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Hearing Date and Time: June 21, 2011 at 10:00 a.m.
Objection Deadline: June 14, 2011

*Attorneys for Irving H. Picard, Trustee for
the Substantively Consolidated SIPA
Liquidation of Bernard L. Madoff
Investment Securities LLC And Bernard L.
Madoff*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC

No. 08-01789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

Adv. Pro. No. 09-01239

Plaintiff,

v.

FAIRFIELD SENTRY LTD. *et al*,

Defendants.

TRUSTEE'S MOTION FOR ENTRY OF AN ORDER PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002(a)(3) AND 9019(a) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING AGREEMENTS BY AND BETWEEN THE TRUSTEE, GREENWICH SENTRY, L.P. AND GREENWICH SENTRY PARTNERS, L.P.

TO: THE HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE,

Irving H. Picard, Esq. (the "Trustee"), as trustee for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment Securities LLC ("BLMIS") under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.* ("SIPA"), and Bernard L. Madoff ("Madoff" and together with BLMIS, the "Debtors"), by and through his undersigned counsel, submits this motion (the "Motion") seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), and Rules 2002(a)(3) and 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), approving of (i) an agreement by and between the Trustee and Greenwich Sentry, L.P., debtor and debtor-in-possession ("Greenwich Sentry"), (the "Greenwich Sentry Agreement")¹ and (ii) an agreement by and between the Trustee and Greenwich Sentry Partners, L.P., debtor and debtor-in-possession ("GSP" and together with Greenwich Sentry, the "Greenwich Debtors") (the "GSP

¹ The form of Greenwich Sentry Agreement is annexed hereto as Exhibit "A."

Agreement” and together with the Greenwich Sentry Agreement, the “Agreements”² and in support thereof, the Trustee respectfully represents as follows:

**BACKGROUND AND RELEVANT PROCEDURAL HISTORY IN THIS AND IN
RELATED PROCEEDINGS**

1. On December 11, 2008 (the “Filing Date”), the Securities and Exchange Commission (“SEC”) filed a complaint in the United States District Court for the Southern District of New York (the “District Court”) against the Debtors (Case No. 08 CV 10791). The complaint alleged that the Debtors engaged in fraud through investment advisory activities of BLMIS.

2. On December 15, 2008, pursuant to section 78eee(a)(4)(A) of SIPA, the SEC consented to a combination of its own action with an application of the Securities Investor Protection Corporation (“SIPC”). Thereafter, pursuant to section 78eee(a)(3) of SIPA, SIPC filed an application in the District Court alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protection afforded by SIPA.

3. On that date, the District Court entered the Protective Decree, to which BLMIS consented, which, in pertinent part:

- (a) appointed the Trustee for the liquidation of the business of BLMIS pursuant to section 78eee(b)(3) of SIPA;
- (b) appointed Baker & Hostetler, LLP as counsel to the Trustee pursuant to section 78eee(b)(3) of SIPA; and
- (c) removed the case to this Court pursuant to section 78eee(b)(4) of SIPA.

² The form of GSP Agreement is annexed hereto as Exhibit “B.”

4. At a plea hearing (the “Plea Hearing”) on March 12, 2009 in the criminal action filed against him by the United States Attorney’s Office for the Southern District of New York, Madoff pled guilty to an 11-count criminal information, which counts included securities fraud, money laundering, theft and embezzlement. At the Plea Hearing, Madoff admitted that he “operated a Ponzi scheme through the investment advisory side of [BLMIS].” (Plea Hr’g Tr. at 23:14-17.) On June 29, 2009, Madoff was sentenced to a term of imprisonment of 150 years.

5. On April 13, 2009, an involuntary bankruptcy petition was filed against Madoff. On June 9, 2009, this Court entered an order substantively consolidating the Chapter 7 estate of Madoff into the BLMIS SIPA proceeding.

THE TRUSTEE’S CLAIMS AGAINST THE GREENWICH DEBTORS

6. Greenwich Sentry was a customer of BLMIS and maintained Customer Account 1G0092 with BLMIS (the “Greenwich Sentry Account”) commencing in or about November, 1992. Greenwich Sentry withdrew \$23 million from the Greenwich Sentry Account within ninety days before the Filing Date (“90 Day Withdrawals”) and an additional \$183,038,654 from the Greenwich Sentry Account during the period more than 90 days, but less than six years, before the Filing Date (the “Pre 90-Day Withdrawals” and, together with the 90 Day Withdrawals, (the “Greenwich Sentry Withdrawals”).

7. GSP was a customer of BLMIS and maintained Customer Account 1G0371 with BLMIS (the “GSP Account”) commencing in or about May 1, 2006. GSP withdrew \$5,985,000 from the GSP Account during the period more than 90 days, but less than six years, before the Filing Date (the “GSP Withdrawals” and together with the Greenwich Sentry Withdrawals, the “Withdrawals”).

8. The Trustee commenced this adversary proceeding and asserted, *inter alia*, that the Greenwich Debtors are liable to the BLMIS Estate under 11 U.S.C. §§ 544, 547, 548, 550, SIPA, and the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law §§ 270-281) for the Withdrawals made by them from BLMIS (“the Avoiding Power Claims”); specifically, the Trustee sought, *inter alia*, recovery from Greenwich Sentry in an aggregate amount totaling \$206,038,654 and recovery from GSP in an aggregate amount totaling \$5,985,000. The Trustee has also asserted claims for turnover and accounting of the Withdrawals, and for disallowance of the Greenwich Sentry and GSP SIPA Claims. The Greenwich Debtors have disputed any liability to the BLMIS Estate in connection with the Adversary Proceeding and the Avoiding Power Claims alleged therein.

GREENWICH DEBTORS’ CLAIMS AGAINST THE BLMIS ESTATE

9. Between the opening of the account and the Filing Date, on an overall basis, Greenwich Sentry deposited into the Greenwich Sentry Account a total of \$140,439,146 in excess of the amount of withdrawals that Greenwich Sentry made from the account. Greenwich Sentry filed a customer claim in the SIPA Proceeding (assigned claim number 7897) alleging aggregate losses from the Greenwich Sentry Accounts of \$314,053,923 (the “Greenwich Sentry SIPA Claim”). The Greenwich Sentry SIPA Claim, as filed, asserts that Greenwich Sentry is entitled to the allowance and distribution of a customer claim in the SIPA proceeding in an amount reflected on the Greenwich Sentry BLMIS account statement for the period ending November 30, 2008.

10. The GSP Account was on opened on May 1, 2006, through the transfer of \$5,762,560 from the Greenwich Sentry Account into the GSP Account. At the time of the May 1 transfer, although Greenwich Sentry’s account statement showed a positive balance,

in reality, the Greenwich Sentry Account had a negative cash balance. On June 30, 2006, \$1,207,344, was transferred back to the Greenwich Sentry Account from the GSP Account. As a result of these transfers and later cash deposits and withdrawals, between the opening of the account and the Filing Date, on an overall basis, GSP deposited into the GSP Account a total of \$2,540,000 in excess of the amount of withdrawals that GSP made from the account. GSP filed a customer claim in the SIPA Proceeding (assigned claim number 7896) alleging aggregate losses from the GSP Account of \$10,426,182 (the "GSP SIPA Claim"). The GSP SIPA Claim, as filed, asserts that GSP is entitled to the allowance and distribution of a customer claim in the SIPA proceeding in an amount reflected on the GSP BLMIS account statement for the period ending November 30, 2008.

11. The Trustee has disputed that the Greenwich Debtors are entitled to allowance and distribution of customer claims in the amount reflected on their November 30, 2008 BLMIS account statements. On March 1, 2010 this Court issued an opinion applying the Trustee's "net equity" calculation of customer claims as the difference between investment into BLMIS and amounts withdrawn (the "Net Equity Method"). On March 8, 2010 this Court entered an order implementing the decision and certifying it for immediate appeal for the United States Court of Appeals for the Second Circuit.

12. On November 19, 2010, the Greenwich Debtors filed a voluntary petition for relief under the Bankruptcy Code in the Bankruptcy Court and have continued in the possession of their property as debtors and debtors-in-possession.

13. The Trustee and the Greenwich Debtors have agreed to settle their disputes regarding the matters described above in accordance with the terms of the Agreements.

**SETTLEMENT DISCUSSIONS AND OVERVIEW OF TRUSTEE'S
INVESTIGATION**

14. The Greenwich Debtors engaged in good faith discussions with the Trustee aimed at resolving the Trustee's claims. While the Greenwich Debtors informed the Trustee they disputed they had any liability to the Trustee, the Greenwich Debtors nevertheless engaged in good faith negotiations with the Trustee that yielded the settlement set forth in the Agreement.

15. The Trustee has conducted a comprehensive investigation of the Greenwich Debtors' investments through BLMIS, the Greenwich Debtors' BLMIS Accounts, and the dealings between the Greenwich Debtors and other BLMIS Feeder Funds, and BLMIS customers. The Greenwich Debtors have cooperated with the Trustee and facilitated the investigation by providing information the Trustee has requested. This investigation includes, but is not limited to: the review and analysis of both the Greenwich Debtors' BLMIS-related transactional histories as reflected in the BLMIS account statements, correspondence and other records and documents available to the Trustee; interviews with third-party witnesses; meetings with the Greenwich Debtors and some limited partners thereof and their counsel; and a substantial review of third-party records and documents.

16. After a review of the relevant records and a thorough and deliberate consideration of the uncertainty and risks inherent in all litigation, the Trustee, in the exercise of his business judgment, has determined that it is appropriate to reach a business resolution in this matter rather than continue the litigation.

OVERVIEW OF THE AGREEMENT

17. The material terms of the Agreements include:³
- a. Judgment will be entered against Greenwich Sentry in the amount of \$206,038,654 and against GSP in the amount of \$5,985,000 (the “Judgments”), which will be memorialized by judgments that confirm the avoidance of the transfers from BLMIS to the Greenwich Debtors. The Judgments will be treated as set forth under plans of reorganization that the Greenwich Debtors intend to file in the near future (the “Plans”). The Trustee will hold allowed general unsecured claims in the amount of the Judgments (the “Trustee’s Allowed Claims”). Except for the interests in the property to be conveyed, assigned to, or shared with the Trustee under the Agreements, the Trustee will not have any right to be paid from the Retained Assets in the Greenwich Debtors’ estates.
 - b. The Greenwich Debtors will assign all of their claims against their general partners, former investment managers, investment advisors (excluding the Service Providers), managing entities, directors, alleged partners, partners, employees and officers, their relative and affiliates (“Claims Against Management”) to the Trustee, and under the Plans all persons other than the Trustee shall be barred from prosecuting Claims Against Management. If the Trustee recovers a gross amount of \$200 million from the Claims Against Management, the Trustee will then credit towards a portion of the Trustee’s Allowed Claim against Greenwich Sentry ten percent (10%) of gross consideration received in excess of \$200 million and six tenths of one percent (.6%) toward the Trustee’s Allowed Claim against GSP.
 - c. Greenwich Sentry will retain the first \$50 million in recoveries from Service Provider Claims, and will pay to the Trustee twenty percent (20%) of Net Recoveries from Service Provider Claims in excess of \$50 million up to a cap, after which Greenwich Sentry will retain one hundred percent (100%) of the Net Recoveries from Service Provider Claims.
 - d. Greenwich Sentry Partners will retain the first \$2.8 million in recoveries from Service Provider Claims, and will pay to the Trustee twenty percent (20%) of Net Recoveries from Service Provider

³ Only a summary of the Agreements is provided herein. The form of the Agreements attached as Exhibit “A” and Exhibit “B” hereto should be reviewed for a complete account of their terms. Any capitalized term not otherwise defined herein shall have the meaning ascribed in the Agreements.

Claims in excess of \$2.8 million up to a cap, after which Greenwich Sentry Partners will retain one hundred percent (100%) of the Net Recoveries from Service Provider Claims.

- e. The Trustee has agreed to pay to the Greenwich Debtors twenty percent (20%) of amounts recovered by the Trustee from subsequent transferees of property initially transferred from BLMIS to the Greenwich Debtors (“Subsequent Transferee Claims”) up to a cap, after which the Greenwich Debtors will be paid 100% of the amounts recovered from Subsequent Transferee Claims.
- f. The Greenwich Debtors will assign to the Trustee any state common law or statutory claims against persons who redeemed funds from the Greenwich Debtors (“Redeemer Claims”), and shall retain all of the estate’s rights and claims under Chapter 5 of the Bankruptcy Code against such redeemers who are not members of Management.
- g. Any recoveries on account of Redeemer Claims, Subsequent Transferee Claims or Service Provider Claims received by the Trustee will be used to reduce the Judgments.
- h. Greenwich Sentry will be granted an allowed customer claim against the BLMIS estate in the amount of \$35 million. GSP will be granted an allowed customer claim against the BLMIS estate in the amount of \$2,011,304. The Greenwich Debtors will be entitled to the benefits of any SIPC advance with respect to such claims.
- h. The Plans shall provide that certain members of Management holding the claims and interests in the Greenwich Debtors identified in Section 10 of the Agreement shall not receive or retain anything of value on account of those claims and interests, except for rights of set-off or counterclaim on Claims Against Management.
- i. The transactions contemplated by the Agreements will take effect on the effective date of the Plans. The filing of a motion for approval of the Plans will be filed concurrently with the filing of the motion for approval of the Agreements.

RELIEF REQUESTED

18. By this Motion, the Trustee respectfully requests that the Court enter an order substantially in the form of the proposed Order annexed hereto as Exhibit “C” approving the Agreement.

LEGAL BASIS

I. The Agreement is Fair, Equitable and in the Best Interests Of the Debtors, their Estates and Customers of BLMIS

19. Bankruptcy Rule 9019(a) provides, in pertinent part, that: “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Courts have held that in order to approve a settlement or compromise under Bankruptcy Rule 9019(a), a bankruptcy court should find that the compromise proposed is fair and equitable, reasonable and in the best interests of a debtor’s estate. *In re Ionosphere Clubs, Inc.*, 156 BR 414, 426 (S.D.N.Y. 1993), *accord*, 17 F.3d 600 (2d Cir. 1994) (citing *Protective Comm. for Index. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)).

20. The Second Circuit has stated that a bankruptcy court, in determining whether to approve a compromise, should not decide the numerous questions of law and fact raised by the compromise, but rather should “canvass the issues and see whether the settlement ‘fall[s] below the lowest point in the range of reasonableness.’” *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir.), *cert. denied sub nom. Cosoff v. Roman*, 464 U.S. 822 (1983) (quoting *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir.), *cert. denied sub nom. Benson v. Newman*, 409 U.S. 1039 (1972)); *accord Nellie v. Shugrue*, 165 BR 115, 121-22 (S.D.N.Y. 1994); *In re Ionosphere Clubs*, 156 BR at 426; *In re Purified Down Prods. Corp.*, 150 BR 519, 522 (S.D.N.Y. 1993) (“[T]he court need not conduct a ‘mini-trial’ to determine the merits of the underlying litigation”); *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991).

21. In deciding whether a particular compromise falls within the “range of reasonableness,” courts consider the following factors:

- (i) the probability of success in the litigation;
- (ii) the difficulties associated with collection;
- (iii) the complexity of the litigation, and the attendant expense, inconvenience, and delay; and
- (iv) the paramount interests of the creditors.

Nellis v. Shugrue, 165 B.R. at 122 (citing *In re Drexel Burnham Lambert Group, Inc.*, 960 F.2d 285, 292 (2d Cir. 1992), *cert. dismissed*, 506 U.S. 1088 (1993)).

22. The bankruptcy court may credit and consider the opinions of the trustee or debtor and their counsel in determining whether a settlement is fair and equitable. *See In re Purofied Down Prods.*, 150 B.R. at 522; *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. at 505. The competency and experience of counsel supporting the settlement may also be considered. *Nellis v. Shugrue*, 165 B.R. at 122. Finally, the court should be mindful of the principle that “the law favors compromise.” *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. at 505 (quoting *In re Blair*, 538 F.2d 849, 851 (9th Cir. 1976)).

23. The Trustee believes that the terms of the Agreements fall well above the lowest point in the range of reasonableness and, accordingly, the Agreements should be approved by this Court. The Agreements resolve all claims among the parties and avoids the necessity of what could otherwise be lengthy and contentious litigation. (Affidavit of the Trustee in Support of the Motion (the “Picard Affidavit”) ¶¶ 4,5. A true and accurate copy of the Picard Affidavit is attached hereto as Exhibit “C.”)

24. Further, the Agreements allow the Trustee to pursue actions against entities, including subsequent transferees, that have more resources than the debtor-in-possession, which increases the likelihood of a significant return of funds to the BLMIS estate. Subject

to the terms of the Agreements, the Trustee will be able to pursue these actions as he deems appropriate to recover funds for the benefit of customers of BLMIS. Picard Affidavit, ¶ 6.

25. Finally, pursuant to the terms of the Agreements, Greenwich Sentry has agreed to reduce its claim against the estate by almost ninety percent, from the approximately \$314 million claim initially asserted by Greenwich Sentry to \$35 million. Similarly, GSP has agreed to reduce its claim from approximately \$10.4 million to \$2.011 Million. These reductions not only decrease the ultimate amount that could potentially be distributed to the Greenwich Debtors but also reduces the funds that the Trustee must reserve in upcoming distributions to BLMIS customers. Picard Affidavit, ¶ 6.

26. In sum, the Trustee submits that the Agreements should be approved because they allow the Trustee to (i) maximize recovery from insolvent transferees, and (ii) avoid participating in potentially burdensome and expensive litigation regarding his Avoiding Power Claims. Accordingly, since the Agreements are well within the “range of reasonableness” and confer a substantial benefit on the estate, the Trustee respectfully requests that the Court enter an Order approving the Agreements.

NOTICE

27. In accordance with Bankruptcy Rules 2002 and 9019, notice of this Motion has been given to (i) SIPC; (ii) the SEC; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; (v) Wollmuth Maher & Deutsch LLP, 500 Fifth Avenue, New York, New York 10110, Attn: Paul R. DeFilippo. The Trustee has also provided notice to all interested parties by email or regular U.S. Mail.

WHEREFORE, the Trustee respectfully requests entry of an Order substantially in the form of Exhibit “C” granting the relief requested in the Motion.

Dated: New York, New York
May 18, 2011

Respectfully submitted,

/s/ David J. Sheehan

Baker & Hostetler LLP

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*Attorneys for Irving H. Picard, Trustee for
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Liquidation of Bernard L. Madoff
Investment Securities LLC And Bernard L.
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff Investment
Securities LLC

No. 08-01789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

Adv. Pro. No. 09-01239

Plaintiff,

v.

FAIRFIELD SENTRY LTD. *et al*,

Defendants.

**NOTICE OF MOTION FOR AN ORDER PURSUANT TO
SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002(a)(3) AND 9019(a)
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING
AGREEMENTS BY AND BETWEEN THE TRUSTEE,
GREENWICH SENTRY, L.P. AND GREENWICH SENTRY PARTNERS, L.P.**

PLEASE TAKE NOTICE that Irving H. Picard (“Trustee”), as trustee for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC, under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.*, and Bernard L. Madoff, by and through his undersigned counsel, will move before the Honorable Burton R. Lifland, United States Bankruptcy Judge, at the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004-1408, on **June 21, 2011 at 10:00 a.m.**, or as soon thereafter as counsel may be heard, seeking entry of an order, (the “Order”) pursuant to section 105(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, and Rules 2002(a)(3) and 9019(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seeking approval of (i) an agreement by and between the Trustee and Greenwich Sentry, L.P., debtor and debtor-in-possession, and (ii) an agreement by and between the Trustee and Greenwich Sentry Partners, L.P., debtor and debtor-in-possession as more particularly set forth in the Motion annexed hereto (the “Motion”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be in writing, conform to applicable rules of this Court and be filed with the Clerk of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 in accordance with General Order 242 no later than **5:00 pm** on

June 14, 2011 (“Objection Deadline”) with a courtesy copy delivered to the Chambers of the Honorable Burton R. Lifland, One Bowling Green, New York, New York 10004; and must be served upon (a) Baker & Hostetler LLP, Counsel for the Trustee, 45 Rockefeller Plaza, New York, New York 10111, Attn: David Sheehan and Mark Kornfeld, and (b) Wollmuth Maher & Deutsch LLP, 500 Fifth Avenue, New York, New York 10110, Attn: Paul R. DeFilippo, so as to be received no later than **5:00 p.m. on June 14, 2011**.

Dated: New York, New York
May 18, 2011

Respectfully submitted,

/s/ David J. Sheehan

Baker & Hostetler LLP

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*Attorneys for Irving H. Picard, Trustee for the
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LLC And Bernard L. Madoff*

EXHIBIT A

**FORM OF AGREEMENT BETWEEN
THE TRUSTEE AND GREENWICH SENTRY**

AGREEMENT

This agreement, dated as of May 17, 2011 (“Agreement”), is made by and between Irving H. Picard, in his capacity as Trustee (the “Trustee”) for the liquidation under the Securities Investor Protection Act of 1970, as amended (“SIPA”), of Bernard L. Madoff Investment Securities LLC, and the substantively consolidated Chapter 7 case pending before the United States Bankruptcy Court for the Southern District of New York of Bernard L. Madoff (“Madoff”), on the one hand, and Greenwich Sentry, L.P. (“Greenwich Sentry”) debtor and debtor-in-possession, on the other hand (each of the Trustee and Greenwich Sentry, a “Party” and, collectively, the “Parties”).

BACKGROUND

A. Bernard L. Madoff Investment Securities LLC (“BLMIS”) and its predecessor were registered broker-dealers and members of the Securities Investor Protection Corporation (“SIPC”).

B. On December 11, 2008 (the “Filing Date”), the Securities and Exchange Commission (the “SEC”) filed a complaint in the United States District Court for the Southern District of New York (the “District Court”) against BLMIS and Madoff. On December 12, 2008, the District Court entered an order which, among other things, appointed Lee S. Richards, Esq. as receiver (the “Receiver”) for the assets of BLMIS (No. 08-CV-10791(LSS)).

C. Pursuant to Section 78fff-1(a) of SIPA, Trustee has the general powers of a bankruptcy trustee in a case under Chapter 7 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) as well as the powers granted pursuant to SIPA. Chapters 1, 3, 5 and subchapters I and II of Chapter 7 of the Bankruptcy Code apply to this SIPA proceeding to the extent consistent with SIPA.

D. Under SIPA, Trustee is charged with the responsibility to marshal and liquidate the assets of BLMIS for distribution to BLMIS customers and others in accordance with SIPA in satisfaction of allowed claims, including through the recovery of avoidable transfers such as preference payments and fraudulent transfers made by BLMIS.

E. On December 15, 2008, pursuant to section 5(a)(4)(A) of SIPA, the SEC consented to a combination of its own action with the application of SIPC. Thereafter, SIPC filed an application in the District Court under section 5(a)(3) of SIPA alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protections afforded by SIPA. On December 15, 2008, the District Court granted the SIPC application and entered an order under SIPA, which, in pertinent part, appointed Trustee as the trustee for the liquidation of the business of BLMIS under section 5(b)(3) of SIPA, removed the Receiver as the receiver for BLMIS, and removed the case to the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) under section 5(b)(4) of SIPA, where it is currently pending as Case No. 08-01789 (BRL) (the “SIPA Proceeding”). The Trustee is duly qualified to serve and act on behalf of the estate of BLMIS (the “BLMIS Estate”).

F. Greenwich Sentry was a customer of BLMIS and maintained Customer Account 1G0092 with BLMIS (the "Greenwich Sentry Account") commencing in or about November, 1992. The Greenwich Sentry Account is listed as Attachment A to this Agreement. Between the opening of the account and the Filing Date, on an overall basis, Greenwich Sentry deposited into the Greenwich Sentry Account a total of One Hundred Forty Million Four Hundred Thirty Nine Thousand One Hundred Forty Six Dollars (\$140,439,146) in excess of the amount of withdrawals that Greenwich Sentry made from the account (the "Greenwich Sentry Net Equity Claim"). Greenwich Sentry withdrew Twenty Three Million Dollars (\$23,000,000) from the Greenwich Sentry Account within ninety days before the Filing Date ("90 Day Withdrawals") and an additional One Hundred Eighty Three Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$183,038,654) from the Greenwich Sentry Account during the period more than 90 days, but less than six years, before the Filing Date (the "Pre 90-Day Withdrawals" and, together with the 90 Day Withdrawals, collectively, the "Withdrawals").

G. Greenwich Sentry filed a customer claim in the SIPA Proceeding (assigned claim number 7897) alleging aggregate losses from the Greenwich Sentry Accounts of Three Hundred Fourteen Million Fifty Three Thousand Nine Hundred Twenty Three Dollars (\$314,053,923) (the "Greenwich Sentry SIPA Claim"). The Greenwich Sentry SIPA Claim, including the relevant BLMIS Account Number, is included as Attachment B to this Agreement. The Greenwich Sentry SIPA Claim, as filed, asserts that Greenwich Sentry is entitled to the allowance and distribution of a customer claim in the SIPA proceeding in an amount reflected on the Greenwich Sentry BLMIS account statement for the period ending November 30, 2008.

H. The Trustee has disputed that Greenwich Sentry is entitled to allowance and distribution of a customer claim in the amount reflected on its November 30, 2008 BLMIS account statement. On March 1, 2010 the Honorable Burton R. Lifland of the Bankruptcy Court issued an opinion applying the Trustee's "net equity" calculation of customer claims as the difference between investment into BLMIS and amounts withdrawn (the "Net Equity Method"). On March 8, 2010 Judge Lifland entered an order implementing the decision and certifying it for immediate appeal for the United States Court of Appeals for the Second Circuit.

I. The Trustee has brought an adversary proceeding against Greenwich Sentry and other defendants in the Bankruptcy Court under the caption *Picard v. Fairfield Sentry Ltd. et al.*, Adv. Pro. No. 09-01239 (BRL) (the "Adversary Proceeding"). In the Adversary Proceeding, the Trustee asserts that Greenwich Sentry is liable to the BLMIS Estate under 11 U.S.C. §§ 544, 547, 548, 550, SIPA, and the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law §§ 270-281) for the Withdrawals made by it from BLMIS ("the Avoiding Power Claims"); specifically, the Trustee seeks, *inter alia*, recovery from Greenwich Sentry in an aggregate amount totaling Two Hundred Six Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$206,038,654) ("Trustee's Maximum Recovery"). The Trustee has also asserted claims for turnover and accounting of the Withdrawals, and for disallowance of the Greenwich Sentry SIPA Claim. On November 19, 2010, Greenwich Sentry filed a voluntary petition for relief under the Bankruptcy Code in the Bankruptcy Court (the "Greenwich Sentry Case") and has continued in the possession of its property as a debtor and debtor in possession.

J. Greenwich Sentry has disputed any liability to the BLMIS Estate in connection with the Adversary Proceeding and the Avoiding Power Claims alleged therein. Nevertheless,

Greenwich Sentry recognizes that there is litigation risk associated with the Avoiding Power Claims and has decided to settle with the Trustee. While the Trustee believes he would prevail at trial, he also recognizes there is litigation and/or collection risk associated with his Avoiding Power Claims as against Greenwich Sentry.

K. The Trustee, on the one hand, and Greenwich Sentry, on the other hand, desire to settle their disputes about the matters described above without the expense, delay and uncertainty of litigation, and to provide a framework for the allowance and satisfaction of the Trustee's claims against Greenwich Sentry and Greenwich Sentry's customer claim against the BLMIS Estate.

AGREEMENT

1. Judgment Regarding the Trustee's Avoiding Power Claims. This Agreement provides for the entry of a judgment against Greenwich Sentry in the aggregate amount of Two Hundred Six Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$206,038,654), representing the settled amount of the Trustee's Avoiding Power Claims in the form attached hereto as Attachment C (the "Judgment"). As set forth in the Judgment, the Withdrawals are deemed both to have been avoidable and avoided by the Trustee. The Judgment will be entered by the Bankruptcy Court upon the Effective Date (as defined in paragraph 15 below). The Trustee shall hold an allowed general unsecured claim in the Greenwich Sentry Case in the amount of Two Hundred Six Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$206,038,654) (the "Trustee's Allowed Claim"). The Plan (as defined in paragraph 17 below) shall impair and provide for satisfaction of the Trustee's Allowed Claim against Greenwich Sentry on the terms set forth in this Agreement.

2. Forbearance and Non-Forbearance Amounts. The Trustee shall receive under the Plan, in full settlement and satisfaction of the Trustee's Allowed Claim as against Greenwich Sentry, the property described in paragraphs 3, 4, 5 and 6 below. For the avoidance of doubt, it is expressly agreed and understood that the property received by the Trustee under the Plan does not equal the full amount of the Judgment or the amount of transfers from BLMIS to Greenwich Sentry and the Trustee reserves the right, on the terms and subject to the conditions set forth herein, to pursue subsequent transferees of funds initially transferred from BLMIS to Greenwich Sentry. Sixty Seven Million Dollars (\$67,000,000) of the Judgment and the Trustee's Allowed Claim shall be referred to herein as the "Forbearance Amount" and the balance of the Judgment and Allowed Claim of One Hundred Thirty Nine Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$139,038,654) shall be referred to herein as the "Non-Forbearance Amount." The Trustee agrees that he will not seek to recover any part of the Judgment or the Trustee's Allowed Claim against Greenwich Sentry except as provided in this Agreement, and will not assert any additional claim in the Greenwich Sentry Chapter 11 proceeding except for his right to enforce this Agreement. The Judgment shall be filed and entered by the Trustee on the Effective Date. Any and all property of the Greenwich Sentry estate or proceeds of such property including, without limitation, cash or cash equivalents (including amounts on deposit with any financial institution including Signature Bank), Redeemer Actions, Service Provider Claims, Subsequent Transferee Claims, the Allowed Claim (all as defined below), or claims held by Greenwich Sentry arising under Chapter 5 of the Bankruptcy Code or the proceeds thereof, which this Agreement does not expressly provide to be transferred, assigned, conveyed or paid to the

Trustee (collectively the “Retained Assets”), shall be free and clear of any rights of the Trustee arising from the Judgment or the Trustee’s Allowed Claim.

3. Redeemer Claims. Greenwich Sentry shall unconditionally and irrevocably assign to the Trustee, upon the Effective Date, and shall not retain in any respects any and all claims it owns, holds or which could be asserted by or on behalf of Greenwich Sentry under Delaware common or statutory law against Greenwich Sentry limited partners who or which redeemed all or part of their limited partnership interests (the “Redeemer Claims”). For the avoidance of doubt, (i) Redeemer Claims shall not include any claims, rights or causes of action held by Greenwich Sentry against any of its limited partners arising under Chapter 5 of the Bankruptcy Code or the proceeds thereof, and (ii) Redeemer Claims shall not include any claims and rights assigned to the Trustee which are included within Claims Against Management (which are defined in and governed by paragraph 4 below). Greenwich Sentry makes this assignment without any representation, warranty or recourse as to the validity, collectability or merits of any of the Redeemer Claims. The Trustee shall prosecute the Redeemer Claims at his expense.

4. Claims Against Management. The Trustee, solely at the Trustee’s expense, shall prosecute all claims and causes of action for damages or other relief that he has asserted in the Adversary Proceeding (the “Adversary Proceedings Claims”) against Greenwich Sentry’s general partner, former investment managers, investment advisors (excluding the Service Providers as defined in paragraph 5 below), managing entities, directors, alleged partners, and officers, including but not limited to entities denominated the “Fairfield Greenwich Group”, Fairfield Greenwich (Bermuda) Limited, Fairfield Greenwich Advisors, LLC, Fairfield Risk Services Limited, Fairfield Greenwich Limited, Fairfield International Managers, Inc., Walter M. Noel, Jr., Jeffrey Tucker, and all other individual persons named as defendants in the Adversary Proceeding. Greenwich Sentry shall unconditionally and irrevocably assign to the Trustee upon the Effective Date, and shall not retain in any respect, any and all claims it owns, holds or which could have been asserted by, or on behalf of, Greenwich Sentry or its limited partners against entities denominated as the “Fairfield Greenwich Group”, Fairfield Greenwich (Bermuda) Limited, Fairfield Greenwich Advisors, LLC, Fairfield Risk Services Limited, Fairfield Greenwich Limited, Fairfield International Managers, Inc., Walter M. Noel, Jr., Jeffrey Tucker, Andres Piedrahita, Amit Vijayvergiya and all other officers, directors, employees, shareholders, partners, alleged partners, or members of the foregoing Fairfield Greenwich entities or their relatives (as defined in 11 U.S.C. 101(45)), or the affiliates of any of the foregoing (such entities and individuals collectively “Management”), including but not limited to any claims for breach of fiduciary duty, breach of contract, unjust enrichment, constructive trust, mutual mistake, and accounting and claims under any other legal, equitable, statutory or common law theory (such claims the “Assigned Management Claims”). Greenwich Sentry makes this assignment without any representation, warranty or recourse as to the validity, collectability or merits of any of the Assigned Management Claims. The Adversary Proceeding Claims and Assigned Management Claims shall be referred to herein collectively as the “Claims Against Management.” The first Two Hundred Million Dollars recovered by the Trustee from assertion or prosecution of the Claims Against Management shall be credited against the Non-Forbearance Amount. If the Trustee recovers a gross amount of Two Hundred Million Dollars (\$200,000,000) in the aggregate from the Claims Against Management, the Trustee thereafter shall credit toward the Non-Forbearance Amount ten percent (10%) of the gross consideration received by the Trustee from the Claims Against Management in excess of Two Hundred Million Dollars (\$200,000,000) in the

aggregate. Greenwich Sentry and its general or limited partners shall not, and shall have no right to, intervene in, object to, or otherwise interfere in any way with the Trustee's prosecution or settlement of the Claims Against Management, including, without limitation, any right to object to the amount or any other terms of any settlement of the Claims Against Management; provided, however, any settlement of the Claims Against Management with any member of Management shall provide that such member of Management shall release and waive all of such member's claims against Greenwich Sentry.

5. Service Provider Claim Recoveries. Greenwich Sentry in its discretion, subject only to Bankruptcy Court approval if required, may commence, prosecute, and settle and shall retain one-hundred percent (100%) of the Net Recoveries from all claims and causes of action against Greenwich Sentry's custodians, administrators, accountants, and auditors, including but not limited to GlobeOps Financial Services, LLC, Citco Fund Services (Europe) BV, Citco (Canada), Inc., PricewaterhouseCoopers LLC, and PricewaterhouseCoopers Accountants N.V., and all affiliates of the foregoing entities (the "Service Providers" and the claims the "Service Provider Claims"), until Greenwich Sentry collects Fifty Million Dollars (\$50,000,000) in the aggregate from such claims, and (ii) Greenwich Sentry shall pay to the Trustee twenty percent (20%) of the Net Recoveries from Service Provider Claims in excess of Fifty Million Dollars (\$50,000,000) in the aggregate until the Non-Forbearance Amount of the Judgment has been satisfied in full. Greenwich Sentry shall retain the remaining eighty percent (80%) of such Net Recoveries. Greenwich Sentry shall retain one-hundred percent (100%) of the Net Recoveries it receives from the Service Provider Claims after the Non-Forbearance Amount of the Judgment is satisfied in full. Greenwich Sentry shall prosecute the Service Provider Claims solely at its expense. "Net Recoveries" means the gross amount of property recovered from assertion or prosecution of the Service Provider Claims less the reasonable actual amounts incurred in the assertion or prosecution of such claim. The Trustee shall not, and shall have no right to, intervene in, object to, or otherwise interfere in any way with Greenwich Sentry's prosecution or settlement of the Service Provider Claims, including, without limitation, any right to object to the amount or any other terms of any settlement of the Service Provider Claims.

6. Subsequent Transferee Claim Recoveries. The Trustee, in his sole discretion, may commence, prosecute and settle certain actions pursuant to the Bankruptcy Code, SIPA, the New York Debtor-Creditor Law and other applicable laws, to recover transfers from BLMIS to Greenwich Sentry, and subsequently transferred to other individuals and/or entities (the "Subsequent Transferee Claims"). The Trustee shall pay to Greenwich Sentry twenty percent (20%) of the gross recoveries received by the Trustee from the Subsequent Transferee Claims, and the Trustee shall retain all other recoveries from such actions until the Trustee has recovered the Trustee's Maximum Recovery. Notwithstanding the foregoing, any amounts recovered by the Trustee on the Subsequent Transferee Claims after the Trustee has recovered the Trustee's Maximum Recovery shall be paid to Greenwich Sentry. The Trustee shall prosecute the Subsequent Transferee Claims solely at his expense. Pursuant to the cooperation provision set forth and contemplated by paragraph 11 below, the Trustee shall notify Greenwich Sentry of the commencement of any Subsequent Transferee Claim cases. If the Trustee asserts Redeemer Claims and Subsequent Transferee Claims against the same person or entity, then the amounts recovered from such person or entity shall be deemed recovered on account of a Subsequent Transferee Claim. For the avoidance of doubt, Subsequent Transferee Claims shall not include

any claims and rights assigned to the Trustee which are included within Claims Against Management (as defined in and governed by paragraph 4 above).

7. Application of Recoveries to the Judgment. Any recoveries of monies from the Redeemer Actions, Service Provider Claims and Subsequent Transferee Claims that are paid to, turned over or credited to, or otherwise retained or received by, the Trustee pursuant to this Agreement shall first reduce on a dollar-for-dollar basis the outstanding amount of the Non-Forbearance Amount of the Judgment. Ten Percent (10%) of the amount of any recoveries in excess of Two Hundred Million Dollars (\$200,000,000) obtained and paid to the Trustee as a result of Claims Against Management shall be credited to the Non-Forbearance Amount of the Judgment.

8. Allocation of Shared Recoveries. On the date that is six (6) months from the Effective Date, and every six (6) months thereafter (each such date, a "Reconciliation Date"), the Trustee and Greenwich Sentry shall jointly and in good faith determine and reconcile the consideration (cash or otherwise) that is payable to each from claims and causes of action that are subject to shared recoveries under this Agreement (except for Claims Against Management, the "Sharing Claims") and the amounts allocable to the Non-Forbearance Amount of the Judgment. If the Trustee is entitled to payment from Greenwich Sentry in connection with the Sharing Claims, Greenwich Sentry shall make a cash payment to the Trustee of the amount owed to the Trustee within five (5) Business Days after the applicable Reconciliation Date. If Greenwich Sentry is entitled to payment from the Trustee in connection with the Sharing Claims, the Trustee shall make a cash payment to Greenwich Sentry within five (5) Business Days after the applicable Reconciliation Date. Any amounts recovered by a Party that are subject to payment, turnover or allocation to another Party hereunder shall be held in trust for the benefit of such Party. If a dispute arises between the Parties as to the amounts payable to any Party from recoveries on the Sharing Claims or the amounts allocable to the Non-Forbearance Amount of the Judgment, and such dispute is not resolved within thirty (30) days following a Reconciliation Date, the Parties consent to the exclusive jurisdiction of the Bankruptcy Court to resolve such dispute.

9. Allowance of a Greenwich Sentry Customer Claim.

(a) On the Effective Date (as defined in Paragraph 15 below), notwithstanding section 502(d) of the Bankruptcy Code, the Trustee shall allow Greenwich Sentry a customer claim pursuant to 15 U.S.C. § 7811(11)) in the fixed amount of Thirty-Five Million Dollars (\$35,000,000) (the "Allowed Claim") and Greenwich Sentry shall receive the full benefit of any SIPA customer advances under section 9 of SIPA. The amount of the Allowed Claim shall be subject to increase in accordance with this Paragraph 9.

(b) Notwithstanding any other language in this Agreement, in the event that, as a result of a final, non-appealable judicial determination and order concerning the Net Equity Method issue, valid customer claims against BLMIS are ultimately calculated based on the amounts reflected on a customer's BLMIS account statement for the period ending November 30, 2008, or to include other amounts beyond the Net Equity Method (including, for example, if customers are entitled to receive interest on their deposits with BLMIS), the Allowed Claim shall be calculated as follows: Greenwich Sentry's SIPA Claim shall be calculated in the same manner in accordance with the Order of the Court and subject to all applicable law as other allowed

customer claims are calculated (the "Adjusted Greenwich Sentry SIPA Claim"), provided that, in such event, the allowed amount of the Adjusted Greenwich Sentry SIPA Claim shall equal the greater of (a) the amount of the Allowed Claim, or (b) the product of multiplying the Settlement Percentage of twenty-five percent (25%) times the Adjusted Greenwich Sentry SIPA Claim (the "Adjusted Allowed Greenwich Sentry SIPA Claim"). The Bankruptcy Court's order approving this Agreement shall provide for the allowance of the Allowed Claim or, if applicable, the Adjusted Allowed Greenwich Sentry SIPA Claim, as provided in this paragraph.

10. Claims and Counterclaims of Management.

(a) Fairfield Greenwich (Bermuda) Ltd. (the "General Partner" of Greenwich Sentry), and its affiliated company Fairfield Greenwich Advisors LLC (together referred to herein as the "Fairfield Claimants") claim to hold unsecured, non-priority claims against Greenwich Sentry totaling an amount of at least Three Hundred Seventeen Thousand Three Hundred and Eighty Dollars (\$317,380) (the "Unsecured Claims"). The Plan shall provide that Fairfield Claimants shall not receive or retain anything of value from Greenwich Sentry on account of their Unsecured Claims, except as provided in paragraph 10(e) below.

(b) Certain members of Management also claim to hold contingent unliquidated claims for indemnification costs and expenses, pursuant to Greenwich Sentry's Limited Partnership Agreement or otherwise (the "Indemnification Claims"). The Plan shall provide that holders of the Indemnification Claims shall not receive or retain anything of value from Greenwich Sentry on account of such claims, except as provided in paragraph 10(e) below.

(c) The Fairfield Claimants also allege that they hold claims against Greenwich Sentry by virtue of having paid Six Million Four Hundred Ninety Two Thousand Seven Hundred Forty Four Dollars (\$6,492,744) to Massachusetts residents who were limited partners of Greenwich Sentry as of December 8, 2008 (the "Massachusetts Interests"), in connection with the Fairfield Claimants' settlement, dated as of September 8, 2009, of an administrative proceeding brought by the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts (the "Massachusetts Interests Claims"). The Plan shall provide that neither the Fairfield Claimants nor the holders of the Massachusetts Interests shall receive or retain anything of value from Greenwich Sentry on account of such claims, except as provided in paragraph 10(e) below.

(d) The following members of Management and their affiliates who were partners of Greenwich Sentry as of December 11, 2008, to wit, Noel Family LLC, Fairfield Greenwich (Bermuda) Limited, Noel Family Trust, Walter and Monica Noel Foundation, Walter Noel IRA, and Walter Noel, claim to hold claims against or interests in Greenwich Sentry in connection with their having limited partner or general partner interests in Greenwich Sentry (collectively the "Management Interests Claims"). The Plan shall provide the holders of the Management Interests Claims shall not receive or retain anything of value from Greenwich Sentry on account of such claims, except as provided in paragraph 10(e) below.

(e) Notwithstanding anything to the contrary set forth herein, any person or entity holding all or any part of the Unsecured Claims, the Indemnification Claims, the Massachusetts Interests Claims and the Management Interests Claims shall retain any and all such

claims and may assert any and all such claims and rights by way of set-off, defense, counterclaim or recoupment with respect to any claim or claims filed or asserted against any one or more of them by the Trustee, or any third party, including without limitation the Claims Against Management.

11. Cooperation in Pursuing and Resolving the Sharing Claims. The Trustee and Greenwich Sentry each agree to provide reasonable cooperation and assistance to the other Party in connection with the prosecution of the Sharing Claims, provide the other with a reasonable opportunity to consider the terms for resolving any Sharing Claims and confer in good faith regarding such terms; provided, however, that the Party authorized under this Agreement with the right and responsibility of prosecuting a Sharing Claim (such Party, the "Prosecuting Party") shall not be required to obtain the consent of the other Party to resolve or settle the Prosecuting Party's claim. Within five (5) Business Days following the settlement or other resolution of a Sharing Claim, the Prosecuting Party shall notify the other Party of the amounts, if any, paid or to be paid to the Prosecuting Party in connection therewith. The Trustee and Greenwich Sentry agree and stipulate that a joint interest exists between them with respect to the Sharing Claims. The Trustee and Greenwich Sentry further agree and stipulate that neither this Agreement nor any action taken thereunder constitutes the waiver of any privilege or immunity of the Trustee or Greenwich Sentry or their respective counsel.

12. Release by Trustee. Upon the Effective Date and in consideration for the covenants and agreements in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and without the need for any further documentation, except with respect to the Trustee's Allowed Claim and the obligations, rights and considerations arising under this Agreement, the Trustee, on behalf of himself, BLMIS and its estate, hereby releases, acquits and forever discharges only Greenwich Sentry from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, damages, judgments, and claims whatsoever, asserted or unasserted, known or unknown, now existing or arising in the future (including, without limitation, the claims asserted against Greenwich Sentry in the Adversary Proceeding). Nothing contained herein shall operate to release any claims by the Trustee against any third party, including but not limited to, Greenwich Sentry's general partner, Fairfield Greenwich (Bermuda) Limited and its officers, directors, shareholders and employees and any and all immediate, mediate or subsequent transferees from Greenwich Sentry.

13. Release by Greenwich Sentry. Upon the Effective Date and in consideration for the covenants and agreements in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and without the need for any further documentation, except for the Greenwich Sentry SIPA Claim, the Greenwich Sentry Adjusted Claim, the Allowed Claim, the Adjusted Greenwich Sentry SIPA Claim, and the Adjusted Allowed Greenwich Sentry SIPA Claim (if applicable), and the obligations, rights and considerations arising under this Agreement, Greenwich Sentry, on behalf of itself and its estate hereby releases, acquits and forever discharges and agrees to hold harmless, the Trustee, all of the Trustee's agents, representatives, attorneys, employees and professionals, and BLMIS and its consolidated estate from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, damages, judgments, and claims whatsoever, asserted or unasserted, known or unknown, now existing or arising in the

future, except for any and all claims and rights (and the enforcement thereof) of Greenwich Sentry and obligations of the Trustee arising under this Agreement. The Trustee and Greenwich Sentry expressly agree this release shall not affect any claims by Greenwich Sentry against any third party as set forth in paragraphs 3, 4 and 5 of this Agreement, including but not limited to, Greenwich Sentry's general partner, Fairfield Greenwich (Bermuda) Ltd. and its officers, directors, employees, alleged partners, or shareholders, custodians; accountants; auditors; investment advisors; management companies; investors; or limited partners, or any transferees from Greenwich Sentry. Greenwich Sentry shall not object to a provision in the Order approving this Agreement to be entered in the SIPA Proceeding that Greenwich Sentry's limited partners and its general partner shall be barred from asserting any claims directly against the Trustee and all of the Trustee's agents, representatives, attorneys, employees and professionals, arising out of their interests in or claims against Greenwich Sentry, except as provided in paragraph 10 of this Agreement.

14. Unknown Claims. Unknown claims shall mean any Released Claim, as defined herein, that Greenwich Sentry or the Trustee does not know or suspect to exist in its favor at the time of giving the release in this Agreement that if known by it, might have affected its settlement and release in this Agreement. With respect to any and all Released Claims in paragraphs 12 and 13 of this Agreement, Greenwich Sentry and the Trustee shall expressly waive or be deemed to have waived, the provisions, rights and benefits of California Civil Code section 1542 (to the extent it applies herein), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Greenwich Sentry and the Trustee expressly waive, and shall be deemed to have waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, that is similar, comparable or equivalent in effect to California Civil Code section 1542. Greenwich Sentry and the Trustee may hereafter discover facts in addition to or different from those that it now knows or believes to be true with respect to the subject matter of the Released Claims, but Greenwich Sentry and the Trustee shall expressly have and shall be deemed to have fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence or such different or additional facts. Greenwich Sentry and the Trustee acknowledge and shall be deemed to have acknowledged that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part. "Released Claims" means the claims released and waived by Greenwich Sentry and the Trustees pursuant to paragraphs 12 and 13 of the Agreement.

15. Bankruptcy Court Approval; Effective Date; Termination. This Agreement is subject to the Bankruptcy Court's approval of this Agreement in the SIPA Proceeding and the Greenwich Sentry Case by an order (each such order an "Approval Order") that is no longer subject to appeal. The transactions contemplated by this Agreement shall take effect (and shall be deemed to have occurred simultaneously) on the effective date of the Plan (the "Effective Date"); provided, however, that the only obligations of the Parties from the date the Approval Orders become final orders not subject to appeal through and including the Effective Date shall be those obligations set forth in paragraph 17 below. The form of the Approval Order in the SIPA Proceeding shall be subject to Greenwich Sentry's reasonable approval and the form of Approval Order in the Greenwich Sentry Case shall be subject to the Trustee's reasonable approval. Each party shall use their reasonable efforts to obtain approval of the Agreement in the SIPA Proceeding and the Greenwich Sentry Case as promptly as practicable after the date of this Agreement. In addition, the Trustee shall use his reasonable efforts to obtain entry of an order of the court with jurisdiction over the SIPA Proceeding that enjoins and restrains any person or entity who was ever a limited partner or a beneficial owner of any limited partnership interest in Greenwich Sentry from commencing, continuing, asserting or prosecuting in an individual, derivative or any other capacity any Claims Against Management or other claims against Management arising from related facts and circumstances (collectively, "Enjoined Claims") (the "SIPA Injunction"). If this Agreement has not been approved by the Bankruptcy Court in the SIPA Proceeding and the Greenwich Sentry Case as provided in this paragraph within ninety (90) days after the date of this Agreement (or within such additional time as mutually agreed upon by the Parties), then (a) this Agreement (other than this paragraph) shall terminate and be void, (b) all of the statements, concessions, consents and agreements contained in the Agreement (other than this paragraph) shall be void; and (c) neither the Trustee, nor Greenwich Sentry may use or rely on any such statement, concession, consent or agreement in any public statement or litigation involving the SIPA Proceeding, any case or proceeding relating to the SIPA Proceeding, or any case or proceeding relating to Greenwich Sentry, BLMIS or Madoff.

16. Closing. On the Effective Date or as soon thereafter as practicable, (a) the Trustee shall pay Greenwich Sentry \$500,000 on account of the Allowed Claim from SIPA advances under Section 9 of SIPA; and (b) the Allowed Claim shall become effective without any further action by any of the Parties.

17. The Plan. Concurrent with seeking approval of this Agreement by the Bankruptcy Court in the SIPA Proceeding and the Greenwich Sentry Case, respectively, Greenwich Sentry shall file and diligently seek entry of an order approving and confirming, respectively, a disclosure statement (as defined below) and plan of reorganization ("Plan") pursuant to chapter 11 of the Bankruptcy Code. The Plan and order confirming the Plan (the "Confirmation Order") shall expressly incorporate the terms of this Agreement, shall bar Greenwich Sentry's present and former limited partners and holders of any limited partner interest in Greenwich Sentry from prosecuting any Enjoined Claims, known or unknown, that are, have been, could have been or might in the future be asserted, including but not limited to the Greenwich Sentry limited partners' claims in *Anwar v. Fairfield Greenwich Limited et al.*, No. Civ. 09-cv-0118 (S.D.N.Y.) and the claims brought derivatively in *Ferber v. Fairfield Greenwich Group*, Index No. 600469/2009 (N.Y. Sup. Ct 2009.), shall comply with applicable law, and shall otherwise be subject to the reasonable approval of the Trustee. To the extent a conflict exists between the terms of this Agreement, the Plan and the Confirmation Order, this

Agreement shall control. The Trustee agrees that the Plan may separately classify the Trustee's Allowed Claim and that treatment of the Trustee's Allowed Claim in accordance with this Agreement shall constitute impairment of such claim. Subject to incorporation of this Agreement and all of its material terms into the Plan and Confirmation Order and the Trustee's reasonable approval of the same, the Trustee shall (i) support approval of the Disclosure Statement and confirmation of the Plan; (ii) not directly or indirectly propose, support, solicit votes for or seek to confirm any plan of reorganization other than the Plan or any other restructuring, reorganization or liquidation of Greenwich Sentry that is inconsistent with the Plan or this Agreement; (iii) not seek, and will oppose the conversion or dismissal of the Greenwich Sentry Case or the appointment of a trustee for Greenwich Sentry, and (iv) not object to, oppose or interfere with the acceptance, implementation, confirmation or consummation of the Plan unless, in the Trustee's reasonable discretion, the Plan is inconsistent with the provisions of this Agreement. If the Confirmation Order, in form and substance satisfactory to the Trustee and Greenwich Sentry is not entered and is no longer subject to appeal within 180 days of the date of this Agreement (or within such additional time as mutually agreed upon by the Parties), then (a) this Agreement (other than this paragraph) shall terminate and be void, (b) all of the statements, concessions, consents and agreements contained in the Agreement (other than this paragraph) shall be void; and (c) neither the Trustee, nor Greenwich Sentry may use or rely on any such statement, concession, consent or agreement in any public statement or litigation involving the SIPA Proceeding, any case or proceeding relating to the SIPA Proceeding, or any case or proceeding relating to Greenwich Sentry, BLMIS or Madoff. For purposes of this Agreement, "Disclosure Statement" shall mean the written disclosure statement and its appendices and/or exhibits, as they may be amended, supplemented, or further modified from time to time, filed by Greenwich Sentry in connection with prosecution of the Plan.

18. Greenwich Sentry's and Trustee's Authority. Subject to Bankruptcy Court approval, Greenwich Sentry represents and warrants to the Trustee that, as of the date hereof, it has the full power, authority and legal right to execute and deliver, and to perform its respective obligations under, this Agreement and has taken all necessary action to authorize the execution, delivery, and performance of its obligations under this Agreement. The Trustee represents and warrants to Greenwich Sentry that, as of the date hereof, and subject to the approval of the Bankruptcy Court as set forth in paragraph 15 above, he has the full power, authority and legal right to execute and deliver, and to perform his obligations under, this Agreement and has taken all necessary action to authorize the execution, delivery, and performance of his obligations under this Agreement.

19. Business Days. For purposes of this Agreement the term "Business Days" shall mean any day other than Saturday, Sunday, or a day that is a legal holiday in New York City.

20. Further Assurances. The Trustee and Greenwich Sentry shall execute and deliver any document or instrument reasonably requested by either of them after the date of this Agreement to effectuate the intent of this Agreement.

21. Entire Agreement. This Agreement constitutes the entire agreement and understanding between and among the Parties and supersedes all prior agreements, representations and understandings concerning the subject matter hereof.

22. Amendments, Waiver. This Agreement may not be terminated, waived, amended or modified in any way except in a writing signed by all the Parties. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver.

23. Assignability. No Party hereto may assign his or her rights under this Agreement to a third party without the prior written consent of each of the other Parties hereto, provided, however that Greenwich Sentry may assign its rights and delegate its duties under this Agreement to one or more successor entities formed under the Plan to hold the Retained Assets and distribute such assets or their proceeds to persons entitled under the Plan to receive such distributions.

24. Successors Bound. This Agreement shall be binding upon and inure to the benefit of each of the Parties and their successors and permitted assigns, including but not limited to, any subsequent Chapter 11 trustee, Chapter 7 trustee, or post-confirmation trustee appointed in the Greenwich Sentry Case.

25. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without regard to the principle of conflicts of law. Each Party hereby waives on behalf of itself and its successors and assigns any and all rights to argue that the choice of New York law provisions is or has become unreasonable in any legal proceeding.

26. Exclusive Jurisdiction. The Parties agree and the Approval Orders shall provide that the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any action to enforce this Agreement, or any provision thereof, and the Parties hereby consent to and submit to the jurisdiction of the Bankruptcy Court for any such action. The Parties agree that no Party shall bring, institute, prosecute or maintain any action to enforce, modify, terminate, void, or interpret this Agreement, or any provision thereof, in any court other than the Bankruptcy Court. In any action commenced in another court by a third-party to enforce, modify, terminate, void or interpret this Agreement, the Parties agree to seek to transfer the action to the Bankruptcy Court or to stay or terminate the action in favor of Bankruptcy Court jurisdiction.

27. Captions and Rules of Construction. The captions in this Agreement are inserted only as a matter of convenience and for reference and do not define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Any reference in this Agreement to a paragraph is to a paragraph of this Agreement. "Includes" and "including" are not limiting.

28. Counterparts; Electronic Copy of Signatures. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same document. The Parties may evidence their execution of this Agreement by delivery to the other Parties of scanned or faxed copies of their signatures, with the same effect as the delivery of an original signature.

29. Non Severability. If any part of this Agreement is found in a judgment or order by a court of competent jurisdiction to be void or unenforceable, the entire Agreement shall be void or unenforceable (except this paragraph), unless otherwise agreed to in writing by the Parties.

30. Notices. Any notices under this Agreement shall be in writing, shall be effective when received and may be delivered only by hand, by overnight delivery service, by fax or by electronic transmission to:

If to the Trustee, c/o:

Mark Kornfeld, Esq.
Baker & Hostetler LLP
45 Rockefeller Center, Suite 1100
New York, NY 10111
F: (212) 589-4201
mkornfeld@bakerlaw.com

If to the Greenwich Sentry, c/o:

Paul R. De Filippo, Esq.
Wollmuth Maher & Deutsch LLP
500 Fifth Avenue
New York, NY 10110
F: (212) 382-0050
pdefilippo@wmd-law.com

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

Dated: _____

Irving H. Picard, Trustee

Greenwich Sentry, L.P.

Dated: _____

By: Fairfield Greenwich (Bermuda), Ltd., its
General Partner

By:

Name

Title

ATTACHMENT A
GREENWICH SENTRY LP ACCOUNT

Account Number

1-G0092

ATTACHMENT B
GREENWICH SENTRY CLAIM

ATTACHMENT B
GREENWICH SENTRY CLAIM

CUSTOMER CLAIM

Bernard L. Madoff Investment Securities LLC
Case No 08-01785-BRL
U.S. Bankruptcy Court for the Southern District of New York
Claim Number: **007897**

BERNARD L. MADOFF INVESTMENT SECURITIES LLC RECEIVED

In Liquidation

MAR 10 2009

DECEMBER 11, 2008

(Please print or type)

Name of Customer: Greenwich Sentry LP
Mailing Address: c/o Fairfield Greenwich (Bermuda) Limited 12 Church St., Suite 606
City: Hamilton State: Bermuda Zip: HM 11
Account No.: I-60092-3-0
Taxpayer I.D. Number (Social Security No.): 06-1317669

NOTE: BEFORE COMPLETING THIS CLAIM FORM, BE SURE TO READ CAREFULLY THE ACCOMPANYING INSTRUCTION SHEET. A SEPARATE CLAIM FORM SHOULD BE FILED FOR EACH ACCOUNT AND, TO RECEIVE THE FULL PROTECTION AFFORDED UNDER SIPA, ALL CUSTOMER CLAIMS MUST BE RECEIVED BY THE TRUSTEE ON OR BEFORE March 4, 2009. CLAIMS RECEIVED AFTER THAT DATE, BUT ON OR BEFORE July 2, 2009, WILL BE SUBJECT TO DELAYED PROCESSING AND TO BEING SATISFIED ON TERMS LESS FAVORABLE TO THE CLAIMANT. PLEASE SEND YOUR CLAIM FORM BY CERTIFIED MAIL - RETURN RECEIPT REQUESTED.

1. Claim for money balances as of December 11, 2008:

- a. The Broker owes me a Credit (Cr.) Balance of \$ 314,053,923 *
- b. I owe the Broker a Debit (Dr.) Balance of \$ 0
- c. If you wish to repay the Debit Balance,
please insert the amount you wish to repay and
attach a check payable to "Irving H. Picard, Esq.,
Trustee for Bernard L. Madoff Investment Securities LLC."
If you wish to make a payment, it must be enclosed
with this claim form. \$ N/A
- d. If balance is zero, insert "None." \$ 314,053,923

502180406

* Please see Addendum for details

2. Claim for securities as of December 11, 2008:

PLEASE DO NOT CLAIM ANY SECURITIES YOU HAVE IN YOUR POSSESSION.

- | | | |
|---|------------------------------|-----------|
| | <u>YES</u> | <u>NO</u> |
| a. The Broker owes me securities | <u>See Account Statement</u> | |
| b. I owe the Broker securities | _____ | _____ |
| c. If yes to either, please list below: | | |

Date of Transaction (trade date)	Name of Security	Number of Shares or Face Amount of Bonds	
		The Broker Owes Me (Long)	I Owe the Broker (Short)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Proper documentation can speed the review, allowance and satisfaction of your claim and shorten the time required to deliver your securities and cash to you. Please enclose, if possible, copies of your last account statement and purchase or sale confirmations and checks which relate to the securities or cash you claim, and any other documentation, such as correspondence, which you believe will be of assistance in processing your claim. In particular, you should provide all documentation (such as cancelled checks, receipts from the Debtor, proof of wire transfers, etc.) of your deposits of cash or securities with the Debtor from as far back as you have documentation. You should also provide all documentation or information regarding any withdrawals you have ever made or payments received from the Debtor.

Please explain any differences between the securities or cash claimed and the cash balance and securities positions on your last account statement. If, at any time, you complained in writing about the handling of your account to any person or entity or regulatory authority, and the complaint relates to the cash and/or securities that you are now seeking, please be sure to provide with your claim copies of the complaint and all related correspondence, as well as copies of any replies that you received.
PLEASE CHECK THE APPROPRIATE ANSWER FOR ITEMS 3 THROUGH 9.

NOTE: IF "YES" IS MARKED ON ANY ITEM, PROVIDE A DETAILED EXPLANATION ON A SIGNED ATTACHMENT. IF SUFFICIENT DETAILS ARE NOT PROVIDED, THIS CLAIM FORM WILL BE RETURNED FOR YOUR COMPLETION.

- | | <u>YES</u> | <u>NO</u> |
|---|----------------------|----------------------|
| 3. Has there been any change in your account since December 11, 2008? If so, please explain. | _____ | _____ <u>X</u> _____ |
| 4. Are you or were you a director, officer, partner, shareholder, lender to or capital contributor of the broker? | _____ | _____ <u>X</u> _____ |
| 5. Are or were you a person who, directly or indirectly and through agreement or otherwise, exercised or had the power to exercise a controlling influence over the management or policies of the broker? | _____ | _____ <u>X</u> _____ |
| 6. Are you related to, or do you have any business venture with, any of the persons specified in "4" above, or any employee or other person associated in any way with the broker? If so, give name(s) | _____ | _____ <u>X</u> _____ |
| 7. Is this claim being filed by or on behalf of a broker or dealer or a bank? If so, provide documentation with respect to each public customer on whose behalf you are claiming. | _____ | _____ <u>X</u> _____ |
| 8. Have you ever given any discretionary [*] authority to any person to execute securities transactions with or through the broker on your behalf? Give names, addresses and phone numbers. | _____ <u>X</u> _____ | _____ |
| 9. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? If so, give name of that broker. | _____ | _____ <u>X</u> _____ |

Please list the full name and address of anyone assisting you in the preparation of this claim form:

Seward & Kissel LLP, 1 Batten Park Plaza, NY, NY 10004.

If you cannot compute the amount of your claim, you may file an estimated claim. In that case, please indicate your claim is an estimated claim.

IT IS A VIOLATION OF FEDERAL LAW TO FILE A FRAUDULENT CLAIM. CONVICTION CAN RESULT IN A FINE OF NOT MORE THAN \$50,000 OR IMPRISONMENT FOR NOT MORE THAN FIVE YEARS OR BOTH.

THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.

Date 3/4/09 Signature *Jeffrey Tucker*
*Greenwich Security LP
By: Jeffrey Tucker (Barbados) Ltd., General Partner of the Firm*
Director

(If ownership of the account is shared, all must sign above. Give each owner's name, address, phone number, and extent of ownership on a signed separate sheet. If other than a personal account, e.g., corporate, trustee, custodian, etc., also state your capacity and authority. Please supply the trust agreement or other proof of authority.)

This customer claim form must be completed and mailed promptly, together with supporting documentation, etc. to:

Irving H. Picard, Esq.,
Trustee for Bernard L. Madoff Investment Securities LLC
Claims Processing Center
2100 McKinney Ave., Suite 800
Dallas, TX 75201

**Greenwich Sentry LP ("GS")
Addendum to Customer Claim Form
Bernard L. Madoff Investment Securities LLC ("BLMIS")**

GS submits this addendum in support of its Customer Claim Form.

1. GS is a limited partnership organized under the laws of the State of Delaware. GS sold limited partnership interests to qualified, experienced and sophisticated investors (the "Limited Partners"). GS sought to obtain capital appreciation of its assets. In connection therewith, GS held two brokerage accounts under its name with BLMIS:

Account Number	Value as of November 2008	Purpose of Account
I-G0092-3	\$ 323,519,453	Trade securities
I-G0092-4	\$ (9,465,530)	Option hedging transactions
Total	\$ 314,053,923	

2. GS presently is submitting a Customer Claim Form under its name only. GS presently is not submitting individual claims on behalf of its Limited Partners. However, GS reserves the right to amend or supplement its Customer Claim Form to include its individual Limited Partners in the event the Securities Investor Protection Act of 1970, 15 U.S.C. § 78aaa *et seq.* ("SIPA"), is amended or interpreted now or in the future to provide coverage to indirect customers or investors of BLMIS, such as the Limited Partners. Further, while neither GS nor its counsel is authorized to represent or bind the Limited Partners in connection with this filing, GS reserves the rights of the Limited Partners to file their own customer claim forms in the event SIPA is amended or interpreted to provide coverage to the Limited Partners.

3. In support of its customer claim under 15 U.S.C. §78fff(a)(1)(B), GS submits copies of the last account statements and purchase/sales confirmations that GS received from BLMIS.

4. GS is aware of the Trustee's February 20, 2009 representations that the Trustee intends to implement a cash "in and out" analysis in determining the value of customer claims in light of what the Trustee has indicated is evidence that BLMIS did not, at least for the past 13 years, conduct trades on the account of customers. In this regard, GS has in its possession account statements and related information dating back to January 1995, showing that GS was a "net contributor" to BLMIS in the amount of approximately \$115 million. In other words, GS deposited approximately \$115 million more into BLMIS than it withdrew over the period January 1995 to November 2008. Copies of these materials are available upon request.

5. In further response to Item 8 of the Claim Form, Fairfield Greenwich (Bermuda) Limited, as GS's General Partner, managed GS's investments. Fairfield Greenwich (Bermuda) Limited is located at 12 Church Street, Suite 606, Hamilton, Bermuda, HM 11. The telephone number is (441) 292-5401.

RESERVATION OF RIGHTS

6. GS expressly reserves its right to replace, amend and/or supplement this Customer Claim to include any claim at law or in equity.

7. The filing of this Customer Claim shall not be deemed a waiver of any claim in law or equity that GS may have against BLMIS. Furthermore, nothing contained herein shall be construed as a waiver of any rights or remedies of GS with respect to any claims against any of BLMIS's affiliates or the right to assert claims that are otherwise warranted in any related or unrelated action. The filing of this Customer Claim is not and shall not be deemed to be an admission for the purposes of any other proceeding and/or concerning any other person.

8. The filing of this Customer Claim is not intended to be and should not be construed as (a) a consent by GS to the jurisdiction of the court overseeing the BLMIS SIPA liquidation proceeding with respect to the subject matter of this claim, any objection or other proceeding commenced in this case or otherwise involving GS; (b) a waiver of the rights and remedies against any other person or entity who may be liable for all or part of the claims set forth herein, whether an affiliate or guarantor of BLMIS or otherwise; (c) a waiver or release of GS's right to trial by jury, or a consent to trial by jury, in this or any other court; or (d) a waiver of any right to challenge the jurisdiction of the court, with respect to the subject matter of this claim, any objection or other proceeding commenced in this case against or otherwise involving GS.

9. GS specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against GS by BLMIS, any of its successors and assigns or by any trustee for BLMIS's estate.

SK 25528 0034 969453

ATTACHMENT C

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (BRL)
SIPA Liquidation

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff Investment
Securities LLC,

Plaintiff,

v.

FAIRFIELD SENTRY LIMITED,
GREENWICH SENTRY, L.P.,
GREENWICH SENTRY PARTNERS, L.P.,
FAIRFIELD SIGMA LIMITED, FAIRFIELD
LAMBDA LIMITED, CHESTER GLOBAL
STRATEGY FUND LIMITED, CHESTER
GLOBAL STRATEGY FUND, IRONGATE
GLOBAL STRATEGY FUND LIMITED,
FAIRFIELD GREENWICH FUND
(LUXEMBOURG), FAIRFIELD
INVESTMENT FUND LIMITED,
FAIRFIELD INVESTORS (EURO)
LIMITED, FAIRFIELD INVESTORS
(SWISS FRANC) LIMITED, FAIRFIELD
INVESTORS (YEN) LIMITED, FAIRFIELD
INVESTMENT TRUST, FIF ADVANCED,
LTD., SENTRY SELECT LIMITED,
STABLE FUND, FAIRFIELD
GREENWICH LIMITED, FAIRFIELD

Adv. Pro. No. 09-01239 (BRL)

GREENWICH (BERMUDA), LTD.,
FAIRFIELD GREENWICH ADVISORS
LLC, FAIRFIELD GREENWICH GP, LLC,
FAIRFIELD GREENWICH PARTNERS,
LLC, FAIRFIELD HEATHCLIFF CAPITAL
LLC, FAIRFIELD INTERNATIONAL
MANAGERS, INC., FAIRFIELD
GREENWICH (UK) LIMITED,
GREENWICH BERMUDA LIMITED,
CHESTER MANAGEMENT CAYMAN
LIMITED, WALTER NOEL, JEFFREY
TUCKER, ANDRÉS PIEDRAHITA, MARK
MCKEEFRY, DANIEL LIPTON, AMIT
VIJAYVERGIYA, GORDON MCKENZIE,
RICHARD LANDSBERGER, PHILIP
TOUB, CHARLES MURPHY, ROBERT
BLUM, ANDREW SMITH, HAROLD
GREISMAN, GREGORY BOWES,
CORINA NOEL PIEDRAHITA, LOURDES
BARRENECHE, CORNELIS BOELE,
SANTIAGO REYES, JACQUELINE
HARARY

Defendants.

CONSENT JUDGMENT¹

WHEREAS, Irving H. Picard (the “Trustee”) is the trustee for the substantively consolidated liquidations of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) and Bernard L. Madoff (“Madoff”) under the Securities Investor Protection Act (“SIPA”) §§ 78aaa *et seq.*, currently pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) as Case No. 08-01789 (BRL) (the “SIPA Proceeding”); and

WHEREAS, the Trustee is duly qualified to serve and act on behalf of the estates of BLMIS and Madoff (together, the “BLMIS Estate”); and

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement, dated May 17, 2011, between the Trustee (as defined herein) and Greenwich Sentry L.P.

WHEREAS, Greenwich Sentry, L.P. (“Greenwich Sentry”) is a Delaware Limited Partnership that, at all times relevant hereto, was a customer of BLMIS and maintained an account with BLMIS (the “Greenwich Sentry BLMIS Account”); and

WHEREAS, Fairfield Greenwich (Bermuda) Limited is the general partner of Greenwich Sentry; and

WHEREAS, according to the Trustee, Greenwich Sentry withdrew Twenty Three Million Dollars (\$23,000,000) from the Greenwich Sentry BLMIS Account within ninety (90) days before the date on which the SIPA Proceedings commenced (“90 Day Withdrawals”) and an additional One Hundred Eighty Three Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$183, 038,654) from the Greenwich Sentry Account, during the period more than ninety (90) days, but less than six (6) years, before the date on which the SIPA Proceedings commenced (the “Pre 90-Day Withdrawals”) and, together with the 90 Day Withdrawals, the “Withdrawals”); and

WHEREAS, the above-captioned adversary proceeding (the “Adversary Proceeding”) was commenced by the Trustee in the Bankruptcy Court on or about May 18, 2009 [Docket No. 1]; and

WHEREAS, pursuant to Counts Two, Five, Eight, Eleven, Fourteen, Seventeen, Twenty, and Twenty-Three of the amended complaint filed in the Adversary Proceeding on or about July 20, 2010 [Docket No. 23] (the “Amended Complaint”), the Trustee asserts, pursuant to 11 U.S.C. §§ 544, 547, 548, 550, SIPA § 78fff-(2)(c)(3) and the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law §§ 270-281), that the Withdrawals are avoidable and that Greenwich Sentry is liable to the BLMIS Estate for amount of the Withdrawals, which total Two Hundred Six Million Thirty Eight

Thousand Six Hundred Fifty Four Dollars (\$206,038,654) (the "Greenwich Sentry Avoiding Power Claims"); and

WHEREAS, on or about May 17, 2011, the Trustee and Greenwich Sentry entered into a settlement agreement (the "Agreement"), in order to settle certain matters in controversy among them and the respective estates they represent, including the Greenwich Sentry Avoiding Power Claims, upon the terms as set forth therein; and

WHEREAS, pursuant to the terms of the Agreement, Greenwich Sentry has consented to the entry of judgment against Greenwich Sentry with respect to the Greenwich Sentry Avoiding Power Claims as set forth below.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, ORDERED AND ADJUDGED THAT, that judgment be entered as follows:

1. Judgment (the "Consent Judgment") is hereby entered in favor the Trustee and against Greenwich Sentry on the Sentry Avoiding Power Claims in the amount of Two Hundred Six Million Thirty Eight Thousand Six Hundred Fifty Four Dollars (\$206,038,654) (the "Judgment Amount").

2. The Consent Judgment is defined and limited as set forth herein and by the terms of the Agreement. Notwithstanding anything to the contrary in this Consent Judgment, (i) entry, enforcement and/or execution of this Consent Judgment, (ii) the provisions of this Consent Judgment and (iii) the satisfaction of the Judgment Amount as against Greenwich Sentry is governed entirely and exclusively by the terms of the Agreement. In the event of any conflict between this Consent Judgment and the Agreement, the terms of the Agreement shall govern.

3. Interest shall not accrue on the Judgment Amount.

4. This Consent Judgment is not assignable.

5. The Bankruptcy Court shall have exclusive jurisdiction over any action to enforce this Consent Judgment, or any provision thereof, subject in all cases to the terms of the Agreement.

6. The signatories to this Consent Judgment represent that they are expressly authorized to bind the respective parties to the terms hereof and hereby represent that the parties have read, understand, agree and consent to the foregoing Consent Judgment and all of the terms and conditions set forth herein.

7. The undersigned represent that the respective parties have obtained the advice of counsel and are consenting and agreeing to all of the terms of this Consent Judgment freely and voluntarily.

8. The Clerk of Court shall enter judgment as set forth herein.

AGREED AND CONSENTED TO:

Greenwich Sentry, L.P.

By: Fairfield Greenwich (Bermuda) Limited, its General Partner

By: _____
Name

Title

AGREED AND CONSENTED TO, FOR FORM :

For Defendant Greenwich Sentry, L.P.

For Plaintiff Irving H. Picard, Trustee for
the Liquidation of Bernard L. Madoff
Investment Securities LLC

Paul R. DeFilippo
Wollmuth Maher & Deutsch LLP
500 Fifth Avenue
New York, NY 10110
F: (212) 382-0050
pdefilippo@wmd-law.com

Mark Kornfeld, Esq.
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
F: (212) 589-4201
mkornfeld@bakerlaw.com

SO ORDERED

This __ day of _____

HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY
JUDGE

JUDGMENT IS HEREBY ENTERED in accordance with the terms of the foregoing:

Clerk of the Court

EXHIBIT B

**FORM OF AGREEMENT BETWEEN
THE TRUSTEE AND GSP**

AGREEMENT

This agreement, dated as of May 17, 2011 ("Agreement"), is made by and between Irving H. Picard, in his capacity as Trustee (the "Trustee") for the liquidation under the Securities Investor Protection Act of 1970, as amended ("SIPA"), of Bernard L. Madoff Investment Securities LLC, and the substantively consolidated Chapter 7 case pending before the United States Bankruptcy Court for the Southern District of New York of Bernard L. Madoff ("Madoff"), on the one hand, and Greenwich Sentry Partners, L.P. ("GSP") debtor and debtor-in-possession, on the other hand (each of the Trustee and GSP, a "Party" and, collectively, the "Parties").

BACKGROUND

A. Bernard L. Madoff Investment Securities LLC ("BLMIS") and its predecessor were registered broker-dealers and members of the Securities Investor Protection Corporation ("SIPC").

B. On December 11, 2008 (the "Filing Date"), the Securities and Exchange Commission (the "SEC") filed a complaint in the United States District Court for the Southern District of New York (the "District Court") against BLMIS and Madoff. On December 12, 2008, the District Court entered an order which, among other things, appointed Lee S. Richards, Esq. as receiver (the "Receiver") for the assets of BLMIS (No. 08-CV-10791(LSS)).

C. Pursuant to Section 78fff-1(a) of SIPA, Trustee has the general powers of a bankruptcy trustee in a case under Chapter 7 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") as well as the powers granted pursuant to SIPA. Chapters 1, 3, 5 and subchapters I and II of Chapter 7 of the Bankruptcy Code apply to this SIPA proceeding to the extent consistent with SIPA.

D. Under SIPA, Trustee is charged with the responsibility to marshal and liquidate the assets of BLMIS for distribution to BLMIS customers and others in accordance with SIPA in satisfaction of allowed claims, including through the recovery of avoidable transfers such as preference payments and fraudulent transfers made by BLMIS.

E. On December 15, 2008, pursuant to section 5(a)(4)(A) of SIPA, the SEC consented to a combination of its own action with the application of SIPC. Thereafter, SIPC filed an application in the District Court under section 5(a)(3) of SIPA alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protections afforded by SIPA. On December 15, 2008, the District Court granted the SIPC application and entered an order under SIPA, which, in pertinent part, appointed Trustee as the trustee for the liquidation of the business of BLMIS under section 5(b)(3) of SIPA, removed the Receiver as the receiver for BLMIS, and removed the case to the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") under section 5(b)(4) of SIPA, where it is currently pending as Case No. 08-01789 (BRL) (the "SIPA Proceeding"). The Trustee is duly qualified to serve and act on behalf of the estate of BLMIS (the "BLMIS Estate").

F. GSP was a customer of BLMIS and maintained Customer Account 1G0371 with BLMIS (the "GSP Account") commencing in or about May 1, 2006. The GSP Account is listed as Attachment A to this Agreement. The GSP Account was opened by the transfer of Five Million Seven Hundred Sixty Two Thousand Five Hundred Sixty Dollars (\$5,762,560) from the Greenwich Sentry LP ("Greenwich Sentry") BLMIS account. At the time of the May 1 transfer, although Greenwich Sentry's BLMIS account statement showed a positive balance, in reality, the Greenwich Sentry BLMIS account had a negative cash balance. On June 30, 2006, One Million Two Hundred Seven Thousand Three Hundred Forty Four Dollars (\$1,207,344) was transferred back to the Greenwich Sentry account from the GSP Account. As a result of these transfers and later cash deposits and withdrawals, between the opening of the account and the Filing Date, on an overall basis, GSP deposited into the GSP Account a total of Two Million Five Hundred Forty Thousand Dollars (\$2,540,000) in excess of the amount of withdrawals that GSP made from the account (the "GSP Net Equity Claim"). GSP withdrew Five Million Nine Hundred Eighty Five Thousand (\$5,985,000) from the GSP Account during the period more than 90 days, but less than six years, before the Filing Date (the "Withdrawals").

G. GSP filed a customer claim in the SIPA Proceeding (assigned claim number 7896) alleging aggregate losses from the GSP Accounts of Ten Million Four Hundred Twenty Six Thousand One Hundred Eighty Two (\$10,426,182) (the "GSP SIPA Claim"). The GSP SIPA Claim, including the relevant BLMIS Account Number, is included as Attachment B to this Agreement. The GSP SIPA Claim, as filed, asserts that GSP is entitled to the allowance and distribution of a customer claim in the SIPA proceeding in an amount reflected on the GSP BLMIS account statement for the period ending November 30, 2008.

H. The Trustee has disputed that GSP is entitled to allowance and distribution of a customer claim in the amount reflected on its November 30, 2008 BLMIS account statement. On March 1, 2010 the Honorable Burton R. Lifland of the Bankruptcy Court issued an opinion applying the Trustee's "net equity" calculation of customer claims as the difference between investment into BLMIS and amounts withdrawn (the "Net Equity Method"). On March 8, 2010 Judge Lifland entered an order implementing the decision and certifying it for immediate appeal for the United States Court of Appeals for the Second Circuit.

I. The Trustee has brought an adversary proceeding against GSP and other defendants in the Bankruptcy Court under the caption *Picard v. Fairfield Sentry Ltd. et al.*, Adv. Pro. No. 09-01239 (BRL) (the "Adversary Proceeding"). In the Adversary Proceeding, the Trustee asserts that GSP is liable to the BLMIS Estate under 11 U.S.C. §§ 544, 547, 548, 550, SIPA, and the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law §§ 270-281) for the Withdrawals made by it from BLMIS ("the Avoiding Power Claims"); specifically, the Trustee seeks, *inter alia*, recovery from GSP in an aggregate amount totaling Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) ("Trustee's Maximum Recovery"). The Trustee has also asserted claims for turnover and accounting of the Withdrawals, and for disallowance of the GSP SIPA Claim. On November 19, 2010, GSP filed a voluntary petition for relief under the Bankruptcy Code in the Bankruptcy Court (the "GSP Case") and has continued in the possession of its property as a debtor and debtor in possession.

J. GSP has disputed any liability to the BLMIS Estate in connection with the Adversary Proceeding and the Avoiding Power Claims alleged therein. Nevertheless, GSP

recognizes that there is litigation risk associated with the Avoiding Power Claims and has decided to settle with the Trustee. While the Trustee believes he would prevail at trial, he also recognizes there is litigation and/or collection risk associated with his Avoiding Power Claims as against GSP.

K. The Trustee, on the one hand, and GSP, on the other hand, desire to settle their disputes about the matters described above without the expense, delay and uncertainty of litigation, and to provide a framework for the allowance and satisfaction of the Trustee's claims against GSP and GSP's customer claim against the BLMIS Estate.

AGREEMENT

1. Judgment Regarding the Trustee's Avoiding Power Claims. This Agreement provides for the entry of a judgment against GSP in the aggregate amount of Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) representing the settled amount of the Trustee's Avoiding Power Claims in the form attached hereto as Attachment C (the "Judgment"). As set forth in the Judgment, the Withdrawals are deemed both to have been avoidable and avoided by the Trustee. The Judgment will be entered by the Bankruptcy Court upon the Effective Date (as defined in paragraph 15 below). The Trustee shall hold an allowed general unsecured claim in the GSP Case in the amount of Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) (the "Trustee's Allowed Claim"). The Plan (as defined in paragraph 17 below) shall impair and provide for satisfaction of the Trustee's Allowed Claim against GSP on the terms set forth in this Agreement.

2. Forbearance and Non-Forbearance Amounts. The Trustee shall receive under the Plan, in full settlement and satisfaction of the Trustee's Allowed Claim as against GSP, the property described in paragraphs 3, 4, 5 and 6 below. For the avoidance of doubt, it is expressly agreed and understood that the property received by the Trustee under the Plan does not equal the full amount of the Judgment or the amount of the avoided or avoidable transfers from BLMIS to GSP and the Trustee reserves the right, on the terms and subject to the conditions set forth herein, to pursue subsequent transferees of funds initially transferred from BLMIS to GSP. One Million Nine Hundred Seventy Five Thousand Dollars (\$1,975,000) of the Judgment and the Trustee's Allowed Claim shall be referred to herein as the "Forbearance Amount" and the balance of the Judgment and Allowed Claim of Four Million Nine Thousand Nine Hundred Fifty Dollars (\$4,010,000) shall be referred to herein as the "Non-Forbearance Amount." The Trustee agrees that he will not seek to recover any part of the Judgment or the Trustee's Allowed Claim against GSP except as provided in this Agreement, and will not assert any additional claim in the GSP Chapter 11 proceeding except for his right to enforce this Agreement. The Judgment shall be filed and entered by the Trustee on the Effective Date. Any and all property of the GSP estate or proceeds of such property including, without limitation, cash or cash equivalents (including amounts on deposit with any financial institution including Signature Bank), Redeemer Actions, Service Provider Claims, Subsequent Transferee Claims, the Allowed Claim (all as defined below), or claims held by GSP arising under Chapter 5 of the Bankruptcy Code or the proceeds thereof, which this Agreement does not expressly provide to be transferred, assigned, conveyed or paid to the Trustee (collectively the "Retained Assets"), shall be free and clear of any rights of the Trustee arising from the Judgment or the Trustee's Allowed Claim.

3. Redeemer Claims. GSP shall unconditionally and irrevocably assign to the Trustee, upon the Effective Date, and shall not retain in any respects any and all claims it owns, holds or which could be asserted by or on behalf of GSP under Delaware common or statutory law against GSP limited partners who or which redeemed all or part of their limited partnership interests (the "Redeemer Claims"). For the avoidance of doubt, (i) Redeemer Claims shall not include any claims, rights or causes of action held by GSP against any of its limited partners arising under Chapter 5 of the Bankruptcy Code or the proceeds thereof, and (ii) Redeemer Claims shall not include any claims and rights assigned to the Trustee which are included within Claims Against Management (which are defined in and governed by paragraph 4 below). GSP makes this assignment without any representation, warranty or recourse as to the validity, collectability or merits of any of the Redeemer Claims. The Trustee shall prosecute the Redeemer Claims at his expense.

4. Claims Against Management. The Trustee, solely at the Trustee's expense, shall prosecute all claims and causes of action for damages or other relief that he has asserted in the Adversary Proceeding (the "Adversary Proceedings Claims") against GSP's general partner, former investment managers, investment advisors (excluding the Service Providers as defined in paragraph 5 below), managing entities, directors, alleged partners, and officers, including but not limited to entities denominated the "Fairfield Greenwich Group", Fairfield Greenwich (Bermuda) Limited, Fairfield Greenwich Advisors, LLC, Fairfield Risk Services Limited, Fairfield Greenwich Limited, Fairfield International Managers, Inc., Walter M. Noel, Jr., Jeffrey Tucker, and all other individual persons named as defendants in the Adversary Proceeding. GSP shall unconditionally and irrevocably assign to the Trustee upon the Effective Date, and shall not retain in any respect, any and all claims it owns, holds or which could have been asserted by, or on behalf of, GSP or its limited partners against entities denominated as the "Fairfield Greenwich Group", Fairfield Greenwich (Bermuda) Limited, Fairfield Greenwich Advisors, LLC, Fairfield Risk Services Limited, Fairfield Greenwich Limited, Fairfield International Managers, Inc., Walter M. Noel, Jr., Jeffrey Tucker, Andres Piedrahita, Amit Vijayvergiya and all other officers, directors, employees, shareholders, partners, alleged partners, or members of the foregoing Fairfield Greenwich entities or their relatives (as defined in 11 U.S.C. 101(45)), or the affiliates of any of the foregoing (such entities and individuals collectively "Management"), including but not limited to any claims for breach of fiduciary duty, breach of contract, unjust enrichment, constructive trust, mutual mistake, and accounting and claims under any other legal, equitable, statutory or common law theory (such claims the "Assigned Management Claims"). GSP makes this assignment without any representation, warranty or recourse as to the validity, collectability or merits of any of the Assigned Management Claims. The Adversary Proceeding Claims and Assigned Management Claims shall be referred to herein collectively as the "Claims Against Management." The first Two Hundred Million Dollars recovered by the Trustee from assertion or prosecution of the Claims Against Management shall be credited against the Non-Forbearance Amount. If the Trustee recovers a gross amount of Two Hundred Million Dollars (\$200,000,000) in the aggregate from the Claims Against Management, the Trustee thereafter shall credit toward the Non-Forbearance Amount six tenths of one percent (.6%) of the gross consideration received by the Trustee from the Claims Against Management in excess of Two Hundred Million Dollars (\$200,000,000) in the aggregate. GSP and its general or limited partners shall not, and shall have no right to, intervene in, object to, or otherwise interfere in any way with the Trustee's prosecution or settlement of the Claims Against Management, including, without limitation, any right to object to the amount or any other terms of any settlement of the Claims Against

Management; provided, however, any settlement of the Claims Against Management with any member of Management shall provide that such member of Management shall release and waive all of such member's claims against GSP.

5. Service Provider Claim Recoveries. GSP in its discretion, subject only to Bankruptcy Court approval if required, may commence, prosecute, and settle and shall retain one-hundred percent (100%) of the Net Recoveries from all claims and causes of action against GSP's custodians, administrators, accountants, and auditors, including but not limited to GlobeOps Financial Services, LLC, Citco Fund Services (Europe) BV, Citco (Canada), Inc., PricewaterhouseCoopers LLC, and PricewaterhouseCoopers Accountants N.V., and all affiliates of the foregoing entities (the "Service Providers" and the claims the "Service Provider Claims"), until GSP collects Two Million Eight Hundred Thousand Dollars (\$2,800,000) in the aggregate from such claims, and (ii) GSP shall pay to the Trustee twenty percent (20%) of the Net Recoveries from Service Provider Claims in excess of Two Million Eight Hundred Thousand Dollars (\$2,800,000) in the aggregate until the Non-Forbearance Amount of the Judgment has been satisfied in full. GSP shall retain the remaining eighty percent (80%) of such Net Recoveries. GSP shall retain one-hundred percent (100%) of the Net Recoveries it receives from the Service Provider Claims after the Non-Forbearance Amount of the Judgment is satisfied in full. GSP shall prosecute the Service Provider Claims solely at its expense. "Net Recoveries" means the gross amount of property recovered from assertion or prosecution of the Service Provider Claims less the reasonable actual amounts incurred in the assertion or prosecution of such claim. The Trustee shall not, and shall have no right to, intervene in, object to, or otherwise interfere in any way with GSP's prosecution or settlement of the Service Provider Claims, including, without limitation, any right to object to the amount or any other terms of any settlement of the Service Provider Claims.

6. Subsequent Transferee Claim Recoveries. The Trustee, in his sole discretion, may commence, prosecute and settle certain actions pursuant to the Bankruptcy Code, SIPA, the New York Debtor-Creditor Law and other applicable laws, to recover transfers from BLMIS to GSP, and subsequently transferred to other individuals and/or entities (the "Subsequent Transferee Claims"). The Trustee shall pay to GSP twenty percent (20%) of the gross recoveries received by the Trustee from the Subsequent Transferee Claims, and the Trustee shall retain all other recoveries from such actions until the Trustee has recovered the Trustee's Maximum Recovery. Notwithstanding the foregoing, any amounts recovered by the Trustee on the Subsequent Transferee Claims after the Trustee has recovered the Trustee's Maximum Recovery shall be paid to GSP. The Trustee shall prosecute the Subsequent Transferee Claims solely at his expense. Pursuant to the cooperation provision set forth and contemplated by paragraph 11 below, the Trustee shall notify GSP of the commencement of any Subsequent Transferee Claim cases. If the Trustee asserts Redeemer Claims and Subsequent Transferee Claims against the same person or entity, then the amounts recovered from such person or entity shall be deemed recovered on account of a Subsequent Transferee Claim. For the avoidance of doubt, Subsequent Transferee Claims shall not include any claims and rights assigned to the Trustee which are included within Claims Against Management (as defined in and governed by paragraph 4 above).

7. Application of Recoveries to the Judgment. Any recoveries of monies from the Redeemer Actions, Service Provider Claims and Subsequent Transferee Claims that are paid to, turned over or credited to, or otherwise retained or received by, the Trustee pursuant to this

Agreement shall first reduce on a dollar-for-dollar basis the outstanding amount of the Non-Forbearance Amount of the Judgment. Six-tenths of one percent (.6%) of the amount of any recoveries in excess of Two Hundred Million Dollars (\$200,000,000) obtained and paid to the Trustee as a result of Claims Against Management shall be credited to the Non-Forbearance Amount of the Judgment.

8. Allocation of Shared Recoveries. On the date that is six (6) months from the Effective Date, and every six (6) months thereafter (each such date, a "Reconciliation Date"), the Trustee and GSP shall jointly and in good faith determine and reconcile the consideration (cash or otherwise) that is payable to each from claims and causes of action that are subject to shared recoveries under this Agreement (except for Claims Against Management, the "Sharing Claims") and the amounts allocable to the Non-Forbearance Amount of the Judgment. If the Trustee is entitled to payment from GSP in connection with the Sharing Claims, GSP shall make a cash payment to the Trustee of the amount owed to the Trustee within five (5) Business Days after the applicable Reconciliation Date. If GSP is entitled to payment from the Trustee in connection with the Sharing Claims, the Trustee shall make a cash payment to GSP within five (5) Business Days after the applicable Reconciliation Date. Any amounts recovered by a Party that are subject to payment, turnover or allocation to another Party hereunder shall be held in trust for the benefit of such Party. If a dispute arises between the Parties as to the amounts payable to any Party from recoveries on the Sharing Claims or the amounts allocable to the Non-Forbearance Amount of the Judgment, and such dispute is not resolved within thirty (30) days following a Reconciliation Date, the Parties consent to the exclusive jurisdiction of the Bankruptcy Court to resolve such dispute.

9. Allowance of a GSP Customer Claim.

(a) On the Effective Date (as defined in paragraph 15 below), notwithstanding section 502(d) of the Bankruptcy Code, the Trustee shall allow GSP a customer claim pursuant to 15 U.S.C. § 7811(11) in the fixed amount of Two Million, Eleven Thousand Three Hundred Four Dollars (\$2,011,304.00) (the "Allowed Claim") and GSP shall receive the full benefit of any SIPA customer advances under section 9 of SIPA. The amount of the Allowed Claim shall be subject to increase in accordance with this paragraph 9.

(b) Notwithstanding any other language in this Agreement, in the event that, as a result of a final, non-appealable judicial determination and order concerning the Net Equity Method issue, valid customer claims against BLMIS are ultimately calculated based on the amounts reflected on a customer's BLMIS account statement for the period ending November 30, 2008, or to include other amounts beyond the Net Equity Method (including, for example, if customers are entitled to receive interest on their deposits with BLMIS), the Allowed Claim shall be calculated as follows: GSP's SIPA Claim shall be calculated in the same manner in accordance with the Order of the Court and subject to all applicable law as other allowed customer claims are calculated (the "Adjusted GSP SIPA Claim"), provided that, in such event, the allowed amount of the Adjusted GSP SIPA Claim shall equal the greater of (a) the amount of the Allowed Claim, or (b) the product of multiplying the Settlement Percentage of twenty-five percent (25%) times the Adjusted GSP SIPA Claim (the "Adjusted Allowed GSP SIPA Claim"). The Bankruptcy Court's order approving this Agreement shall provide for the allowance of the

Allowed Claim or, if applicable, the Adjusted Allowed GSP SIPA Claim, as provided in this paragraph.

10. Claims and Counterclaims of Management.

(a) Fairfield Greenwich (Bermuda) Ltd. (the "General Partner" of GSP), and its affiliated company Fairfield Greenwich Advisors LLC (together referred to herein as the "Fairfield Claimants") claim to hold unsecured, non-priority claims against GSP totaling an amount of at least Sixty-Eight Thousand, Four Hundred Thirty-Two Dollars (\$68,432) (the "Unsecured Claims"). The Plan shall provide that Fairfield Claimants shall not receive or retain anything of value from GSP on account of their Unsecured Claims, except as provided in paragraph 10(d) below.

(b) Certain members of Management also claim to hold contingent unliquidated claims for indemnification costs and expenses, pursuant to GSP's Limited Partnership Agreement or otherwise (the "Indemnification Claims"). The Plan shall provide that holders of the Indemnification Claims shall not receive or retain anything of value from GSP on account of such claims, except as provided in paragraph 10(d) below.

(c) The General Partner who was a partner of GSP as of December 11, 2008, Fairfield Greenwich (Bermuda) Ltd., claims to hold claims against or interests in GSP in connection with their having limited partner or general partner interests in GSP (collectively the "Management Interests Claims"). The Plan shall provide the holders of the Management Interests Claims shall not receive or retain anything of value from GSP on account of such claims, except as provided in paragraph 10(d) below.

(d) Notwithstanding anything to the contrary set forth herein, any person or entity holding all or any part of the Unsecured Claims, the Indemnification Claims, and the Management Interests Claims shall retain any and all such claims and may assert any and all such claims and rights by way of set-off, defense, counterclaim or recoupment with respect to any claim or claims filed or asserted against any one or more of them by the Trustee, or any third party, including without limitation the Claims Against Management.

11. Cooperation in Pursuing and Resolving the Sharing Claims. The Trustee and GSP each agree to provide reasonable cooperation and assistance to the other Party in connection with the prosecution of the Sharing Claims, provide the other with a reasonable opportunity to consider the terms for resolving any Sharing Claims and confer in good faith regarding such terms; provided, however, that the Party authorized under this Agreement with the right and responsibility of prosecuting a Sharing Claim (such Party, the "Prosecuting Party") shall not be required to obtain the consent of the other Party to resolve or settle the Prosecution Party's claim. Within five (5) Business Days following the settlement or other resolution of a Sharing Claim, the Prosecuting Party shall notify the other Party of the amounts, if any, paid or to be paid to the Prosecuting Party in connection therewith. The Trustee and GSP agree and stipulate that a joint interest exists between them with respect to the Sharing Claims. The Trustee and GSP further agree and stipulate that neither this Agreement nor any action taken thereunder constitutes the waiver of any privilege or immunity of the Trustee or GSP or their respective counsel.

12. Release by Trustee. Upon the Effective Date and in consideration for the covenants and agreements in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and without the need for any further documentation, except with respect to the Trustee's Allowed Claim and the obligations, rights and considerations arising under this Agreement, the Trustee, on behalf of himself, BLMIS and its estate, hereby releases, acquits and forever discharges only GSP from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, damages, judgments, and claims whatsoever, asserted or unasserted, known or unknown, now existing or arising in the future (including, without limitation, the claims asserted against GSP in the Adversary Proceeding). Nothing contained herein shall operate to release any claims by the Trustee against any third party, including but not limited to, GSP's general partner, Fairfield Greenwich (Bermuda) Limited and its officers, directors, shareholders and employees and any and all immediate, mediate or subsequent transferees from GSP.

13. Release by GSP. Upon the Effective Date and in consideration for the covenants and agreements in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and without the need for any further documentation, except for the GSP SIPA Claim, the GSP Adjusted Claim, the Allowed Claim, the Adjusted GSP SIPA Claim, and the Adjusted Allowed GSP SIPA Claim (if applicable), and the obligations, rights and considerations arising under this Agreement, GSP, on behalf of itself and its estate hereby releases, acquits and forever discharges and agrees to hold harmless, the Trustee, all of the Trustee's agents, representatives, attorneys, employees and professionals, and BLMIS and its consolidated estate from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, damages, judgments, and claims whatsoever, asserted or unasserted, known or unknown, now existing or arising in the future, except for any and all claims and rights (and the enforcement thereof) of GSP and obligations of the Trustee arising under this Agreement. The Trustee and GSP expressly agree this release shall not affect any claims by GSP against any third party as set forth in paragraphs 3, 4 and 5 of this Agreement, including but not limited to, GSP's general partner, Fairfield Greenwich (Bermuda) Ltd. and its officers, directors, employees, alleged partners, or shareholders, custodians; accountants; auditors; investment advisors; management companies; investors; or limited partners, or any transferees from GSP. GSP shall not object to a provision in the Order approving this Agreement to be entered in the SIPA Proceeding that GSP's limited partners and its general partner shall be barred from asserting any claims directly against the Trustee and all of the Trustee's agents, representatives, attorneys, employees and professionals, arising out of their interests in or claims against GSP, except as provided in paragraph 10 of this Agreement.

14. Unknown Claims. Unknown claims shall mean any Released Claim, as defined herein, that GSP or the Trustee does not know or suspect to exist in its favor at the time of giving the release in this Agreement that if known by it, might have affected its settlement and release in this Agreement. With respect to any and all Released Claims in paragraphs 12 and 13 of this Agreement, GSP and the Trustee shall expressly waive or be deemed to have waived, the provisions, rights and benefits of California Civil Code section 1542 (to the extent it applies herein), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

GSP and the Trustee expressly waive, and shall be deemed to have waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, that is similar, comparable or equivalent in effect to California Civil Code section 1542. GSP and the Trustee may hereafter discover facts in addition to or different from those that it now knows or believes to be true with respect to the subject matter of the Released Claims, but GSP and the Trustee shall expressly have and shall be deemed to have fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence or such different or additional facts. GSP and the Trustee acknowledge and shall be deemed to have acknowledged that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part. "Released Claims" means the claims released and waived by GSP and the Trustees pursuant to paragraphs 12 and 13 of the Agreement.

15. Bankruptcy Court Approval; Effective Date; Termination. This Agreement is subject to the Bankruptcy Court's approval of this Agreement in the SIPA Proceeding and the GSP Case by an order (each such order an "Approval Order") that is no longer subject to appeal. The transactions contemplated by this Agreement shall take effect (and shall be deemed to have occurred simultaneously) on the effective date of the Plan (the "Effective Date"); provided, however, that the only obligations of the Parties from the date the Approval Orders become final orders not subject to appeal through and including the Effective Date shall be those obligations set forth in paragraph 17 below. The form of the Approval Order in the SIPA Proceeding shall be subject to GSP's reasonable approval and the form of Approval Order in the GSP Case shall be subject to the Trustee's reasonable approval. Each party shall use their reasonable efforts to obtain approval of the Agreement in the SIPA Proceeding and the GSP Case as promptly as practicable after the date of this Agreement. In addition, the Trustee shall use his reasonable efforts to obtain entry of an order of the court with jurisdiction over the SIPA Proceeding that enjoins and restrains any person or entity who was ever a Limited Partner in GSP or the beneficial owner of any limited partner interest in GSP from commencing, continuing, asserting or prosecuting in an individual, derivative or any other capacity any Claims Against Management or other claims against Management arising from related facts and circumstances (collectively, "Enjoined Claims") (the "SIPA Proceeding Injunction"). If this Agreement has not been approved by the Bankruptcy Court in the SIPA Proceeding and the GSP Case as provided in this paragraph within ninety (90) days after the date of this Agreement (or within such additional time as mutually agreed upon by the Parties), then (a) this Agreement (other than this paragraph) shall terminate and be void, (b) all of the statements, concessions, consents and agreements contained in the Agreement (other than this paragraph) shall be void; and (c) neither the Trustee, nor GSP

may use or rely on any such statement, concession, consent or agreement in any public statement or litigation involving the SIPA Proceeding, any case or proceeding relating to the SIPA Proceeding, or any case or proceeding relating to GSP, BLMIS or Madoff.

16. Closing. On the Effective Date or as soon thereafter as practicable, (a) the Trustee shall pay GSP \$500,000 on account of the Allowed Claim from SIPA advances under Section 9 of SIPA; and (b) the Allowed Claim shall become effective without any further action by any of the Parties.

17. The Plan. Concurrent with seeking approval of this Agreement by the Bankruptcy Court in the SIPA Proceeding and the GSP Case, respectively, GSP shall file and diligently seek entry of an order approving and confirming, respectively, a disclosure statement (as defined below) and plan of reorganization ("Plan") pursuant to chapter 11 of the Bankruptcy Code. The Plan and order confirming the Plan (the "Confirmation Order") shall expressly incorporate the terms of this Agreement, shall bar GSP's present and former limited partners and holders of any limited partnership interest in GSP from prosecuting any Enjoined Claims, known or unknown, that are, have been, could have been or might in the future be asserted, including but not limited to the GSP limited partners' claims in *Anwar v. Fairfield Greenwich Limited et al.*, No. Civ. 09-cv-0118 (S.D.N.Y.) and the claims brought derivatively in *Pierce v. Fairfield Greenwich Group*, Index No. 600498/2009 (N.Y. Sup. Ct. 2009), shall comply with applicable law, and shall otherwise be subject to the reasonable approval of the Trustee. To the extent a conflict exists between the terms of this Agreement, the Plan and the Confirmation Order, this Agreement shall control. The Trustee agrees that the Plan may separately classify the Trustee's Allowed Claim and that treatment of the Trustee's Allowed Claim in accordance with this Agreement shall constitute impairment of such claim. Subject to incorporation of this Agreement and all of its material terms into the Plan and Confirmation Order and the Trustee's reasonable approval of the same, the Trustee shall (i) support approval of the Disclosure Statement and confirmation of the Plan; (ii) not directly or indirectly propose, support, solicit votes for or seek to confirm any plan of reorganization other than the Plan or any other restructuring, reorganization or liquidation of GSP that is inconsistent with the Plan or this Agreement; (iii) not seek, and will oppose the conversion or dismissal of the GSP Case or the appointment of a trustee for GSP, and (iv) not object to, oppose or interfere with the acceptance, implementation, confirmation or consummation of the Plan unless, in the Trustee's reasonable discretion, the Plan is inconsistent with the provisions of this Agreement. If the Confirmation Order, in form and substance satisfactory to the Trustee and GSP and that is no longer subject to appeal, is not entered within 180 days of the date of this Agreement (or within such additional time as mutually agreed upon by the Parties), then (a) this Agreement (other than this paragraph) shall terminate and be void, (b) all of the statements, concessions, consents and agreements contained in the Agreement (other than this paragraph) shall be void; and (c) neither the Trustee, nor GSP may use or rely on any such statement, concession, consent or agreement in any public statement or litigation involving the SIPA Proceeding, any case or proceeding relating to the SIPA Proceeding, or any case or proceeding relating to GSP, BLMIS or Madoff. For purposes of this Agreement, "Disclosure Statement" shall mean the written disclosure statement and its appendices and/or exhibits, as they may be amended, supplemented, or further modified from time to time, filed by GSP in connection with prosecution of the Plan. GSP's and Trustee's Authority.

18. GSP's and Trustee's Authority. Subject to Bankruptcy Court approval, GSP represents and warrants to the Trustee that, as of the date hereof, it has the full power, authority and legal right to execute and deliver, and to perform its respective obligations under, this Agreement and has taken all necessary action to authorize the execution, delivery, and performance of its obligations under this Agreement. The Trustee represents and warrants to GSP that, as of the date hereof, and subject to the approval of the Bankruptcy Court as set forth in paragraph 15 above, he has the full power, authority and legal right to execute and deliver, and to perform his obligations under, this Agreement and has taken all necessary action to authorize the execution, delivery, and performance of his obligations under this Agreement.

19. Business Days. For purposes of this Agreement the term "Business Days" shall mean any day other than Saturday, Sunday, or a day that is a legal holiday in New York City.

20. Further Assurances. The Trustee and GSP shall execute and deliver any document or instrument reasonably requested by either of them after the date of this Agreement to effectuate the intent of this Agreement.

21. Entire Agreement. This Agreement constitutes the entire agreement and understanding between and among the Parties and supersedes all prior agreements, representations and understandings concerning the subject matter hereof.

22. Amendments, Waiver. This Agreement may not be terminated, waived, amended or modified in any way except in a writing signed by all the Parties. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver.

23. Assignability. No Party hereto may assign his or her rights under this Agreement to a third party without the prior written consent of each of the other Parties hereto, provided, however that GSP shall assign its rights and delegate its duties under this Agreement to one or more successor entities formed under the Plan to hold the Retained Assets and distribute such assets or their proceeds to persons entitled under the Plan to receive such distributions.

24. Successors Bound. This Agreement shall be binding upon and inure to the benefit of each of the Parties and their successors and permitted assigns, including but not limited to, any subsequent Chapter 11 trustee, Chapter 7 trustee, or post-confirmation trustee appointed in the GSP Case.

25. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without regard to the principle of conflicts of law. Each Party hereby waives on behalf of itself and its successors and assigns any and all rights to argue that the choice of New York law provisions is or has become unreasonable in any legal proceeding.

26. Exclusive Jurisdiction. The Parties agree and the Approval Orders shall provide that the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any action to enforce this Agreement, or any provision thereof, and the Parties hereby consent to and submit to the jurisdiction of the Bankruptcy Court for any such action. The Parties agree that no Party shall bring, institute, prosecute or maintain any action to enforce, modify, terminate, void, or interpret

this Agreement, or any provision thereof, in any court other than the Bankruptcy Court. In any action commenced in another court by a third-party to enforce, modify, terminate, void or interpret this Agreement, the Parties agree to seek to transfer the action to the Bankruptcy Court or to stay or terminate the action in favor of Bankruptcy Court jurisdiction.

27. Captions and Rules of Construction. The captions in this Agreement are inserted only as a matter of convenience and for reference and do not define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Any reference in this Agreement to a paragraph is to a paragraph of this Agreement. "Includes" and "including" are not limiting.

28. Counterparts; Electronic Copy of Signatures. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same document. The Parties may evidence their execution of this Agreement by delivery to the other Parties of scanned or faxed copies of their signatures, with the same effect as the delivery of an original signature.

29. Non Severability. If any part of this Agreement is found in a judgment or order by a court of competent jurisdiction to be void or unenforceable, the entire Agreement shall be void or unenforceable (except this paragraph), unless otherwise agreed to in writing by the Parties.

30. Notices. Any notices under this Agreement shall be in writing, shall be effective when received and may be delivered only by hand, by overnight delivery service, by fax or by electronic transmission to:

If to the Trustee, c/o:

Mark Kornfeld, Esq.
Baker & Hostetler LLP
45 Rockefeller Center, Suite 1100
New York, NY 10111
F: (212) 589-4201
mkornfeld@bakerlaw.com

If to the GSP, c/o:

Paul R. De Filippo, Esq.
Wollmuth Maher & Deutsch LLP
500 Fifth Avenue
New York, NY 10110
F: (212) 382-0050
pdefilippo@wmd-law.com

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

Dated: _____

Irving H. Picard, Trustee

Greenwich Sentry Partners, L.P.

Dated: _____

By: Fairfield Greenwich (Bermuda), Ltd., its
General Partner

By:

Name

Title

ATTACHMENT A

GREENWICH SENTRY PARTNERS LP ACCOUNT

Account Number

1-G0371

ATTACHMENT B

CUSTOMER CLAIM

Bernard L. Madoff Investment Securities LLC
Case No 08-01789-BRL
U.S. Bankruptcy Court for the Southern District of New York
Claim Number: **007896**

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008

RECEIVED

MAR 10 2009

(Please print or type)

Name of Customer: Greenwich Sentry Partners, LP
Mailing Address: c/o Fairfield Greenwich (Bermuda) Limited, 12 Church St., Suite 606
City: Hamilton State: Bermuda Zip: HM 11
Account No.: I-00371-3-0
Taxpayer ID Number (Social Security No.): 13-4331206

NOTE: BEFORE COMPLETING THIS CLAIM FORM, BE SURE TO READ CAREFULLY THE ACCOMPANYING INSTRUCTION SHEET. A SEPARATE CLAIM FORM SHOULD BE FILED FOR EACH ACCOUNT AND, TO RECEIVE THE FULL PROTECTION AFFORDED UNDER SIPA, ALL CUSTOMER CLAIMS MUST BE RECEIVED BY THE TRUSTEE ON OR BEFORE March 4, 2009. CLAIMS RECEIVED AFTER THAT DATE, BUT ON OR BEFORE July 2, 2009, WILL BE SUBJECT TO DELAYED PROCESSING AND TO BEING SATISFIED ON TERMS LESS FAVORABLE TO THE CLAIMANT. PLEASE SEND YOUR CLAIM FORM BY CERTIFIED MAIL - RETURN RECEIPT REQUESTED.

1. Claim for money balances as of December 11, 2008:

- a. The Broker owes me a Credit (Cr.) Balance of \$ 10,426,182 *
- b. I owe the Broker a Debit (Dr.) Balance of \$ 0
- c. If you wish to repay the Debit Balance, please insert the amount you wish to repay and attach a check payable to "Irving H. Picard, Esq., Trustee for Bernard L. Madoff Investment Securities LLC."
If you wish to make a payment, it must be enclosed with this claim form. \$ N/A
- d. If balance is zero, insert "None." \$ 10,426,182

2. Claim for securities as of December 11, 2008:

PLEASE DO NOT CLAIM ANY SECURITIES YOU HAVE IN YOUR POSSESSION.

- | | <u>YES</u> | <u>NO</u> |
|---|--------------------------------|-----------|
| a. The Broker owes me securities | <u>. See Account Statement</u> | |
| b. I owe the Broker securities | _____ | _____ |
| c. If yes to either, please list below: | | |

Date of Transaction (trade date)	Name of Security	<u>Number of Shares or Face Amount of Bonds</u>	
		The Broker Owes Me (Long)	I Owe the Broker (Short)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Proper documentation can speed the review, allowance and satisfaction of your claim and shorten the time required to deliver your securities and cash to you. Please enclose, if possible, copies of your last account statement and purchase or sale confirmations and checks which relate to the securities or cash you claim, and any other documentation, such as correspondence, which you believe will be of assistance in processing your claim. In particular, you should provide all documentation (such as cancelled checks, receipts from the Debtor, proof of wire transfers, etc.) of your deposits of cash or securities with the Debtor from as far back as you have documentation. You should also provide all documentation or information regarding any withdrawals you have ever made or payments received from the Debtor.

Please explain any differences between the securities or cash claimed and the cash balance and securities positions on your last account statement. If, at any time, you complained in writing about the handling of your account to any person or entity or regulatory authority, and the complaint relates to the cash and/or securities that you are now seeking, please be sure to provide with your claim copies of the complaint and all related correspondence, as well as copies of any replies that you received.
PLEASE CHECK THE APPROPRIATE ANSWER FOR ITEMS 3 THROUGH 9.

NOTE: IF "YES" IS MARKED ON ANY ITEM, PROVIDE A DETAILED EXPLANATION ON A SIGNED ATTACHMENT. IF SUFFICIENT DETAILS ARE NOT PROVIDED, THIS CLAIM FORM WILL BE RETURNED FOR YOUR COMPLETION.

- | | <u>YES</u> | <u>NO</u> |
|---|-------------|-------------|
| 3. Has there been any change in your account since December 11, 2008? If so, please explain. | _____ | _____X_____ |
| 4. Are you or were you a director, officer, partner, shareholder, lender to or capital contributor of the broker? | _____ | _____X_____ |
| 5. Are or were you a person who, directly or indirectly and through agreement or otherwise, exercised or had the power to exercise a controlling influence over the management or policies of the broker? | _____ | _____X_____ |
| 6. Are you related to, or do you have any business venture with, any of the persons specified in "4" above, or any employee or other person associated in any way with the broker? If so, give name(s) | _____ | _____X_____ |
| 7. Is this claim being filed by or on behalf of a broker or dealer or a bank? If so, provide documentation with respect to each public customer on whose behalf you are claiming. | _____ | _____X_____ |
| 8. Have you ever given any discretionary [*] authority to any person to execute securities transactions with or through the broker on your behalf? Give names, addresses and phone numbers. | _____X_____ | _____ |
| 9. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? If so, give name of that broker. | _____ | _____X_____ |

Please list the full name and address of anyone assisting you in the preparation of this claim form:

Seward E. Kissel, LLP 1 Battery Park Plaza NY, NY 10004

If you cannot compute the amount of your claim, you may file an estimated claim. In that case, please indicate your claim is an estimated claim.

IT IS A VIOLATION OF FEDERAL LAW TO FILE A FRAUDULENT CLAIM. CONVICTION CAN RESULT IN A FINE OF NOT MORE THAN \$50,000 OR IMPRISONMENT FOR NOT MORE THAN FIVE YEARS OR BOTH.

THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.

Date 3/14/09

Jeremy
Fischer
Signature Jeremy Fischer, Director
Greenwich Sentry Partners, LP
By: Fanchelle Greenstein (Bernstein) Ltd., General Partner

Date _____

Signature _____

(If ownership of the account is shared, all must sign above. Give each owner's name, address, phone number, and extent of ownership on a signed separate sheet. If other than a personal account, e.g., corporate, trustee, custodian, etc., also state your capacity and authority. Please supply the trust agreement or other proof of authority.)

This customer claim form must be completed and mailed promptly, together with supporting documentation, etc. to:

Irving H. Picard, Esq.,
Trustee for Bernard L. Madoff Investment Securities LLC
Claims Processing Center
2100 McKinney Ave., Suite 800
Dallas, TX 75201

Greenwich Sentry Partners LP ("GSP")
Addendum to Customer Claim Form
Bernard L. Madoff Investment Securities LLC ("BLMIS")

GSP submits this addendum in support of its Customer Claim Form.

1. GSP is a limited partnership organized under the laws of the State of Delaware. GSP sold limited partnership interests to qualified, experienced and sophisticated investors (the "Limited Partners"). GSP sought to obtain capital appreciation of its assets. In connection therewith, GSP held two brokerage accounts under its name with BLMIS:

Account Number	Value as of November 2008	Purpose of Account
I-G0092-3	\$ 10,426,182	Trade securities
I-G0092-4	\$ (312,390)	Option hedging transactions
Total	\$ 10,426,182	

2. GSP presently is submitting a Customer Claim Form under its name only. GSP presently is not submitting individual claims on behalf of its Limited Partners. However, GSP reserves the right to amend or supplement its Customer Claim Form to include its individual Limited Partners in the event the Securities Investor Protection Act of 1970, 15 U.S.C. § 78aaa *et seq.* ("SIPA"), is amended or interpreted, now or in the future, to provide coverage to indirect customers or investors of BLMIS, such as the Limited Partners. Further, while neither GSP nor its counsel is authorized to represent or bind the Limited Partners in connection with this filing, GSP reserves the rights of its Limited Partners to file their own customer claim forms in the event SIPA is amended or interpreted to provide coverage to the Limited Partners.

3. In support of its customer claim under 15 U.S.C. §78fff(a)(1)(B), GSP submits copies of the last account statements and purchase/sales confirmations that GSP received from BLMIS.

4. GSP is aware of the Trustee's February 20, 2009 representations that the Trustee intends to implement a cash "in and out" analysis in determining the value of customer claims in light of what the Trustee has indicated is evidence that BLMIS did not, at least for the past 13 years, conduct trades on the account of customers. In this regard, GSP has in its possession account statements and related information dating back to May 2006, showing that GSP was a "net contributor" to BLMIS in the approximate amount of \$8.6 million. In other words, GSP deposited approximately \$8.6 million more into BLMIS than it withdrew over the period May 2006 to November 2008. Copies of these materials are available upon request.

5. In further response to Item 8 of the Customer Claim Form, Fairfield Greenwich (Bermuda) Limited, as GSP's General Partner, managed GSP's investments. Fairfield Greenwich (Bermuda) Limited, GSP's most recent general partner, is located at 12 Church Street, Suite 606, Hamilton, Bermuda, HM 11. The telephone number is (441) 292-5401.

RESERVATION OF RIGHTS

6. GSP expressly reserves its right to replace, amend and/or supplement this Customer Claim to include any claim at law or in equity.

7. The filing of this Customer Claim shall not be deemed a waiver of any claim in law or equity that GSP may have against BLMIS. Furthermore, nothing contained herein shall be construed as a waiver of any rights or remedies of GSP with respect to any claims against any of BLMIS's affiliates or the right to assert claims that are otherwise warranted in any related or unrelated action. The filing of this Customer Claim is not and shall not be deemed to

be an admission for the purposes of any other proceeding and/or concerning any other person.

8. The filing of this Customer Claim is not intended to be and should not be construed as (a) a consent by GSP to the jurisdiction of the court overseeing the BLMIS SIPA liquidation proceeding with respect to the subject matter of this claim, any objection or other proceeding commenced in this case or otherwise involving GSP; (b) a waiver of the rights and remedies against any other person or entity who may be liable for all or part of the claims set forth herein, whether an affiliate or guarantor of BLMIS or otherwise; (c) a waiver or release of GSP's right to trial by jury, or a consent to trial by jury, in this or any other court; or (d) a waiver of any right to challenge the jurisdiction of the court, with respect to the subject matter of this claim, any objection or other proceeding commenced in this case against or otherwise involving GSP.

9. GSP specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against GSP by BLMIS, any of its successors and assigns or by any trustee for BLMIS's estate.

SK 25528 0034 969570

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004

JACK YOSKOWITZ
PARTNER
(212) 874-1215
yoskowitz@sewks.com

TELEPHONE: (212) 874-1200
FACSIMILE: (212) 480-8421
WWW.SEWKIS.COM

1200 G STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE: (202) 737-8833
FACSIMILE: (202) 737-8184

March 4, 2009

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Irving H. Picard, Esq.
Trustee for Bernard L. Madoff Investment
Securities LLC
Claims Processing Center
2100 McKinney Ave., Suite 800
Dallas, TX 75201

Re: Greenwich Sentry Partners

Dear Mr. Picard:

Please find enclosed Customer Claim forms for accounts held in the name of Greenwich Sentry Partners. We have provided electronic copies of account statements and trade confirmations in support of each claim. They have been stamped with a prefix to correspond to the appropriate account number. Additional information is available upon request. We reserve the right to update or amend each of these claims as necessary.

Sincerely,


Jack Yoskowitz

Enclosures

cc: Michael Thorne, Esq.

SK 25528 0034 972748

ATTACHMENT C

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant.
In re: BERNARD L. MADOFF, Debtor.
IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC, Plaintiff, v. FAIRFIELD SENTRY LIMITED, GREENWICH SENTRY, L.P., GREENWICH SENTRY PARTNERS, L.P., FAIRFIELD SIGMA LIMITED, FAIRFIELD LAMBDA LIMITED, CHESTER GLOBAL STRATEGY FUND LIMITED, CHESTER GLOBAL STRATEGY FUND, IRONGATE GLOBAL STRATEGY FUND LIMITED, FAIRFIELD GREENWICH FUND (LUXEMBOURG), FAIRFIELD INVESTMENT FUND LIMITED, FAIRFIELD INVESTORS (EURO) LIMITED, FAIRFIELD INVESTORS (SWISS FRANC) LIMITED, FAIRFIELD INVESTORS (YEN) LIMITED, FAIRFIELD INVESTMENT TRUST, FIF ADVANCED, LTD., SENTRY SELECT LIMITED, STABLE FUND, FAIRFIELD GREENWICH LIMITED, FAIRFIELD

Adv. Pro. No. 08-01789 (BRL)
SIPA Liquidation

(Substantively Consolidated)

Adv. Pro. No. 09-01239 (BRL)

GREENWICH (BERMUDA), LTD.,
FAIRFIELD GREENWICH ADVISORS
LLC, FAIRFIELD GREENWICH GP, LLC,
FAIRFIELD GREENWICH PARTNERS,
LLC, FAIRFIELD HEATHCLIFF CAPITAL
LLC, FAIRFIELD INTERNATIONAL
MANAGERS, INC., FAIRFIELD
GREENWICH (UK) LIMITED,
GREENWICH BERMUDA LIMITED,
CHESTER MANAGEMENT CAYMAN
LIMITED, WALTER NOEL, JEFFREY
TUCKER, ANDRÉS PIEDRAHITA, MARK
MCKEEFRY, DANIEL LIPTON, AMIT
VIJAYVERGIYA, GORDON MCKENZIE,
RICHARD LANDSBERGER, PHILIP
TOUB, CHARLES MURPHY, ROBERT
BLUM, ANDREW SMITH, HAROLD
GREISMAN, GREGORY BOWES,
CORINA NOEL PIEDRAHITA, LOURDES
BARRENECHE, CORNELIS BOELE,
SANTIAGO REYES, JACQUELINE
HARARY

Defendants.

CONSENT JUDGMENT¹

WHEREAS, Irving H. Picard (the “Trustee”) is the trustee for the substantively consolidated liquidations of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) and Bernard L. Madoff (“Madoff”) under the Securities Investor Protection Act (“SIPA”) §§ 78aaa *et seq.*, currently pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) as Case No. 08-01789 (BRL) (the “SIPA Proceeding”); and

WHEREAS, the Trustee is duly qualified to serve and act on behalf of the estates of BLMIS and Madoff (together, the “BLMIS Estate”); and

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement, dated May 17, 2011, between the Trustee (as defined herein), and Greenwich Sentry Partners, L.P.

WHEREAS, Greenwich Sentry Partners, L.P. ("GSP") is a Delaware limited partnership; and

WHEREAS, Fairfield Greenwich (Bermuda) Limited is the general partner of GSP; and

WHEREAS, GSP, at all times relevant hereto, was a customer of BLMIS and maintained an account with BLMIS (the "GSP BLMIS Account"); and

WHEREAS, according to the Trustee, GSP withdrew Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) from the GSP BLMIS Account during the period less than six (6) years, before the date on which the SIPA Proceedings commenced (the "Withdrawals"); and

WHEREAS, the above-captioned adversary proceeding (the "Adversary Proceeding") was commenced by the Trustee in the Bankruptcy Court on or about May 18, 2009 [Docket No. 1]; and

WHEREAS, pursuant to Counts Two, Five, Eight, Eleven, Fourteen, Seventeen, Twenty, and Twenty-Three of the amended complaint filed in the Adversary Proceeding on or about July 20, 2010 [Docket No. 23] (the "Amended Complaint"), the Trustee asserts, pursuant to 11 U.S.C. §§ 544, 547, 548, 550, SIPA § 78fff-(2)(c)(3) and the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law §§ 270-281), that the Withdrawals are avoidable and that GSP is liable to the BLMIS Estate for amount of the Withdrawals, which total Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) (the "GSP Avoiding Power Claims"); and

WHEREAS, on or about May 17, 2011, the Trustee and GSP entered into a settlement agreement (the "Agreement"), in order to settle certain matters in controversy

among them, including the Fairfield Avoiding Power Claims, upon the terms as set forth therein; and

WHEREAS, pursuant to the terms of the Agreement, the GSP has consented to the entry of judgment against GSP with respect to the GSP Avoiding Power Claims as set forth below.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, ORDERED AND ADJUDGED THAT, that judgment be entered as follows:

1. Judgment (the "Consent Judgment") is hereby entered in favor the Trustee and against GSP on the GSP Avoiding Power Claims in the amount of Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) (the "Judgment Amount").

2. The Consent Judgment is defined and limited as set forth herein and by the terms of the Agreement. Notwithstanding anything to the contrary in this Consent Judgment, (i) entry, enforcement and/or execution of this Consent Judgment, (ii) the provisions of this Consent Judgment and (iii) the satisfaction of the Judgment Amount as against GSP is governed entirely and exclusively by the terms of the Agreement. In the event of any conflict between this Consent Judgment and the Agreement, the terms of the Agreement shall govern.

3. Interest shall not accrue on the Judgment Amount.

4. This Consent Judgment is not assignable.

5. The Bankruptcy Court shall have exclusive jurisdiction over any action to enforce this Consent Judgment, or any provision thereof, subject in all cases to the terms of the Agreement.

6. The signatories to this Consent Judgment represent that they are expressly authorized to bind the respective parties to the terms hereof and hereby represent that the parties have read, understand, agree and consent to the foregoing Consent Judgment and all of the terms and conditions set forth herein.

7. The undersigned represent that the respective parties have obtained the advice of counsel and are consenting and agreeing to all of the terms of this Consent Judgment freely and voluntarily.

8. The Clerk of Court shall enter judgment as set forth herein.

AGREED AND CONSENTED TO:

Greenwich Sentry Partners, L.P.

By: Fairfield Greenwich (Bermuda) Limited, its General Partner

By: _____
Name

Title

AGREED AND CONSENTED TO, FOR FORM :

For Defendant Greenwich Sentry Partners L.P. For Plaintiff Irving H. Picard, Trustee
for the Liquidation of Bernard L.
Madoff Investment Securities LLC

Paul R. DeFilippo
Wollmuth Maher & Deutsch LLP
500 Fifth Avenue
New York, NY 10110
F: (212) 382-0050
pdefilippo@wmd-law.com

Mark Kornfeld, Esq.
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
F: (212) 589-4201
mkornfeld@bakerlaw.com

SO ORDERED

This __ day of _____

HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY
JUDGE

JUDGMENT IS HEREBY ENTERED in accordance with the terms of the foregoing:

Clerk of the Court

EXHIBIT C
PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC

Plaintiff,

v.

FAIRFIELD SENTRY LTD. *et al*,

Defendants.

No. 08-01789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

Adv. Pro. No. 09-01239

**ORDER PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND
RULES 2002 AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE APPROVING AGREEMENTS BY AND BETWEEN THE
TRUSTEE, GREENWICH SENTRY, L.P. AND GREENWICH SENTRY
PARTNERS, L.P.**

Upon the motion (the “Motion”)¹ [ECF No. ___] of Irving H. Picard, Esq. (the “Trustee”) as trustee for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.*, and Bernard L. Madoff, seeking entry of an order, pursuant to sections 105(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving (i) the agreement

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

by and between the Trustee and Greenwich Sentry, L.P., and (ii) the agreement by and between the Trustee and Greenwich Sentry Partners, L.P., in the forms annexed to the Motion (the "Agreements"); and it appearing that due and sufficient notice has been given to all parties in interest as required by Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure; and the Court having considered the Affidavit of Irving Picard in support of the Motion; and it further appearing the relief sought in the Motion is appropriate; and it further appearing that this Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and after due deliberation; and sufficient cause appearing therefor; it is

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Agreements are hereby approved and authorized; and it is further

ORDERED, that in accordance with the terms set forth in Paragraph 9 of the Greenwich Sentry Agreement, Greenwich Sentry shall have an allowed customer claim in the SIPA proceeding against the BLMIS Estate in the amount of Thirty Five Million Dollars (\$35,000,000), subject to the potential increase and adjustment of such amount as provided in Paragraph 9 of the Greenwich Sentry Agreement; and it is further

ORDERED, that in accordance with the terms set forth in Paragraph 9 of the Greenwich Sentry Partners Agreement, Greenwich Sentry Partners shall have an allowed customer claim in the SIPA proceeding against the BLMIS Estate in the amount of Two Million Eleven Thousand Three Hundred Four Dollars (\$2,011,304), subject to the potential increase and adjustment of such amount as provided in Paragraph 9 of the Greenwich Sentry Partners Agreement.

ORDERED, that the parties to the Agreements shall each comply with and carry out the terms of the Agreements.

Dated: New York, New York
_____, 2011

HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT D

AFFIDAVIT OF IRVING PICARD

Hearing Date: June 21, 2011 at 10:00 a.m.
Objection Deadline: June 14, 2011

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

FAIRFIELD SENTRY LIMITED, et al.,

Defendants.

Adv. Pro. No. 08-01789 (BRL)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 09-1239 (BRL)

**AFFIDAVIT OF IRVING H. PICARD, TRUSTEE, IN SUPPORT OF MOTION
FOR ENTRY OF ORDER PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE AND RULES 2002(a)(3) AND 9019(a) OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE APPROVING AGREEMENTS
BETWEEN THE TRUSTEE AND GREENWICH SENTRY, L.P. AND
GREENWICH SENTRY PARTNERS LP**

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Irving H. Picard, being duly sworn, hereby attests as follows:

1. I am the trustee for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) and Bernard L. Madoff (“Madoff,” and together with BLMIS, collectively, the “Debtors”). I am familiar with the affairs of the

Debtors. I respectfully submit this Affidavit in support of the motion (the “Motion”) seeking entry of an order, pursuant to 11 U.S.C. § 1015(a), and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving (1) an agreement by and between the Trustee and Greenwich Sentry L.P. (“Greenwich Sentry”), debtor and debtor-in-possession and (2) an agreement by and between the Trustee and Greenwich Sentry Partners, L.P. (“GSP” and with Greenwich Sentry the “Greenwich Debtors”), debtor and debtor-in-possession.

2. I make this Affidavit based upon my own personal knowledge or upon information that I believe to be true.

3. All capitalized terms not defined herein have the meaning ascribed to them in the Motion.

4. I believe that the terms of the Agreements fall well above the lowest point in the range of reasonableness and, accordingly, the Agreements should be approved by this Court. The Agreements are settlements that resolve all issues regarding the asserted and unasserted claims against the Greenwich Debtors (the “Avoiding Power Claims”), without the need for protracted, costly litigation, the outcome of which is uncertain. I recognize that litigating the Avoiding Power Claims would undoubtedly be extremely complex, create significant delay, and would involve both litigation risk and difficulties associated with collection.

5. As part of the Agreements, the Trustee, and the Greenwich Debtors have reached a good faith, complete, and total compromise as to any and all claims the Trustee asserted in the Adversary Proceeding against the Greenwich Debtors, including, but not limited to, claims the Trustee had against the Greenwich Debtors for avoidable and recoverable initial transfers by BLMIS within the ninety days before the Filing Date and during the period more than ninety days, but within six years, before the Filing Date, and

other claims the Trustee had against the Greenwich Debtors. The Agreement incorporates judgments in the amount of Two Hundred Six Million Thirty Eight Thousand Six Hundred Fifty Four Million Dollars (\$206,038,654) against the Greenwich Sentry and Five Million Nine Hundred Eighty Five Thousand Dollars (\$5,985,000) against GSP.

6. The Agreements greatly further the interests of the customers of BLMIS by, among other things: (i) obtaining the judgments against the Greenwich Debtors; (ii) reducing the Greenwich Sentry Net Equity Claim from One Hundred Forty Million Four Hundred Thirty Nine Thousand One Hundred Forty Six Dollars (\$140,439,146) to an allowed SIPA Claim of Thirty Five Million Dollars (\$35,000,000); (iii) reducing GSP Net Equity Claim from Two Million Five Hundred Forty Thousand Dollars (\$2,540,000) to an allowed SIPA claim of Two Million Eleven Thousand Three Hundred Four Dollars (\$2,011,304); and (iv) increasing the Trustee's ability to recover substantially greater sums for the Fund of Customer Property through future actions by the Trustee.

7. Given the potential impact of these issues, and the complexities involved in proceeding with litigation, I have determined, in my business judgment, that the Agreement represents a fair and equitable compromise of the Avoiding Power Claims that is in the best interests of the estate.

/s/ Irving H. Picard
IRVING H. PICARD

Sworn to before me this 17th
day of May, 2011

/s/ Sonya M. Graham
Notary Public, State of New York
No. 01GR6133214
Qualified in Westchester County
Commission Expires 9/12/2013