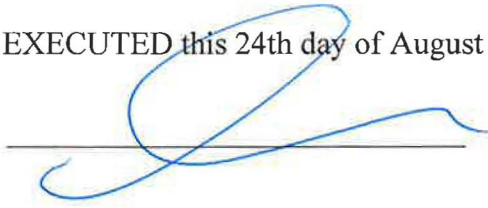
2. The Exhibit Book attaches the following materials at the respective Tabs:

- a. Tab 1, Fund Distribution Account Plan of Allocation (previously filed as Ex. A to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-1);
- b. Tab 2, Chart titled "Sources of Assets in the FDA" (previously filed as Ex. B to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-2);
- c. Tab 3, Chart titled "Consensus FDA POA Allocation by Fund" (previously filed as Ex. C to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-3);

- d. Tab 4, Chart titled “Contributions to and Allocations from the FDA” (previously filed as Ex. D to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-4);
- e. Tab 5, Chart titled “Net FDA Value Assuming an 80% Payout by the SIPC Trustee -- \$1.446 Billion” (previously filed as Ex. E to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-5);
- f. Tab 6, Chart titled “Filed Statements in Support (Or Otherwise Authorized Statements in Support) of the Consensus FDA POA” (previously filed as Ex. F to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-6);
- g. Tab 7, Chart titled “Michael S. Martin Objection and Responses” (previously filed as Ex. G to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-7);
- h. Tab 8, Chart titled “FutureSelect Prime Advisor, et al. Objection and Responses” (previously filed as Ex. H to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-8);
- i. Tab 9, Chart titled “Active Mediation Participants in Addition to the Class Representatives Supporting the Consensus FDA POA” (previously filed as Ex. I to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-9); and
- j. Tab 10, Chart titled “Comparison of FDA POA Supporters and Objectors” (previously filed as Ex. J to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-10)

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

EXECUTED this 24th day of August 2015

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and cursive, starting with a large loop and ending with a long, sweeping tail that extends to the right.

Andrew J. Entwistle

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE TREMONT SECURITIES LAW,
STATE LAW AND INSURANCE
LITIGATION

THIS DOCUMENT RELATES TO:

ALL ACTIONS

Master File No.: 08 Civ. 11117 (TPG)

JURY TRIAL DEMANDED

ORAL ARGUMENT EXHIBITS

Tab No.	Description
1	Fund Distribution Account Plan of Allocation (Ex. A to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-1)
2	Chart titled “Sources of Assets in the FDA” (Ex. B to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-2)
3	Chart titled “Consensus FDA POA Allocation by Fund” (Ex. C to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-3)
4	Chart titled “Contributions to and Allocations from the FDA” (Ex. D to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-4)
5	Chart titled “Net FDA Value Assuming an 80% Payout by the SIPC Trustee -- \$1.446 Billion” (Ex. E to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-5)
6	Chart titled “Filed Statements in Support (Or Otherwise Authorized Statements in Support) of the Consensus FDA POA” (Ex. F to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-6)
7	Chart titled “Martin S. Martin Motion and Responses” (Ex. G to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-7)
8	Chart titled “FutureSelect Prime Advisor, <i>et al.</i> Motion and Responses” (Ex. H to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-8)
9	Chart titled “Active Mediation Participants in Addition to the Class Representatives Supporting the Consensus FDA POA” (Ex. I to Entwistle Declaration (Aug. 17, 2015), ECF No. 1158-9)
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FUND DISTRIBUTION ACCOUNT PLAN OF ALLOCATION

A. Preliminary Matters

The purpose of this Fund Distribution Account Plan of Allocation (“Plan of Allocation,” “FDA POA” or “Plan”) is to establish a reasonable, fair and equitable method of allocating for the benefit of and distributing to Fund Distribution Claimants the money remaining in the Fund Distribution Account (“FDA”). This FDA POA is the product of countless hours of discussions, calls and meetings in a mediation context over almost two years.

The Claims Administrator will distribute all money remaining in the FDA after payment of Court approved attorney’s fees and expenses and the costs associated with the administration of the FDA and this FDA POA.

The Claims Administrator will determine the Eligible Hedge Fund Allocated Interest for each Eligible Hedge Fund by adding together any SIPC Claim, Virtual SIPC Claim and Cross Investments, and, for XL only, the XL Priority Allocation that is related to each Eligible Hedge Fund. The Claims Administrator will then calculate the Net Investment of each Fund Distribution Claimant in each Eligible Hedge Fund and then apply such Net Investment to determine the pro rata share of each Fund Distribution Claimant in each such Eligible Hedge Fund’s Allocated Interest in the FDA. This process is described in greater detail in Section C below.

B. Principles and Definitions

This FDA POA is based on the following principles and definitions (listed alphabetically), among others contained in the Stipulation:

1. “Cross Investments” means any prior investment by any Eligible Hedge Fund in another Eligible Hedge Fund. All Cross Investments are preserved in the sense that the net amount of each such Cross Investment will form the basis of an allocation of FDA Funds for the benefit of Fund Distribution Claimants previously invested in Eligible Hedge Funds that held such Cross Investments. Allocation of Cross Investments will be made on a net basis.
2. “Contribution” is the amount paid on or before December 11, 2008 by an authorized Fund Distribution Claimant to an Eligible Hedge Fund for an Eligible Security.
3. “Court” means the United States District Court for the Southern District of New York.
4. “Disbursement” is the amount to be paid to a Fund Distribution Claimant from the FDA.

5. “Eligible Carrier” is one of the following insurance carriers that invested in Eligible Hedge Funds: (a) New York Life Insurance and Annuity Corporation; (b) Metropolitan Life Insurance Company; (c) John Hancock Life Insurance Company (U.S.A.); (d) General American Life Insurance Company; (e) Pacific Life Insurance Company; (f) Hartford Life Insurance Company; (g) Pruco Life Insurance Company; (h) Security Life of Denver; (i) AIG Life Insurance Company; (j) Delaware Life Insurance Company (f/k/a Sun Life Assurance Company of Canada (U.S.)); (k) Scottish Annuity and Life; (l) Nationwide Life Insurance Company; (m) New England Life Insurance Company; (n) Acadia Life Limited; (o) The Scottish Annuity Life Insurance Co. (Cayman) Ltd.; (p) Lifeinvest Opportunity Fund LDC; (q) AGL Life Assurance Company; (r) BF&M Life Insurance Company Limited; and (s) The Scottish Annuity and Life Insurance Company (Bermuda) Ltd. Each Eligible Carrier shall be considered a Fund Distribution Claimant for all purposes in this Plan of Allocation. “Eligible Policyholder” is an owner of a variable universal life insurance policy or deferred variable annuity policy that was issued by an Eligible Carrier.
6. “Eligible Hedge Funds” shall mean:
- Rye Select Broad Market Fund, L.P. (“Rye Onshore”);
 - Rye Select Broad Market XL Fund, L.P. (“XL”);
 - Rye Select Broad Market Prime Fund, L.P. (“Prime”);
 - Rye Select Broad Market Insurance Fund, L.P. (“Rye Insurance”);
 - Rye Select Broad Market Insurance Portfolio, LDC (but only with respect to INTAC Independent Technical Analysis Centre Ltd., LifeInvest Opportunity Fund, LDC, Scottish Annuity Company (Cayman) Limited, The Scottish Annuity and Life Insurance Company (Bermuda) Ltd. and The Scottish Annuity Life Insurance Co. (Cayman) Ltd.);
 - Rye Select Broad Market Portfolio Limited (“Rye Offshore”);
 - Rye Select Broad Market XL Portfolio Limited;
 - Broad Market XL Holdings Limited;
 - Tremont Market Neutral Fund L.P.;
 - Tremont Market Neutral Fund II, L.P.;
 - Tremont Market Neutral Fund Limited;
 - Tremont Opportunity Fund Limited;
 - Tremont Opportunity Fund II L.P.;
 - Tremont Opportunity Fund III L.P.;
 - Tremont Arbitrage Fund, L.P.;
 - Tremont Arbitrage Fund-Ireland; and • Tremont Strategic Insurance Fund, L.P.
7. “Eligible Hedge Fund Allocated Interest” means the sum of any SIPC Claim, Virtual SIPC Claim and Cross Investments (and, for XL only, the XL Priority Allocation) that is related to each Eligible Hedge Fund.

8. "Eligible Securities" means the limited partnership interests or shares purchased by Fund Distribution Claimants (as defined in paragraph 8 below) in Eligible Hedge Funds on or before December 11, 2008.
9. "Fund Distribution Claimant" means any limited partner or shareholder invested in Eligible Securities of any Eligible Hedge Fund as of December 11, 2008 or its successors pursuant to any merger or other business combination or by valid assignment (including secondary market purchasers of such claims), who is entitled under the Stipulation and this FDA POA to share in the disbursement of the Fund Distribution Account. Only those Fund Distribution Claimants who suffered a net loss on their investments in Eligible Securities (determined separately for each Eligible Hedge Fund in which the Fund Distribution Claimant invested), are entitled to a payment from the Fund Distribution Account. Only Fund Distribution Claimants who were limited partners or shareholders as of December 11, 2008, or their successors pursuant to any merger or other business combination or by valid assignment (including secondary market purchasers of such claims), may be entitled to a Disbursement from the Fund Distribution Account. For the avoidance of doubt, any person who purchased an interest in an Eligible Hedge Fund after December 11, 2008, shall receive distributions on account of such interest based on the net equity investment of the person who held such interest as of December 11, 2008. Nothing herein is intended to affect the Loan Agreements or the Claim Participation Agreement.
10. "Fund Distribution Account" ("FDA") shall have the meaning ascribed in the Stipulation.
11. "Net Investment" is the difference between Contributions and Redemptions for each Fund Distribution Claimant (or Eligible Hedge Fund in the case of Cross Investments). Net Investment is determined separately for the investments in each Eligible Hedge Fund on a Fund-by-Fund basis. Where a Fund Distribution Claimant (or an Eligible Hedge Fund) has investments in more than one Eligible Hedge Fund, the investments within each Fund are netted against the investments within that Fund but they are not netted against gains or losses on investments in other Eligible Hedge Funds.
12. "Recognized Claim" is the Fund Distribution Claimant's Net Investment in each Eligible Hedge Fund.
13. "Redemption" is the amount withdrawn on or before December 11, 2008 by a Fund Distribution Claimant from an Eligible Hedge Fund based on ownership of an Eligible Security.
14. "Remaining Fund Proceeds" means (i) all amounts remaining in the Rye Funds (with the exception of the Liquidating Funds) after resolution of the Settling Funds' claims in or relating to the Madoff Trustee Proceedings; and (ii) all amounts the Tremont Funds would otherwise be entitled to from the Fund Distribution Account

under this Plan of Allocation as a result of the Tremont Funds' investments in the Rye Funds.

15. "Rye Funds" means (i) Rye Select Broad Market Fund, L.P.; (ii) Rye Select Broad Market XL Fund, L.P.; (iii) Rye Select Broad Market Prime Fund, L.P.; (iv) Rye Select Broad Market Insurance Fund, L.P.; (v) Rye Select Broad Market Portfolio Limited; (vi) Rye Select Broad Market XL Portfolio Limited; (vii) Broad Market XL Holdings Limited and (viii) Rye Select Broad Market Insurance Portfolio LDC (but solely with respect to INTACT Independent Technical Analysis Centre Ltd., LifeInvest Opportunity Fund, LDC, Scottish Annuity Company (Cayman) Limited, The Scottish Annuity and Life Insurance Company (Bermuda) Ltd. and The Scottish Annuity Life Insurance Co. (Cayman) Ltd.). The Settlement Agreement provides that all Remaining Fund Proceeds poured over into the FDA from the Settling Funds upon final approval of the Settlement. This includes any money received from the Madoff Trustee Settlement on or after that time.
16. "SIPC Claim" means the amount allocated under this FDA POA for the benefit of Fund Distribution Claimants invested in Eligible Hedge Funds with an allowed claim against the BLMIS estate as approved in *Picard v. Tremont Grp. Hldgs., Inc.*, Adv. Pro. No. 10-05310 (Bankr. S.D.N.Y) (See Dkt. Nos. 17-1 and 38-1). Rye Select Broad Market Fund, L.P, Rye Select Broad Market Portfolio Limited, and Rye Select Broad Market Insurance Fund, L.P. are the only Eligible Hedge Funds that have a SIPC Claim against the FDA assets. Rye Onshore, Rye Offshore and Rye Insurance each have a SIPC Claim because they contributed nearly \$1 billion to the BLMIS Estate (including by taking out over \$650 million in loans) in exchange for specific allowed claims in the BLMIS estate and a release of claims asserted by the BLMIS Trustee. For purposes of this FDA POA only, Rye Onshore's SIPC Claim is \$1,879,426,564, Rye Offshore's SIPC Claim is \$1,075,695,583 and Rye Insurance's SIPC Claim is \$40,000,000.
17. "Stipulation" means the Stipulation of Partial Settlement in *In re Tremont Securities Law, State Law and Insurance Litigation* (08 Civ. 11117 (TPG)) dated February 23, 2011 and filed with the Court on February 25, 2011. Capitalized terms that are not defined herein will have the same meaning as in the Stipulation. In the event that the definition of a term in this Plan conflicts with a definition in the Stipulation, the definition in this Plan will control.
18. "Tremont Funds" means (i) Tremont Market Neutral Fund L.P.; (ii) Tremont Market Neutral Fund II, L.P.; (iii) Tremont Market Neutral Fund Limited; (iv) Tremont Opportunity Fund Limited; (v) Tremont Opportunity Fund II L.P.; (vi) Tremont Opportunity Fund III L.P.; (vii) Tremont Arbitrage Fund, L.P.; (viii) Tremont Arbitrage Fund-Ireland; and (ix) Tremont Strategic Insurance Fund, L.P.
19. "Tremont Fund of Funds" means those Tremont Funds that contributed to the Trustee Settlement and therefore have a Virtual SIPC Claim: Tremont Market

Neutral Fund L.P.; Tremont Market Neutral Fund II, L.P.; Tremont Opportunity Fund II L.P.; and Tremont Opportunity Fund III L.P.

20. “Virtual SIPC Claim” means a claim allocated for the benefit of Eligible Hedge Funds participating in the Madoff Trustee Settlement that did not receive a SIPC Claim. These include Prime and several of the Tremont Fund of Funds (Tremont Market Neutral Fund L.P.; Tremont Market Neutral Fund II, L.P.; Tremont Opportunity Fund II L.P.; and Tremont Opportunity Fund III L.P.). The Virtual SIPC Claim is equal to 80% of the amount contributed by such Eligible Hedge Funds to the Madoff Trustee Settlement plus any Remaining Funds in the form of cash contributed by such Eligible Hedge Funds to the FDA following Final Approval of the Settlement. Although such Eligible Hedge Funds were not granted allowed claims in the BLMIS estate under the Madoff Trustee Settlement and Court Order in *Picard v. Tremont Grp. Hldgs., Inc.*, Lead Counsel has secured, through the mediation process, for each such Eligible Hedge Fund a claim for 80% of the money it contributed to the settlement agreement with the BLMIS Trustee – the same percentage that Rye Onshore and Rye Offshore received as their allowed 502(h) claim against the BLMIS estate. The Virtual SIPC Claim allocable to the Rye Select Broad Market Prime Fund, L.P is \$28,616,540 and the total of the other Virtual SIPC Claims allocable to the Tremont Fund of Funds is \$65,331,081, as follows: \$3,576,239 to Tremont Market Neutral Fund L.P.; \$14,522,000 to Tremont Market Neutral Fund II, L.P.; \$6,109,770 to Tremont Opportunity Fund II L.P.; and \$41,123,071 to Tremont Opportunity Fund III L.P.
21. “XL Fund Distribution Claimant” means any Fund Distribution Claimant invested in Eligible Securities of XL as of December 11, 2008 or its successors pursuant to any merger or other business combination or by valid assignment (including secondary market purchasers of such claims).
22. “XL Priority Allocation” means a priority distribution to XL Fund Distribution Claimants of the first \$32,409,239 allocated under this FDA POA and distributed from the FDA to Fund Distribution Claimants previously invested in XL. XL also has a Cross Investment in Rye Onshore in the amount of \$184,500,000 the (“XL Cross Investment”) on account of which certain funds will be allocated from the FDA (the “XL Cross-Investment FDA Recovery”). The XL Cross Investment is subject to HSBC’s rights under its swap and collateral agreements with the XL Fund. The XL Fund, various XL Fund investors and HSBC disagreed as to HSBC’s right to the XL Cross Investment. While not part of the XL Priority Allocation as defined in this paragraph 22, it has been agreed as part of the ongoing Mediation that the dispute between HSBC and the XL Fund over the rights to the XL Cross Investment has been resolved as follows:
- (a) Fund Distribution Claimants previously invested in the XL Fund shall collectively receive \$25,546,400 in the aggregate of the XL Cross-Investment FDA Recovery (the “XL Cross Investment Allocation”) from the initial FDA distribution

arising from the XL Cross-Investment FDA Recovery. This XL Cross Investment Allocation shall be supplementary to the XL Priority Allocation of \$32,409,239, and will result in a total allocation from the initial FDA distribution of \$57,995,639 to Fund Distribution Claimants that were previously XL Fund investors—which amounts will be distributed pursuant to the terms of this FDA POA;

(b) The XL Cross Investment Allocation shall receive priority over any distribution of the XL Cross-Investment FDA Recovery made to HSBC. For the avoidance of doubt, HSBC shall not receive any of the XL Cross-Investment FDA Recovery until the XL Cross Investment Allocation has been distributed in its entirety to XL Fund Distribution Claimants;

(c) To the extent the first distribution from the FDA on account of the XL Cross-Investment is less than \$25,546,400, the amount of any shortfall will be paid out of any other money due to HSBC out of the initial FDA Distribution;

(d) HSBC shall receive all remaining portions of the initial FDA distribution and any subsequent distributions related to the XL Cross-Investment FDA Recovery (the “HSBC XL Cross Investment Allocation”) immediately after the XL Cross Investment Allocation has been distributed as provided herein , and shall be treated as a Fund Distribution Claimant with respect to the HSBC XL Cross Investment Allocation;

(e) the HSBC XL Cross Investment Allocation, once made in full, will fully satisfy HSBC’s right or claim in or to the XL Priority Allocation and XL Cross Investment Allocation and otherwise be deemed to release and discharge the Settling Defendants, all current and former XL Fund Investors, and their parent companies, subsidiaries, and affiliates, together with their respective current and former principals, officers, directors, managers, advisers, shareholders, employees, agents, attorneys, accountants, predecessors, successors, assigns, heirs, administrators, executors, supervisors, and representatives of any kind, jointly and severally, from and against any and all claims, disputes, liabilities, suits, demands, liens, actions, proceedings and causes of action of every kind and nature, and from all damages, injuries, losses, contributions, indemnities, compensation, obligations, costs, attorneys' fees and expenses of whatever kind and character, whether past or present, known or unknown, fixed or contingent, whether in law or in equity, asserted or unasserted, accrued or unaccrued, which HSBC has or might claim to have with respect to the XL Fund, XL Priority Allocation, XL Cross Investment Allocation, XL Cross Investment and/or XL Cross-Investment FDA Recovery, provided, however, that nothing herein shall release any claims that HSBC may have to enforce the terms of this FDA POA or any Prior HSBC-XL Investor Settlements (as defined below);

(f) the XL Cross Investment Allocation, once made in full, will fully satisfy and otherwise be deemed to release and discharge HSBC and its parent companies, subsidiaries, affiliates, together with their respective current and former principals,

officers, directors, managers, advisers, shareholders, employees, agents, attorneys, accountants, predecessors, successors, assigns, heirs, administrators, executors, supervisors, and representatives of any kind, jointly and severally, from and against any and all claims, disputes, liabilities, suits, demands, liens, actions, proceedings and causes of action of every kind and nature, and from all damages, injuries, losses, contributions, indemnities, compensation, obligations, costs, attorneys' fees and expenses of whatever kind and character, whether past or present, known or unknown, fixed or contingent, whether in law or in equity, asserted or unasserted, accrued or unaccrued, that the XL Fund, the Settling Defendants, and/or their investors have or might claim to have with respect to the XL Fund, XL Priority Allocation, XL Cross Investment Allocation, XL Cross Investment and/or XL Cross-Investment FDA Recovery, provided, however, that nothing herein shall release any claims that the XL Fund and/or its investors may have to enforce the terms of this FDA POA or any Prior HSBC-XL Investor Settlements (as defined below);

(g) Notwithstanding any provision of this FDA POA, any settlements between HSBC and any XL Fund Distribution Claimants relating to the XL Cross-Investment and/or XL Cross-Investment FDA Recovery which were/are executed before the Court issues an order approving this FDA POA ("Prior HSBC-XL Investor Settlements") shall remain in full force and effect and shall not be superseded by this FDA POA;

(h) Any other amounts allocable to XL Fund Distribution Claimants under this plan (other than the XL Priority Allocation and the XL Cross Investment Allocation) will receive the same priority as all other distributions under this FDA POA.

C. Disbursements from the Fund Distribution Account

The Claims Administrator will determine each Fund Distribution Claimant's pro rata share of the Fund Distribution Account with respect to each Eligible Hedge Fund's Allocated Interest by the following three-step-methodology: (1) the Claims Administrator will first determine the Eligible Hedge Fund Allocated Interest for each Eligible Hedge Fund by adding together any SIPC Claim, Virtual SIPC Claim, and Cross Investments (and, for XL only, the XL Priority Allocation) that is related to each Eligible Hedge Fund. For the avoidance of doubt, under this first step, the Claims Administrator will then cause the XL Priority Allocation to be satisfied and distributed to Fund Distribution Claimants who were previously invested in XL before any other distributions are made from the FDA. Once the XL Priority Allocation is satisfied, the Claims Administrator shall determine that (i) Rye Onshore has an Eligible Hedge Fund Allocated Interest equivalent to 75.25% of the remainder of the FDA, (ii) Rye Offshore has an Eligible Hedge Fund Allocated Interest equivalent to 20.00% of the remainder of the FDA, (iii) Rye Insurance has an Eligible Hedge Fund Allocated Interest equivalent to 1.76% of the remainder of the FDA, (iv) Prime has an Eligible Hedge Fund Allocated

Interest equivalent to .88% of the remainder of the FDA (plus the allocated value of its Cross Investments) and (v) the Tremont Fund of Funds collectively have an Eligible Hedge Fund Allocated Interest equivalent to 2.11% of the remainder of the FDA (plus the allocated value of each Fund's Cross Investments), which shall be allocated as follows: 0.115% to Tremont Market Neutral Fund L.P. (plus the allocated value of its Cross Investments); 0.469% to Tremont Market Neutral Fund II, L.P. (plus the allocated value of its Cross Investments); 0.197% to Tremont Opportunity Fund II L.P. (plus the allocated value of its Cross Investments); and 1.329% to Tremont Opportunity Fund III L.P. (plus the allocated value of its Cross Investments). For the avoidance of doubt and for illustrative purposes, Prime would recover 0.88% of the FDA plus the allocated value of any Cross Investments.

(2) The Claims Administrator will then calculate the Net Investment of each Fund Distribution Claimant in each Eligible Hedge Fund and then apply such Net Investment to determine the pro rata share each Fund Distribution Claimant has in each such Eligible Hedge Fund's Allocated Interest in the FDA.

(3) The Claims Administrator will then make Disbursements directly to the Fund Distribution Claimants (including, with respect to the XL Cross-Investment FDA Recovery, HSBC) in accordance with the above calculations and paragraph B.22 above.

No Fund Distribution Claimant will receive more than its Recognized Claim. Eligible Policyholders will be paid by their Eligible Carrier out of the Eligible Carrier's Disbursement based on a methodology to be determined by the Eligible Carrier. For the International Fund Liquidations, distributions will be made at the direction of the Liquidators.

Determinations by the Notice and Claims Administrator and payments made pursuant to this Plan of Allocation above shall be conclusive against all Fund Distribution Claimants. No person shall have any claim against the Settling Plaintiffs, Plaintiffs' Settlement Counsel or the Notice and Claims Administrator based on Disbursements, determinations or claim rejections made substantially in accordance with this Plan or further orders of the Court, except in the case of fraud or willful misconduct. No person shall have any claim under any circumstances against the Released Parties based on any Disbursements, determinations or claim rejections or the design, terms or implementation of this Plan. Distribution to Fund Distribution Claimants who previously failed to complete and file a valid and timely Proof of Claim form shall be determined solely on the basis of Tremont's records (and, in the case of the XL Cross-Investment FDA Recovery, paragraph B.22 above).

To the extent that the Court approves the Fund Distribution Plan of Allocation, the Fund Distribution Plan of Allocation will not be subject to further change as to any investor. Each Settling Fund shall use its best efforts to maximize the amount of the Remaining Fund Proceeds allocable to that Settling Fund, without regard to the identity or status of the Settling Fund's shareholders or limited partners, and shall distribute those Remaining

Fund Proceeds in accordance with the Fund Distribution Plan of Allocation, without regard to the identity or status of those shareholders or limited partners.

Except to the extent provided immediately above, the Court has reserved jurisdiction to modify, amend or alter the Plan of Allocation without further notice to anyone and it may allow, disallow or adjust any Fund Distribution Claimant's claim to ensure a fair and equitable distribution of the Fund Distribution Account.

If there is any balance remaining in the Fund Distribution Account (whether by reason of unclaimed funds, tax refunds, uncashed checks, or otherwise), at a date one hundred eighty (180) days from the later of (a) the date on which the Court enters an order directing the Fund Distribution Account to be disbursed to Fund Distribution Claimants, or (b) the date the Settlement is final and becomes fully effective, then Plaintiffs' Settlement Counsel shall, upon approval of the Court, disburse such balance among Fund Distribution Claimants as many times as is necessary, in a manner consistent with this Plan of Allocation, until each Fund Distribution Claimant has received its Recognized Claim (but no greater than its Recognized Claim) as defined in this Plan. If Plaintiffs' Settlement Counsel determines that it is not cost-effective to conduct such further disbursement, or following such further disbursement any balance still remains in the Fund Distribution Account, Plaintiffs' State Law and Securities Class Counsel shall, with the consent of the State Law and Securities Plaintiffs and upon approval of the Court, and without further notice to the State Law Subclass and Securities Subclass Members, cause the remaining balance to be disbursed *cy pres*.

Madoff Bankruptcy Recognized Claims

Rye Onshore
SIPC Claim:
\$1,879,426,564

Rye Offshore
SIPC Claim:
\$1,075,695,583

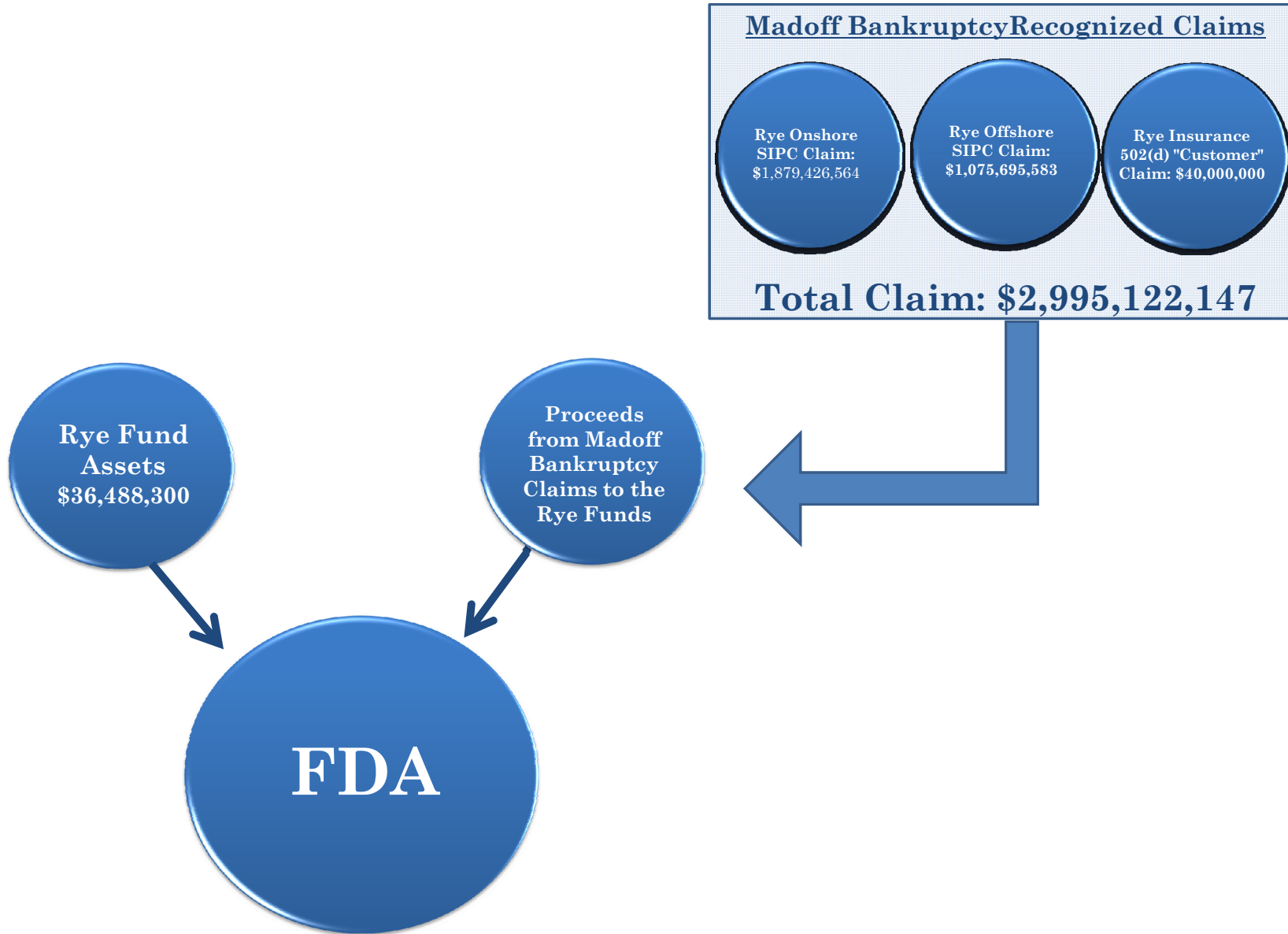
Rye Insurance
502(d) "Customer"
Claim: \$40,000,000

Total Claim: \$2,995,122,147

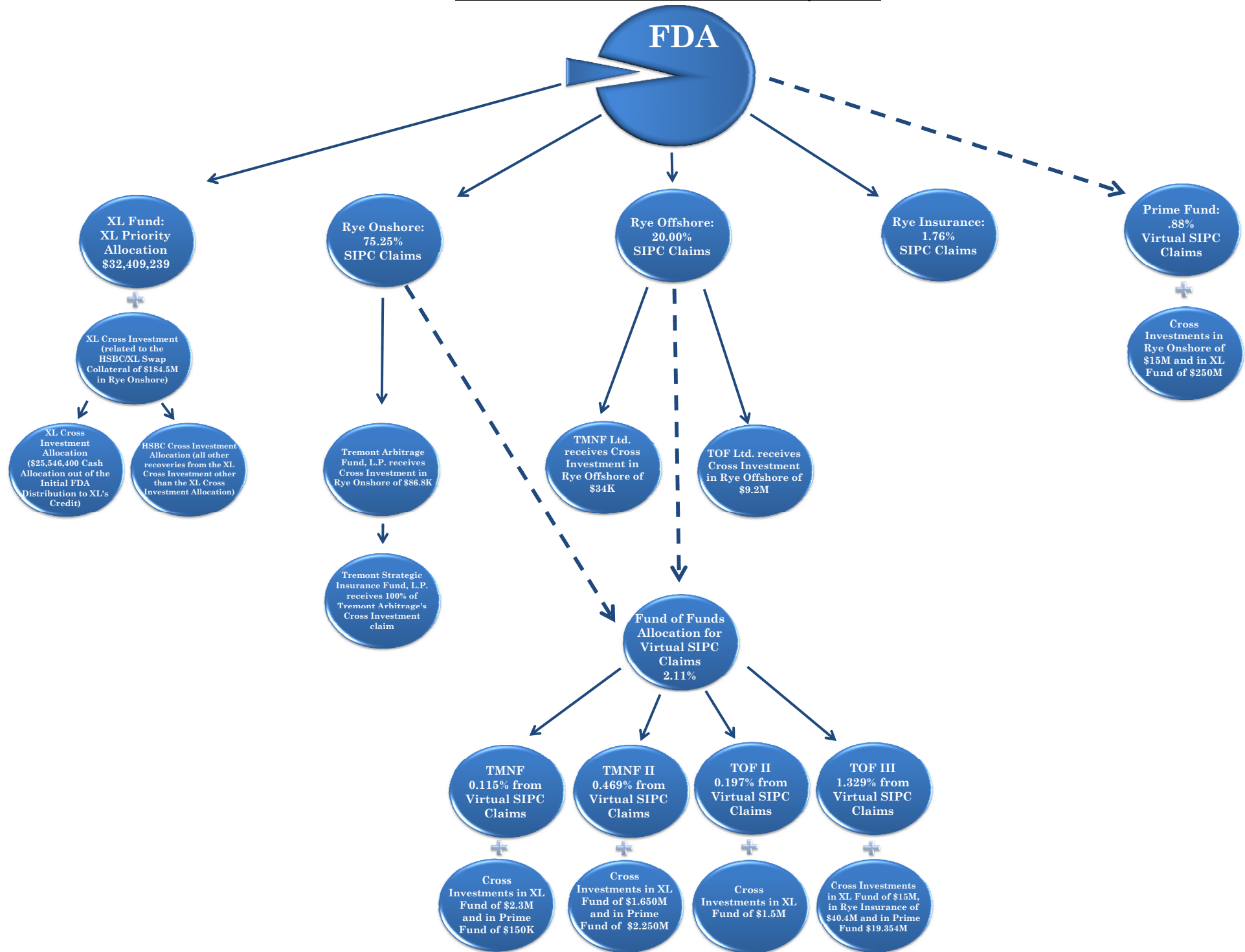
Rye Fund
Assets
\$36,488,300

Proceeds
from Madoff
Bankruptcy
Claims to the
Rye Funds

FDA

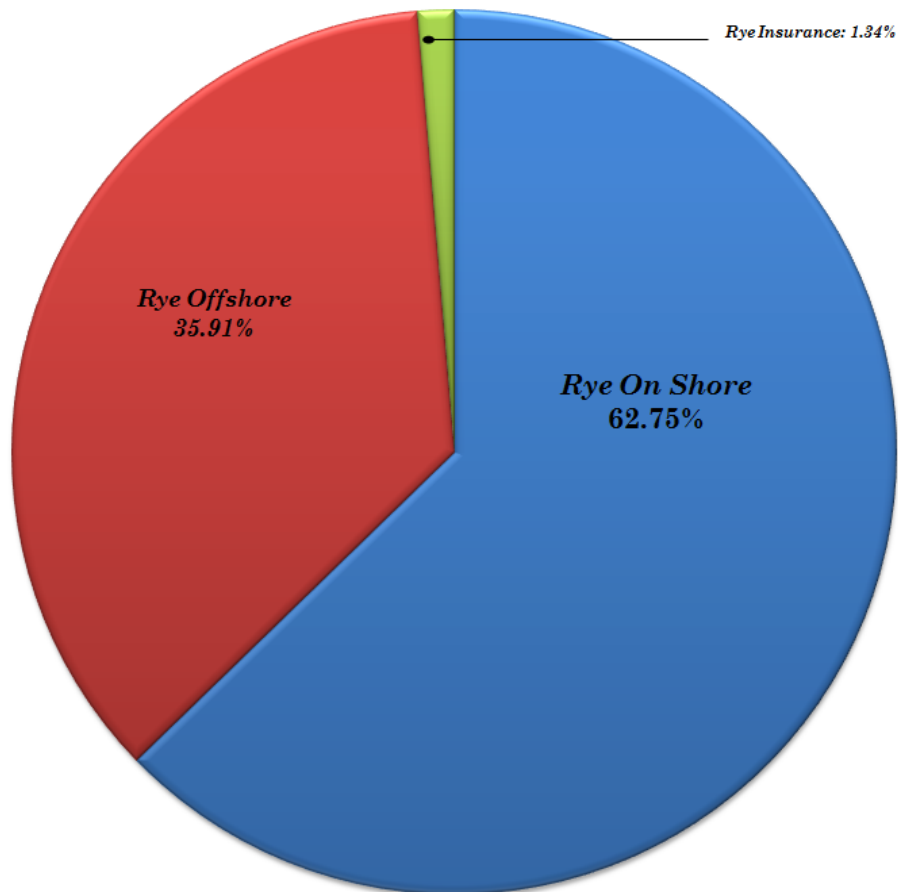


Consensus FDA POA Allocation by Fund

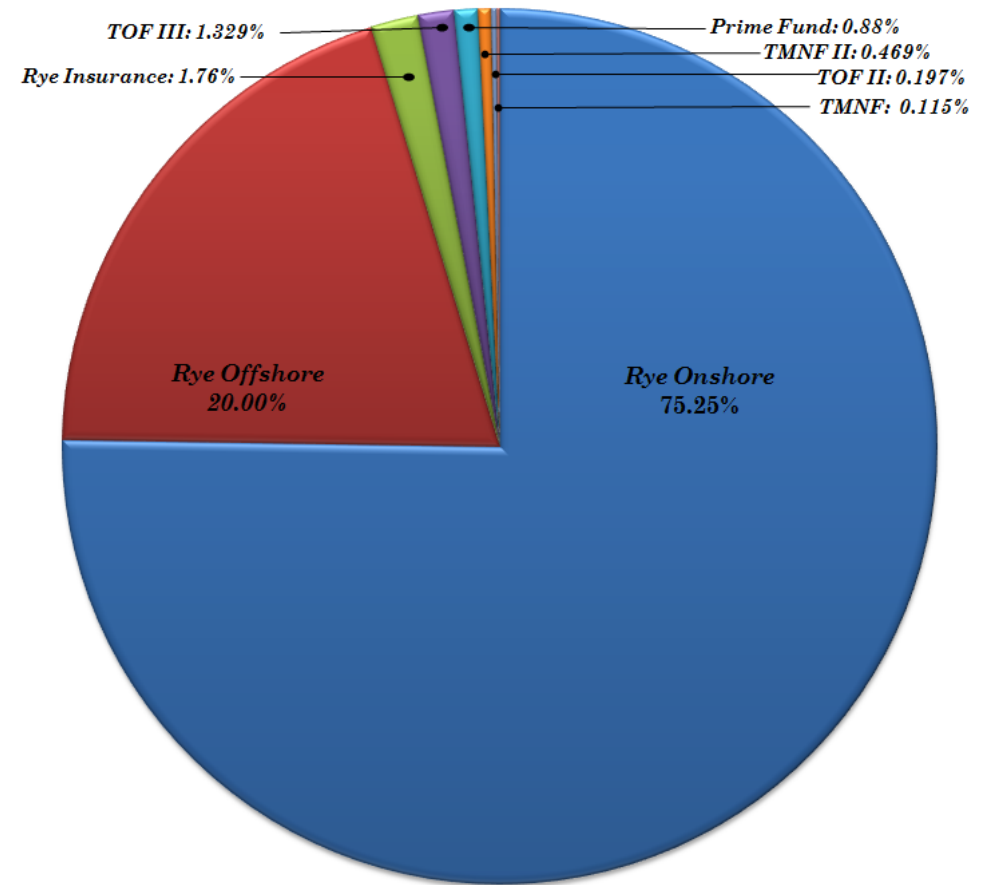


CONTRIBUTIONS TO THE FDA AND ALLOCATIONS FROM THE FDA

**Fund Contributions
to the FDA¹**



Allocations from the FDA



¹ The XL Fund contributions are not included because they are returned on a priority basis and have no carrying interest. The *de minimis* cash contributions by other Rye Funds are subsumed in their distribution percentages.

**Net FDA Value Assuming an
80% Payout by the SIPC Trustee – \$1.446 Billion¹**

FUND	RECOVERY <small>(in millions)</small>
<i>Rye Onshore</i>	1,088.5740
<i>Rye Offshore</i>	289.1823
<i>Rye Insurance</i>	25.4513
<i>XL Fund</i>	
XL Priority Allocation	32.4092
XL Cross Investment Allocation	25.5464
Total XL Fund Recovery	57.9556
<i>Prime Fund</i>	
FDA Distribution	12.7248
Cross Investment - Rye Onshore	8.1525
Cross Investment - XL Fund	22.7
Total Prime Fund Recovery	43.5773
<i>TMNF</i>	
FDA	1.6629
Cross Investment - XL Fund	0.2084
Cross Investment - Prime Fund	0.003
Total TMNF Recovery	1.87474
<i>TMNF II</i>	
FDA	6.7817
Cross Investment - XL Fund	0.1498
Cross Investment - Prime Fund	0.4612
Total TMNF II Recovery	7.3927
<i>TOF II</i>	
FDA Distribution	2.8486
Cross Investment - XL Fund	0.1362
Total TOF II Recovery	2.9848
<i>TOF III</i>	
FDA Distribution	19.2173
Cross Investment - XL Fund	1.362
Cross Investment - Rye Insurance	25.355
Cross Investment - Prime Fund	0.3967
Total TOF III Recovery	46.331
<i>TAF</i>	
Cross Investment - Rye Onshore	0.0047
<i>TMFN Ltd</i>	
Cross Investment - Rye Offshore	0.0011
<i>TOF Ltd</i>	
Cross Investment - Rye Offshore	3.209

¹These estimates are based on the assumed payout and there is no guarantee of what the Trustee will or will not ultimately pay out.

IN RE TREMONT SECURITIES LAW, STATE LAW AND INSURANCE LITIGATION

FILED STATEMENTS IN SUPPORT (OR OTHERWISE AUTHORIZED STATEMENTS IN SUPPORT) OF THE CONSENSUS FDA POA

SUPPORTER	MOTION	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION
Royal Bank of Scotland N.V. (formerly ABN AMRO)	Supporting Consensus FDA POA ECF No. 1109	Allen & Overy LLP	<ul style="list-style-type: none"> Rye Onshore and Rye Offshore Total: \$1.04B 	<ul style="list-style-type: none"> RBS joins and adopts the arguments set forth in the memoranda of law submitted by Dolos X LLC, Dolos XI LLC, Dolos XII LLC, and SPCP Group, LLC in support of the Consensus POA. ECF No. 1109 at 1. The consensus POA embodies a negotiated compromise reached at the end of more than a year of arduous and complex mediation and, as a result of great efforts expended in that mediation, now enjoys the support of a broad group of very differently situated investors. ECF No. 1109 at 2. RBS supports the Consensus POA, which permits a measure of recovery to investors in other Tremont funds that more than fairly reflects those other funds' contributions to the Settlement Agreement. ECF No. 1109 at 4.
HSBC Bank plc	Supporting Class Counsel's FDA POA --- Opposition to Martin ECF No. 1133 Supporting Class Counsel's FDA POA --- Opposition to FutureSelect ECF No. 1121	Cleary Gottlieb Steen & Hamilton LLP	<ul style="list-style-type: none"> Total Interest in Rye Funds: \$580.3M Total Interest in TOF II: HSBC Inc. owns 12.2% of TOF II (TOF II's largest holder); \$4.4M net investment (\$309.6K Madoff-exposed). Residual interest in \$184.5M XL collateral net of \$25.574M Settlement under the Consensus FDA POA 	<ul style="list-style-type: none"> Adopts and joins the arguments of Dolos X LLC, Dolos XI LLC, and Dolos XII LLC. ECF No. 1133 at 1. Following the lengthy mediation process, and in the interest of compromise, the Consensus POA treats indirect investors and "net winner" Funds as if they were granted 502(h) claims equal to 80% of their contributions through a Virtual SIPC Claim. ECF No. 1133 at 4. The Consensus POA allocates money that rightfully belongs to the investors in Rye Onshore, Rye Offshore, and Rye Insurance and places other Funds, and thus their investors, on a similar footing. This concession more than adequately compensates these Funds for their contributions and satisfies any concerns truly motivated by equity. ECF No. 1133 at 4-5. The mediation process resulted in a compromise whereby investors in other Funds will receive a recovery on their losses from the funds belonging to Rye Onshore, Rye Offshore, and Rye Insurance, despite having no legal entitlement to share in any distribution from the allowed claims of those three funds. ECF No. 1121 at 2. The Consensus POA recognizes the legal distinction between directly invested "net loser" Funds and other Funds by allocating most of the FDA proceeds to those who own them—investors in the "net loser" Funds that were granted allowed claims by the Bankruptcy Court—while at the same time reflecting hard-won compromises in favor of other investors in the Funds. ECF No. 1121 at 6. The Consensus POA reflects the compromises made by HSBC and other parties throughout the mediation process. ECF No. 1121 at 7. The Consensus POA encompasses the agreement of a wide variety of investors following years of negotiations, advanced by Class Counsel in line with its fiduciary duty to act on behalf of all investors. ECF No. 1121 at 8.

SUPPORTER	MOTION	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION
SPCP Group, LLC	Supporting Class Counsel's FDA POA ECF No. 1125	Paul, Weiss, Rifkind, Wharton & Garrison LLP	<ul style="list-style-type: none"> Rye Onshore, Rye Offshore and XL Fund Total: \$395M 	<ul style="list-style-type: none"> The Consensus POA represents a reasonable and carefully negotiated compromise. ECF No. 1125 at 2. The Virtual SIPC Claims and Priority Allocation created for investors in the Prime and XL Funds who have no bankruptcy claim as a matter of law do not come out of thin air; they come at the direct expense of investors who were net losers in net loser Funds, and who have made every effort to resolve this FDA dispute by agreeing to the POA proposed by Class Counsel. ECF No. 1125 at 2-3. The Consensus POA gives some recognition to the Court-approved Trustee Settlement in the Madoff bankruptcy proceedings, respects Fund boundaries and background legal principles governing the corporate form, and treats similarly situated investors similarly. ECF No. 1125 at 8. The Consensus POA has a reasonable, rational basis and should be approved. ECF No. 1125 at 8. The Virtual SIPC Claim treats the Tremont Funds better than Rye Onshore and Rye Offshore. Whereas certain Rye Funds contributed nearly \$1 billion to the Trustee Settlement to secure releases from clawback claims that benefitted all participants in the Settlement, the Tremont Funds received the benefit of a complete release by collectively contributing just one-tenth of that amount to the Trustee Settlement. ECF No. 1131 at 7. After years of deliberation and consultation with all interested investors, Class Counsel has concluded that a <i>pro rata</i> plan would not be the most fair and equitable allocation under the facts of this case. ECF No. 1131 at 11.
	Supporting Class Counsel's FDA POA --- Opposition to Martin ECF No. 1131			
Dolos X LLC, Dolos XI LLC and Dolos XII LLC	Supporting Class Counsel's FDA POA --- Opposition to Martin ECF No. 1129 --- Opposition to FutureSelect ECF No. 1118	Weil, Gotshal & Manges LLP	<ul style="list-style-type: none"> Rye Onshore and Rye Offshore Total: \$390.8 million 	<ul style="list-style-type: none"> The Consensus POA correctly recognizes the legal rights of net equity owners of Fund interests. ECF No. 1129 at 6. Consensus POA recognizes and accommodates all of the applicable legal, factual, logical and equitable considerations at issue, but nevertheless reflects compromises (ironically, in favor of Martin and others) that are fair and reasonable. ECF No. 1129 at 8. See <i>a/so</i> ECF No. 1118 at 6. The Consensus POA is the product of vigorous negotiations by Class Counsel and extensive mediation and it has broad-based support from the vast majority of the aggregate net ownership interests in the Funds. ECF No. 1129 at 9. See <i>a/so</i> ECF No. 1118 at 7. The elements underlying the Consensus POA are sound. Consistent with basic principles of law governing entities, as well as SIPA and the case law governing Ponzi scheme recoveries, allocation will be "by fund," and the net investment method then will be used to distribute monies to the owners of each Fund. ECF No. 1129 at 24. In the interests of compromise, and after more than a year of insistent (and sometimes intransigent) prodding by Class Counsel and the Mediator, Dolos agreed to the Consensus POA that would allow assets of Rye Onshore, Rye Offshore and Rye Insurance to be distributed to other Funds. ECF No. 1118 at 3. Through extensive mediation conducted over almost two years, a substantial majority of the ownership interests in the multiple funds achieved consensus on the Consensus POA. ECF No. 1118 at 15. The elements underlying the Consensus POA are sound. ECF No. 1118 at 24. The Consensus POA is fair and reasonable. ECF No. 1118 at 6, 14-15, 23-25.

SUPPORTER	MOTION	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION
New York Life Insurance and Annuity Corporation, Metropolitan Life Insurance Company, New England Life Insurance Company, General American Life Insurance Company, John Hancock Life Insurance Company (U.S.A.), Pacific Life Insurance Company, Security Life of Denver, AIG Life Insurance Company, Delaware Life Insurance Company (f/k/a Sun Life (SLF) Assurance Company of Canada (U.S.)), Pruco Life Insurance Company, Nationwide Life Insurance Company (collectively, the "Insurers")	Verbal Support of the Consensus FDA POA	Morgan, Lewis & Bockius LLP	<ul style="list-style-type: none"> New York Life Ins: TOF III: \$153.45M Metro. Life Ins.: TOF III: \$57.27M New England Life Ins.: TOF III: \$262K Gen. Am. Life Ins.: TOF III: \$36.93M John Hancock: TOF III: \$3.88M Pacific Life Ins.: TOF III: \$33.21M Security Life of Denver: TOF III: \$7.48M AIG Life: \$7.35M Delaware Life Ins. (f/k/a Sun Life): \$3.84M Pruco Life Ins. Co.: TOF III: \$2.14M Nationwide Life Ins. Co.: TOF III: \$806K Total: \$306.6M 	<ul style="list-style-type: none"> Active mediation participants that have authorized us to confirm their support for the Consensus FDA POA.
Ross Group	Supporting Consensus FDA POA ECF No. 1141	Ross Orenstein & Baudry LLC Faegre Baker Daniels LLP	<ul style="list-style-type: none"> Total Interest in Rye Funds: \$190.8M Total Interest in Tremont Funds: \$86.7K Total: \$190.9M 	<ul style="list-style-type: none"> The proposed FDA POA is the product of extensive negotiations in which all parties, including the Ross Group, made compromises. Ross Group 08/10/15 Brief at 1. The FDA POA has broad support among many diverse parties. Ross Group 08/10/15 Brief 1-2.
Austin Capital BMP Fund	Verbal Support of the Consensus FDA POA	Berger Singerman LLP	<ul style="list-style-type: none"> Prime Fund: \$168M 	<ul style="list-style-type: none"> Active mediation participant that has authorized us to confirm its support for the Consensus FDA POA.

SUPPORTER	MOTION	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION
SOLA Ltd, Solus Core Opportunities Master Fund Ltd, Solus Recovery Fund II Master LP, Solus Recovery LH Fund LP, Ultra Master Ltd	Supporting Class Counsel's FDA POA ECF No. 1112	Willkie, Farr & Gallagher LLP	• Total Interest in Rye Funds: \$106.2M	<ul style="list-style-type: none"> Adopts and joins in the arguments of HSBC Bank plc, SPCP Group, LLC, Royal Bank of Scotland, N.V., and Dolos X LLC, Dolos XI LLC, and Dolos XII LLC. ECF NO. 1132 at 1. Adopts and joins in the arguments of HSBC Bank plc, SPCP Group, LLC, Royal Bank of Scotland, N.V., and Dolos X LLC, Dolos XI LLC, and Dolos XII LLC. ECF No. 1112 at 1. The Consensus POA is the closest thing there is or ever will be to a consensus approach. SOLA Brief, ECF No. 1112 at 1-2. The Consensus POA represents a mediation-forged compromise on the part of a great many parties, which gave up value relative to their formal legal rights in the interest of reaching a resolution. SOLA Brief, ECF No. 1112 at 2.
Halcyon Loan Trading Fund LLC	--- Opposition to Martin ECF No. 1132		• Total interest in Rye Funds: \$51.7M	
BMIS Funding I, LLC			• Total Interest in Rye Funds: \$106.2M	
Collins Capital Investments LLC	Verbal Support of the Consensus FDA POA	Vinson & Elkins LLP	• Prime Fund: \$76.1M	• Active mediation participant that has authorized us to confirm its support for the Consensus FDA POA.
Meridian Horizon Fund, LP, Meridian Horizon Fund II, LP, Meridian Diversified Fund, LP, Meridian Diversified Fund, Ltd., Meridian Diversified ERISA Fund, Ltd., Meridian Diversified Compass Fund, Ltd., and Meridian Absolute Return ERISA Fund, Ltd., (collectively, the "Meridian Funds")	Verbal Support of the Consensus FDA POA	Friedman Kaplan Seiler & Adelman LLP	• Total Interest in Rye Funds: \$43.1M	• Active mediation participants that have authorized us to confirm their support for the Consensus FDA POA.
Sandalwood Debt Fund A, L.P., Sandalwood Debt Fund B, L.P. and Oxbridge Associates, L.P.	Verbal Support of the Consensus FDA POA	Orloff Lowenbach Stifelman & Siegel P.A.	• Total Interest in Rye Funds: \$32M	• Active mediation participants that have authorized us to confirm their support for the Consensus FDA POA.
Meritage Capital, LLC	Verbal Support of the Consensus FDA POA	Golenbock Eiseman Assor Bell & Peskoe	• Total Interest in Rye Funds: \$21.8M	• Active mediation participant that has authorized us to confirm its support for the Consensus FDA POA.
Acadia Life Limited, Scottish Annuity and Life International Insurance Company (Bermuda) Ltd. and Hartford Life Insurance	Verbal Support of the Consensus FDA POA	N/A	• TOF III: \$21.66M	• Active mediation participants that have authorized us to confirm their support for the Consensus FDA POA

IN RE TREMONT SECURITIES LAW, STATE LAW AND INSURANCE LITIGATION
MICHAEL S. MARTIN OBJECTION AND RESPONSES

OBJECTOR/SUPPORTER	MOTION FOR	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION	STATUS
Michael S. Martin	Approval of Martin's Proposal, Disclosure of Agreements made in connection with the Consensus FDA POA, Subclasses, and Discovery (ECF 1093)	Wohl & Fruchter Kantrowitz, Goldhammer & Graifman, P.C.	<ul style="list-style-type: none">TOF II: \$0 (due to tender of \$40K in Madoff-related losses)	<ul style="list-style-type: none">Martin has standing to submit his own plan of allocation because the FDA is akin to a receivership. ECF No. 1095 at 9The Martin proposal is fair and equitable; under Rule 23(e)(2) the allocation must treat similarly situated investors equally; and under liquidation of a receivership, similarly situated investors must be treated equally (i.e., a <i>pro rata</i> distribution based of claimants' net investments). ECF No. 1095 at 11The Court should require disclosure of agreements Class Counsel made in connection with the Consensus FDA POA because evidence of collusion and disclosure is required under Rule 23(e)(3). ECF No. 1095 at 8<i>Literary Works</i> requires subclasses, and Martin has standing to represent investors in the Tremont Funds which contributed to the Trustee Settlement. ECF No. 1095 at 24Martin has standing despite the tender of his Madoff losses under Tanasi because he requested subclasses. ECF No. 1095 at 27The Court should permit discovery regarding the formation of the FDA POA and schedule a related hearing. ECF No. 1095 at 29	N/A
Class Counsel	Opposing Martin's POA (ECF No. 1134)	Entwistle & Cappucci LLP		<ul style="list-style-type: none">Martin invested in TOF II, which only invested a portion of its fund in various Rye Funds. ECF No. 1134 at 7Tremont tendered 100% of Martin's Madoff-related losses on 5/21/15. ECF No. 1134 at 15Martin's putative standing argument had been previously rejected by the Court in its 6/5/15 opinion as having "no application." ECF No. 1134 at 17Martin's POA would reward non-eligible investors with a windfall, while diminishing eligible investors' claim. ECF No. 1134 at 7The FDA is a <i>quasi</i>-liquidation of each Rye Fund's assets to the extent contributed to the FDA. ECF No. 1134 at 18The FDA is not a receivership. ECF No. 1134 at 9	N/A

OBJECTOR/SUPPORTER	MOTION FOR	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION	STATUS
Royal Bank of Scotland N.V. (formerly ABN AMRO)	Opposing Martin's Motion Supporting Class Counsel's FDA POA (ECF No. 1128)	Allen & Overy LLP	<ul style="list-style-type: none">Rye Onshore and Rye Offshore: \$1.04B	<ul style="list-style-type: none">"RBS joins and adopts the arguments in opposition to the Martin Motion in the memoranda of SPCP Group, LLC and Dolos X LLC, Dolos XI LLC, Dolos XII LLC, but writes separately to correct a number of mischaracterizations advanced by the Martin Motion." ECF No. 1128 at 1"The [consensus POA] embodies a negotiated compromise reached at the end of more than a year of arduous and complex mediation led by[Judge Phillips] and, as a result of great efforts expended in that mediation, now enjoys the support of a broad group of very differently situated investors." ECF No. 1128 at 1-2.The Martin POA would "redistribute money away from 'victims' invested in Rye Onshore and Rye Offshore toward those holding interests in funds that were not even customers of BLMIS like [TOF II], the fund in which Mr. Martin invested." ECF No. 1128 at 3Martin's suggestion that the Consensus POA maximizes profits for Rye Onshore and Rye Offshore investors like Fortress is false. ECF No. 1128 at 4The Consensus POA "grants distributions to other funds' investors that, but for the successful mediation process and painful compromise, RBS and other similarly situated parties would have litigated to prevent." ECF No. 1128 at 4	N/A
Dolos X LLC, Dolos XI LLC and Dolos XII LLC	Opposing Martin's Motion Supporting Class Counsel's FDA POA (ECF No. 1129)	Weil Gotshal & Manges LLP	<ul style="list-style-type: none">Rye Onshore and Rye Offshore: \$390.8M	<ul style="list-style-type: none">Only Rye Onshore, Offshore, and Insurance have Bankruptcy Claims because they were "net losers" and customers of BLMIS. Investors in the Funds are not similarly situated because some are customers and some are not. ECF No. 1129 at 16Net winners and non-customers have other avenues of recovery. ECF No. 1129 at 24-27The Funds are distinct, separate entities which must be respected. ECF No. 1129 at 19The Consensus FDA POA is fair and reasonable. ECF No. 1129 at 27-29	N/A

OBJECTOR/SUPPORTER	MOTION FOR	COUNSEL	NET INVESTMENTS IN ELIGIBLE FUNDS	ARGUMENTS IN MOTION	STATUS
SPCP Group, LLC	Opposing Martin's Motion Supporting Class Counsel's FDA POA (ECF No. 1131)	Paul Weiss LLP	<ul style="list-style-type: none"> Rye Onshore, Rye Offshore, and XL Fund: \$395M 	<ul style="list-style-type: none"> Class Counsel's FDA POA is reasonable, fair and adequate (same above). ECF No. 1131 at 8-9 Martin's priority allocation is inappropriate because the Trustee Settlement did not give Prime or the Tremont funds any claim or allocation and because Martin ignores the loan taken out by Onshore and Offshore. ECF No. 1131 at 13 <i>Pro rata</i> distribution is improper because the FDA is not a receivership, the funds were not commingled and the victims are not similarly situated. ECF No. 1131 at 14 <i>Literary Works</i> is distinguishable: there is no FDA class; the mediation was attended by investor's own counsel who only invested in Prime and XL. There is no substantive conflict either; the differences in investors' recoveries under the FDA are due to the fact that the Funds have claims of varying worth. ECF No. 1131 at 15-18 Martin could have moved for subclasses in 2011 but did not and the Court should not indulge his delay. ECF No. 1131 at 17-18 	N/A
SOLA Ltd, Solus Core Opportunities Master Fund Ltd, Solus Recovery Fund II Master LP, Solus Recovery LH Fund LP, Ultra Master Ltd, and Halcyon Loan Trading Fund LLC	Opposing Martin Motion (ECF No. 1132)	Willkie Farr & Gallagher LLP	<ul style="list-style-type: none"> Sola Ltd., et al., Rye Onshore: 157.9M 	<ul style="list-style-type: none"> Adopts arguments of HSBC, SPCP, RBS, and Dolos. ECF No. 1132 	N/A
BMIS Funding I, LLC		Milbank Tweed Hadley & McCloy LLP	<ul style="list-style-type: none"> BMIS Fund, Rye Onshore: \$106.2M Total: \$264.1 		
HSBC plc	Opposing Martin Motion (ECF No. 1133)	Cleary Gottlieb	<ul style="list-style-type: none"> Rye Onshore: \$426.2M Rye Offshore: \$154.1M Total: \$580.3M Total interest in TOF II: HSBC Inc. owns 12.2% of TOF II (TOF II's largest holder); \$4.4M net investment (\$309.6K Madoff-exposed) Residual interest in \$184.5M XL collateral net of \$25.574M Settlement under the Consensus FDA POA 	<ul style="list-style-type: none"> Martin Proposal has same flaws as the FutureSelect Proposal: it ignores the Trustee Settlement; awards net winners; ignores the Funds' structure/separateness; and ignores HSBC's collateral interests. ECF No. 1133 at 2-3 The Trustee Settlement did not give "priority claims" in exchange for the contributions to the Trustee Settlement, it gave claims to only three Funds equal to 80% of their contributions. ECF No. 1133 at 3-4 The Funds' contributions to the Trustee Settlement were in exchange for releases of clawback claims and so a priority claim is inappropriate. ECF No. 1133 at 4 Martin's Proposal is an attempt to maximize his own recovery. ECF No. 1133 at 4 Martin's Proposal to not offset investor's gains and losses is inequitable. ECF No. 1133 at 5 	N/A

IN RE TREMONT SECURITIES LAW, STATE LAW AND INSURANCE LITIGATION
FUTURESELECT PRIME ADVISOR, ET AL. OBJECTION AND RESPONSES

OBJECTOR	MOTION FOR	ATTORNEYS REPRESENTING	NET INVESTMENTS IN ELIGIBLE HEDGE FUNDS	ARGUMENTS IN MOTION	STATUS
FutureSelect Prime Advisor II LLC, The Merriwell Fund, L.P., and Telesis IIW, LLC (collectively, "FutureSelect")	Certification of FDA Subclasses (ECF No. 1076)	Thomas, Alexander & Forrester LLP	XL Fund: <ul style="list-style-type: none">FutureSelect: \$35,500,000Merriwell: \$10,815,000 Prime Fund: <ul style="list-style-type: none">FutureSelect: \$66,351,000Merriwell: \$15,974,000 Rye Onshore <ul style="list-style-type: none">FutureSelect: -\$3,363,000Telesis: \$206,000 <ul style="list-style-type: none">Total: \$132.2M	<ul style="list-style-type: none"><i>Literary Works</i> requires subclasses: The Consensus FDA POA creates a "fundamental conflict" among Fund Distribution Claimants because of the differences in the amounts allocated to the Funds. ECF No. 1077	Withdrawn in Support of Consensus FDA POA as of 08/--/15
	Approval of FutureSelect Plan of Allocation (ECF No. 1082)			<ul style="list-style-type: none">The Consensus FDA POA does not equally and equitably compensate investors because it is inconsistent with the Stipulation of Settlement in that it "limit[s] FDA participants to investors in net loser funds." ECF No. 1083 at 5The Consensus FDA POA is inconsistent with statements of Class Counsel that all net loser investors will "get their share" of the FDA. ECF No. 1083 at 2-3FutureSelect's POA is consistent with plans approved by other courts in Ponzi scheme cases. ECF No. 1083 at 7-8FutureSelect's POA is consistent with the NSF POA. ECF No. 1083 at 8-10<i>Literary Works</i> requires the Court to approve the FutureSelect POA. ECF No. 1083 at 10-11	
Class Counsel	Opposing FutureSelect's Certification of Subclasses (ECF No. 1097)	Entwistle & Cappucci LLP		<ul style="list-style-type: none">FDA POA is not a settlement. It is a proposal to allocate money received in connection with the Settlement of the Tremont-related claims and the related Madoff Trustee Settlement. ECF No. 1097 at 4The Court has rejected twice requests for subclasses. ECF No. 1097 at 4The subclass issues were raised and disposed of during approval of the Settlement or addressed during the appellate process. The time for FutureSelect to raise these issues has passed. ECF No. 1097 at 4-5FutureSelect's reliance on <i>Literary Works</i> is misplaced as it is factually and procedurally distinct from this litigation. ECF No. 1097 at 6FutureSelect's original objection to the settlement did not contend that subclasses were required or that the FDA POA was unfair. ECF No. 1097 at 8	N/A
	Opposing FutureSelect's POA (ECF No. 1123)			<ul style="list-style-type: none">The funds in which FutureSelect invested do not have a recognized claim in the Madoff Bankruptcy. ECF No. 1123 at 5-6FutureSelect's POA does not treat all investors equitably. ECF No. 1123 at 6-7FutureSelect's POA takes a substantial portion of the assets contributed to the FDA by Rye Onshore, Rye Offshore and Rye Insurance and distributes it to Rye and Tremont Funds which contributed little or nothing to the FDA. ECF No. 1123 at 6FutureSelect's POA ignores the provisions of the approved Settlement that requires preservations of Cross Investments. ECF No. 1123 at 7-8FutureSelect's POA "improperly limits the definition of 'Fund Distribution Claimant' to holders as of 12/11/08; thus preventing assignees or successors-in-interest from recovering their legally transferred interests in the FDA." ECF No. 1123 at 7	
Royal Bank of Scotland N.V. (formerly ABN AMRO)	Supporting Class Counsel's FDA POA	Allen & Overy LLP	<ul style="list-style-type: none">Rye Onshore and Rye Offshore: \$1.04B	<ul style="list-style-type: none">Class Counsel's FDA POA is not a "Fortress POA," it is a compromise resulting from the Mediation. Nor was it supported by only secondary market purchases. ECF No. 1109 at 1-2	N/A
	Opposing FutureSelect's POA (ECF No. 1109)			<ul style="list-style-type: none">XL and Prime have no legal right to the FDA because they did not receive a claim in the Madoff Bankruptcy and because Prime was a net winner. ECF No. 1109 at 3-4	

Objector	Motion For	Attorneys Representing	Net Investments in Eligible Hedge Funds	Arguments in Motion	Status
SOLA Ltd, Solus Core Opportunities Master Fund Ltd, Solus Recovery Fund II Master LP, Solus Recovery LH Fund LP, Ultra Master Ltd	Supporting Class Counsel's FDA POA Opposing FutureSelect's POA (ECF No. 1112)	Willkie Farr & Gallagher LLP	<ul style="list-style-type: none"> Total Interest in Rye Funds: \$106.2M 	<ul style="list-style-type: none"> Class Counsel's FDA POA is not the "Fortress Plan," it is a mediation-forged consensus. ECF No. 1112 at 1-2 FutureSelect's Plan wrongly destroys the recovery of secondary market purchasers. ECF No. 1112 at 2 	N/A
Halcyon Loan Trading Fund LLC			<ul style="list-style-type: none"> Total Interest in Rye Funds: \$51.7M 		
BMIS Funding I, LLC		Milbank Tweed Hadley & McCloy LLP	<ul style="list-style-type: none"> Total Interest in Rye Funds: \$106.2M 		
Dolos X LLC, Dolos XI LLC and Dolos XII LLC	Opposing FutureSelect's POA (ECF No. 1118)	Weil Gotshal & Manges LLP	<ul style="list-style-type: none"> Rye Onshore and Rye Offshore: \$390.8M 	<ul style="list-style-type: none"> FutureSelect's POA is inappropriate because it ignores the Trustee Settlement and the following differences in the Funds': (i) customer status; (ii) net winner/loser status; (iii) their contributions to the FDA; (iv) assets exposed to BLMIS; and (v) structure. ECF No. 1118 at 20-29 Prime and XL have other avenues of recovery. ECF No. 1118 at 24 The Consensus FDA POA is fair and reasonable. ECF No. 1118 at 27 	N/A
HSBC plc	Opposition to FutureSelect's POA and in Support of Class Counsel's FDA POA (ECF No. 1121)	Cleary Gottlieb	<ul style="list-style-type: none"> Rye Onshore: \$426.2M Rye Offshore: \$154.1M Total: \$580.3M Total interest in TOF II: HSBC Inc. owns 12.2% of TOF II (TOF II's largest holder); \$4.4M net investment (\$309.6K Madoff-exposed) Residual interest in \$184.5M XL collateral net of \$25.574M Settlement under the Consensus FDA POA 	<ul style="list-style-type: none"> The Trustee Settlement gave only the three Rye Funds claims because they were all net losers and customers of BLMIS, and only these three funds have a right to the funds from those claims. ECF No. 1121 at 6 FutureSelect's POA ignores Fund Structure by commingling the Funds' assets. ECF No. 1121 at 6-7 In order to achieve a consensus, Onshore, Offshore and Insurance investors agreed to share. ECF No. 1121 at 7 The Consensus Proposal is a carefully crafted compromise resulting from the extensive mediation process. ECF No. 1121 at 7 Any distributions on account of XL's investment in Rye Onshore should go only to HSBC. ECF No. 1121 at 8 	N/A

Objector ¹	Motion For	Attorneys Representing	Net Investments in Eligible Hedge Funds	Arguments in Motion	Status
SPCP Group, LLC	Supporting Class Counsel's FDA POA Opposing FutureSelect's POA (ECF No. 1125)	Paul Weiss LLP	<ul style="list-style-type: none"> Rye Onshore, Rye Offshore, and XL Fund : \$395M 	<ul style="list-style-type: none"> Class Counsel's FDA POA is reasonable, fair and adequate. ECF No. 1125 at 8-12 <ul style="list-style-type: none"> The SIPC claim allocation is fair because it arises out of the Trustee Settlement and only net loser funds who were customers of BLMIS received SIPC claims. ECF No. 1125 at 10 The Virtual SIPC Claim is fair because it is the same percentage the Trustee Settlement gives to the three Rye Funds. ECF No. 1125 at 11 The XL Priority Allocation is reasonable because it is the only Fund to contribute directly to the FDA and it recognizes the Trustee Settlement, respects Fund structure and treats similarly situated investors similarly. ECF No. 1125 at 12 FutureSelect's POA should be denied because the FDA is not a class action settlement fund, it is a quasi-liquidation fund. ECF No. 1125 at 13-14 FutureSelect's POA is no more consistent with the Settlement than Class Counsel's POA as both plans allow Prime and XL to recover. ECF No. 1125 at 14 Prior Madoff cases do not support FutureSelect's Proposal and their proposal is improper because the Funds are not similarly situated. ECF No. 1125 at 15 <i>Literary Works</i> is distinguishable: there is no FDA class; the mediation was attended by investor's own counsel who only invested in Prime and XL. There is no substantive conflict either; the differences in investors' recoveries under the FDA are due to the fact that the Funds have claims of varying worth. ECF No. 1125 at 15-17 FutureSelect opted out of the class case (the NSF) and so cannot ask for subclasses now. ECF No. 1125 at 17-18 	N/A

¹ Objector Michael S. Martin also partially objected to FutureSelect's POA (ECF No. 1124) noting that a straight *pro rata* distribution of the FDA would unjustly enrich investors in Funds that did not contribute to the Trustee Settlement.

**Active Mediation Participants in Addition to the
Class Representatives Supporting the Consensus FDA POA**

SUPPORTER	TOTAL INTEREST IN TREMONT/RYE FUNDS
Royal Bank of Scotland N.V. (formerly ABN AMRO)	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$1.04B
HSBC Bank plc HBSC Inc.	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$580.3M • Total Interest in TOF II: HSBC Inc. owns 12.2% of TOF II (TOF II's largest holder); \$4.4M net investment (\$309.6K Madoff - exposed) • Residual interest in \$184.5M XL collateral, net of \$25.574M settlement under the Consensus FDA POA
SPCP Group, LLC	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$395M
Dolos X LLC, Dolos XI LLC and Dolos XII LLC	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$390.8M
New York Life Insurance and Annuity Corporation, Metropolitan Life Insurance Company, New England Life Insurance Company, General American Life Insurance Company, John Hancock Life Insurance Company (U.S.A.), Pacific Life Insurance Company, Security Life of Denver, AIG Life Insurance Company, Delaware Life Insurance Company (f/k/a Sun Life (SLF) Assurance Company of Canada (U.S.)), Pruco Life Insurance Company, Nationwide Life Insurance Company (collectively, the "Insurers")	<ul style="list-style-type: none"> • Total Interest in TOF III: \$306.6M Net Investment (\$68.775M Madoff-exposed)
Ross Group	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$190.8M • Total Interest in Tremont Funds: \$86.7K
Austin Capital BMP Fund Collins Capital Investments LLC	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$244.1M
BMIS Funding I, LLC	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$106.2M
SOLA Ltd., Solus Core Opportunities Master Fund Ltd., Solus Recovery Fund II Master LP, Solus Recovery LH Fund LP and Ultra Master Ltd.	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$106.2M
Halcyon Trading Fund LLC	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$51.7M

SUPPORTER	TOTAL INTEREST IN TREMONT/RYE FUNDS
Meridian Horizon Fund, LP, Meridian Horizon Fund II, LP, Meridian Diversified Fund, LP, Meridian Diversified Fund, Ltd., Meridian Diversified ERISA Fund, Ltd., Meridian Diversified Compass Fund, Ltd. and Meridian Absolute Return ERISA Fund, Ltd. (collectively, the “Meridian Funds”)	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$43.1M
Sandalwood Debt Fund A, L.P., Sandalwood Debt Fund B, L.P. and Oxbridge Associates, L.P.	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$32M
Meritage Capital, LLC	<ul style="list-style-type: none"> • Total Interest in Rye Funds: \$21.8M
Acadia Life Limited, Scottish Annuity and Life International Insurance Company (Bermuda) Ltd. and Hartford Insurance Co.	<ul style="list-style-type: none"> • Total Interest in TOF III: \$21.66M net investment (\$6.22 million exposed)
TOTAL SUPPORT – RYE FUNDS	\$3.307 BILLION
TOTAL SUPPORT – TREMONT FUNDS	\$313.22 MILLION
COMBINED SUPPORT:	\$3.62 BILLION

Objectors to the Consensus FDA POA

OPPOSITION	TOTAL INTEREST IN TREMONT/RYE FUNDS	STATUS
Michael S. Martin	<ul style="list-style-type: none"> • TOF II: \$0 (due to tender of \$40K in Madoff-related losses) 	No standing (by tender)
Antonio G. Calabrese	<ul style="list-style-type: none"> • \$0 	No standing (policy holder, in an excluded carrier, in a fund – LDC – under liquidation in the Caymans)
George Turner, Bindler Living Trust, Madelyn Haines, William J. Millard Trust, Stella Ruggiano Trust and Paul Zamrowski (represented by Attorney Gresham)	<ul style="list-style-type: none"> • \$0 (due of tender of \$389.7K in Madoff-related losses) 	No standing (by tender)
John Johnson and West Trust ¹	<ul style="list-style-type: none"> • TMNF II: \$104.3K 	No standing (never appeared in action or filed complained)
Philadelphia Financial Life Assurance Company	<ul style="list-style-type: none"> • \$0 (net winner investor in Prime Fund and Tremont Funds) 	No standing (net winner investor)
TOTAL OPPOSITION – RYE FUNDS		\$0
TOTAL OPPOSITION – TREMONT FUNDS		\$0 (\$104.3K if Johnson and West Trust are included, <i>see</i> n.1)
COMBINED OPPOSITION:		\$0

¹ Attorney Gresham, apparently recognizing the above clients all accepted tenders of their Madoff losses, has added Johnson and the West Trust to his group. Johnson and West Trust's combined Madoff-related losses in the TOF II Fund are \$104.3K. They are not included above because neither filed an appearance or a complaint in the Actions, though Attorney Gresham now lists them on his papers as clients.

COMPARISON OF FDA POA SUPPORTERS AND OBJECTORS

