

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

<p>SECURITIES INVESTOR PROTECTION CORPORATION,</p> <p>Plaintiff-Applicant,</p> <p>v.</p> <p>BERNARD L. MADOFF INVESTMENT SECURITIES LLC,</p> <p>Defendants.</p>	<p>Adv. Pro. No. 08-1789 (BRL)</p> <p>SIPA LIQUIDATION</p> <p>(Substantively Consolidated)</p>
<p>In re BERNARD L. MADOFF INVESTMENT SECURITIES LLC,</p> <p>Debtor.</p>	
<p>IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC,</p> <p>Plaintiff,</p> <p>v.</p> <p>ABN AMRO BANK N.V. (presently known as THE ROYAL BANK OF SCOTLAND, N.V.); ABN AMRO INCORPORATED, RYE SELECT BROAD MARKET XL FUND, LP and RYE SELECT BROAD MARKET XL PORTFOLIO LIMITED,</p> <p>Defendants.</p>	<p>Adv. Pro. No. 10-5354 (BRL)</p> <p>11 Civ. 06848 (JSR)</p> <p>11 Civ. 06878 (JSR)</p>
<p>IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC,</p> <p>Plaintiff,</p> <p>v.</p> <p>ABN AMRO BANK (IRELAND) LTD. (F/K/A FORTIS PRIME FUND SOLUTIONS BANK (IRELAND) LIMITED), ABN AMRO CUSTODIAL SERVICES (IRELAND) LTD. (F/K/A FORTIS PRIME FUND SOLUTIONS CUSTODIAL SERVICES (IRELAND) LTD.), RYE SELECT</p>	<p>Adv. Pro. No. 10-05355</p> <p>11 Civ. 06849 (JSR)</p> <p>11 Civ. 06877 (JSR)</p>

BROAD MARKET XL FUND, LP and RYE
SELECT BROAD MARKET XL PORTFOLIO
LIMITED,

Defendants.

**DECLARATION OF OREN J. WARSHAVSKY, PURSUANT TO 28 U.S.C. § 1746,
IN SUPPORT OF TRUSTEE'S MEMORANDUM OF LAW IN OPPOSITION
TO DEFENDANTS' MOTIONS TO WITHDRAW THE REFERENCE**

Pursuant to 28 U.S.C. § 1746, OREN J. WARSHAVSKY hereby declares as follows:

I am a partner at the firm of Baker & Hostetler LLP, counsel for Plaintiff Irving H. Picard (the "Trustee") for the substantively consolidated liquidation proceeding of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.*, and the estate of Bernard L. Madoff. As an attorney of record, I am fully familiar with this case and the facts set forth herein. I respectfully submit this Declaration to place before this Court true and correct copies of certain documents relevant to the Trustee's memorandum of law in opposition to the Defendants' Motions to Withdraw the Reference (the "Motions") filed in the following actions: *Picard v. ABN AMRO Bank N.V., et al*, Adv. Pro. No. 10-05354 (Bankr. S.D.N.Y.) (BRL), No. 11 Civ. 06848, 11 Civ. 06878 (JSR) (S.D.N.Y.) (ECF No. 1); *Picard v. ABN AMRO Bank (Ireland) Ltd., et al*, Adv. Pro. No. 10-05355 (Bankr. S.D.N.Y.) (BRL), No. 11 Civ. 06847, 11 Civ. 06877 (JSR) (S.D.N.Y.) (ECF No. 1). The Court consolidated the Motions for briefing purposes pursuant to a chambers conference on November 28, 2011.

1. Attached hereto as Exhibit 1 are true and correct copies of the complaints filed by the Trustee against the Defendants in the above-captioned actions.

2. Attached hereto as Exhibit 2 is a true and correct copy of the Opinion & Order, *Aozora Bank Ltd et al. v. Sec. Investor Prot. Corp.*, 11 Civ. 05683 (DLC) (S.D.N.Y. Jan. 4, 2012).

I declare under penalty of perjury that the foregoing is true and correct. Executed on
January 11, 2011.

/s/ Oren J. Warshavsky
Oren J. Warshavsky

EXHIBIT 1

Baker & Hostetler LLP

45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Ryan P. Farley
Mark A. Kornfeld
Keith R. Murphy
Marc Skapof
Thomas L. Long
Catherine E. Woltering

*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.

In re:

BERNARD L. MADOFF,

Debtor.

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

SIPA Liquidation

(Substantively Consolidated)

COMPLAINT

FILE UNDER SEAL

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

Plaintiff,

v.

ABN AMRO BANK N.V. (presently known
as THE ROYAL BANK OF SCOTLAND,
N.V.), ABN AMRO INCORPORATED,
RYE SELECT BROAD MARKET XL
FUND, LP and RYE SELECT BROAD
MARKET XL PORTFOLIO LIMITED,

Defendants.

Adv. Pro. No. _____ (BRL)

Irving H. Picard (the “Trustee”), as Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”), and the substantively consolidated estate of Bernard L. Madoff, individually, under the Securities Investor Protection Act (“SIPA”) 15 U.S.C. §§ 78aaa *et seq.*, for this Complaint against ABN AMRO Bank N.V. (“ABN Bank”) (ABN Bank is presently known as The Royal Bank of Scotland, N.V. (“RBS”)), ABN AMRO Incorporated (“ABNI”), (ABN Bank and ABNI are collectively referred to herein as “ABN”), Rye Select Broad Market XL Fund, LP (“Rye LP”) and Rye Select Broad Market XL Portfolio Limited (“Rye Portfolio”) (Rye LP and Rye Portfolio are collectively referred to herein as the “Tremont XL Funds”), alleges the following:

I. NATURE OF THE ACTION

1. This adversary proceeding is part of the Trustee’s continuing efforts to avoid transfers of and recover BLMIS Customer Property¹ that was lost as part of the massive Ponzi

¹ SIPA § 78lll(4) defines “Customer Property” as cash and securities at any time received, acquired or held by or for the account of a debtor from or for the securities accounts of a customer, and the proceeds of any such property transferred by the debtor, including property unlawfully converted.

scheme perpetrated by Bernard L. Madoff (“Madoff”) and others.

2. With this Complaint, the Trustee seeks to recover approximately \$271 million in subsequent transfers made to ABN originating from BLMIS, which resulted from ABN’s investments in Madoff Feeder Funds² to hedge ABN’s risk exposure arising from two swap agreements.

3. With this Complaint, the Trustee also seeks to recover approximately \$400 million in subsequent transfers made to Rye LP and Rye Portfolio originating from BLMIS, which, upon information and belief, resulted from the two ABN swap transactions, as well as from other swaps executed by Rye LP and Rye Portfolio with several other global financial institutions.

4. At the times when ABN, Rye LP and Rye Portfolio received the subsequent transfers originating from BLMIS, they were each armed with public information, as well as considerable non-public information, which raised numerous red flags of possible fraudulent activity at BLMIS.

A. Leverage And The Madoff Ponzi Scheme

5. For nearly a decade before Madoff’s arrest, at a time when many, if not most, investment firms were regularly using borrowed money to make their investments or loaning money to customers to make securities investments, it was widely known to money managers, investment bankers, institutional lenders, feeder funds, funds of funds, fund service providers, the hedge fund industry, and the financial community at large, that Madoff was adamantly opposed to the use of leverage. Madoff told his customers and prospective customers he did not personally use leverage, and claimed he would return their investments if they used leverage to

² As used herein, and in other similar actions brought by the Trustee, a Madoff (or BLMIS) Feeder Fund is an investment vehicle that invested assets through BLMIS via direct customer accounts with BLMIS’s IA Business.

directly invest through BLMIS.

6. Inasmuch as Madoff could have made huge personal gains by simply borrowing money and investing it using his touted “split strike conversion” strategy (the “SSC Strategy”), and also could have substantially increased his commissions by permitting his customers to utilize leverage to increase the amount of funds they invested through BLMIS, Madoff’s purported resistance to leverage was viewed for years by many industry participants as a red flag that he and others at BLMIS were possibly engaged in fraudulent activity. Madoff’s explanations for not wanting to employ leverage personally made no logical sense and were seen by many sophisticated financial institutions as extremely suspicious. In truth, upon information and belief, Madoff attempted to limit the use of leverage because he feared that sophisticated institutional lenders would conduct proper due diligence on BLMIS’s investment strategy and operations, increasing the likelihood his fraud would be exposed.

7. Madoff Feeder Funds, however, wanted to use leverage to increase the amount of assets they invested through Madoff, increasing their management and performance fees and their Madoff returns. They found eager leverage-provider partners in large financial institutions, like ABN, which created various lending and alternative investment products designed for the same purpose – to exploit Madoff’s “success” for their own institutional gains. For fees paid to financial institutions like ABN, investors could make large “synthetic investments” into a Madoff Feeder Fund using the bank’s balance sheet with reduced upfront capital outlay by investors in relation to the promised returns.

8. A synthetic investment simulates the return of an actual investment, but the return is actually created by using one or a combination of financial instruments, typically including derivatives such as option contracts or an equity index and debt securities, rather than a single

conventional investment.

9. These synthetic investments led to a “win-win-win” situation for those seeking to capitalize on Madoff’s returns. Financial institutions providing the leverage often earned significant structuring and financing fees; the Madoff Feeder Funds, into which the financial institutions made sizeable investments to hedge their promised returns to investor swap counterparties, earned even more management and performance fees (and more Madoff returns); and finally, the swap counterparties earned multiples on the returns they would have earned based on the amount of capital actually invested.

10. Among these synthetic alternative investment products created and offered by financial institutions like ABN are total return swaps. Swaps and other financial instruments provided an opportunity for lucrative future returns based on the performance of a particular Madoff Feeder Fund, which in a swap is often referred to as a “reference fund.” By entering into a swap, an institutional investor could potentially multiply its returns by using the financial institution’s balance sheet.

11. A swap is a bilateral financial transaction where one counterparty “swaps” the cash flows of a single asset or basket of assets in exchange for cash flows from the other counterparty. As a result, a swap allows the party receiving the total return to receive the positive returns from a reference fund at the swap’s maturity date without actually having to own it. A key feature of a swap is that the parties do not transfer actual ownership of the shares of the reference funds. This feature allows for greater flexibility and reduced up-front capital outlay to execute a potentially valuable trade.

12. Although not required to do so, in connection with a swap, to hedge its exposure to pay the return to the other party, typically a financial institution uses cash collateral from the

swap counterparty and its own money to purchase the underlying asset – in this case, Madoff Feeder Fund shares. In exchange for promising to provide the total return based upon the feeder fund shares, the financing institution often charges the swap counterparty a higher “borrowing” rate than if the bank had simply lent money to the investor.

13. Total return swaps can be highly leveraged, making them a favorite of hedge funds. The swap market is mostly institutional and over-the-counter (“OTC”). Market participants often include, among others, investment banks, commercial banks, mutual funds, hedge funds, funds of funds, private equity funds and pension funds. Swaps are extremely popular with hedge funds because they get the benefit of a large exposure with the potential for significant upside gain with a reduced initial cash outlay.

B. The ABN Swaps

14. ABN was a leverage provider to several Madoff Feeder Funds. As a leverage provider, ABN had relationships with several different Madoff Feeder Funds and institutional investment advisors.

15. Starting in September 2006, ABN was a party to two total return swaps for which the reference funds were two large Madoff Feeder Funds, Rye Select Broad Market Fund, LP (“Broad Market”) and Rye Select Broad Market Portfolio Limited (“Broad Market Portfolio”), which, upon information and belief, were created solely to make synthetic leveraged investments with BLMIS. The counterparties to the swaps were the Tremont XL Funds—Rye LP and Rye Portfolio. To hedge ABN’s exposure to the Tremont XL Funds under the swaps, upon information and belief, in the aggregate ABN invested approximately \$400 million in Broad Market and Broad Market Portfolio.

16. In the six years leading up to December 11, 2008, ABN submitted redemptions

for shares of Broad Market and Broad Market Portfolio, and in the process received millions of dollars in transfers from the Tremont XL funds at times when ABN had knowledge of red flags of possible fraudulent activity by Madoff. Specifically, ABN Bank redeemed over \$70 million from Broad Market Portfolio under circumstances when ABN Bank knew or should have known of Madoff's possible fraud. ABNI redeemed approximately \$1.4 million from Broad Market under circumstances when it also knew or should have known of Madoff's possible fraud. The funds used to pay for those redemptions are BLMIS Customer Property and are recoverable subsequent transfers originating from BLMIS. Further, ABN received over \$200 million in transfers from the Tremont XL Funds under the swaps when ABN and the Tremont XL Funds were both on inquiry notice of Madoff's potential fraud. Any transfer that Rye LP or Rye Portfolio received from a related Tremont entity, including from Rye Select Broad Market Prime Fund LP ("Prime Fund"), or that Rye LP or Rye Portfolio made to ABN Bank, was made when the Tremont XL Funds were on actual or inquiry notice of Madoff's potential fraud.

17. Upon information and belief, to pay for the ABN redemptions, Broad Market and Broad Market Portfolio withdrew and/or utilized money from their BLMIS accounts and then transferred those funds to ABN Bank and ABNI. Upon information and belief, the money transferred to ABN Bank and ABNI from the Tremont XL Funds under the swaps originated, in whole or in part, from BLMIS. The Trustee has filed suit against Broad Market, Broad Market Portfolio and Prime Fund, and other "Tremont" defendants to avoid initial and certain subsequent transfers of BLMIS Customer Property. *See Picard v. Tremont Group Holdings, Inc., et al. (In re Bernard L. Madoff Inv. Sec. LLC)*, No. 10-05310 (Bankr. S.D.N.Y. filed December 7, 2010) (the "Tremont Complaint"). For the reasons set forth in the Tremont Complaint and also set forth herein, the transfers between BLMIS and Prime Fund, BLMIS and

Broad Market, and BLMIS and Broad Market Portfolio are avoidable, should be avoided, and are recoverable by the Trustee, and the subsequent transfers from Prime Fund, Broad Market and Broad Market Portfolio to Rye LP and/or Rye Portfolio are also recoverable. For the reasons set forth herein, the transfers between ABN and Rye Portfolio, ABN and Broad Market, and ABN and Broad Market Portfolio are recoverable as subsequent transfers of avoidable initial transfers and the Customer Property should be returned to the BLMIS estate.

II. JURISDICTION AND VENUE

18. The Trustee brings this adversary proceeding pursuant to his statutory authority under SIPA §§ 78fff(b), 78fff-1(a), and 78fff-2(c)(3), 11 U.S.C. §§ 105(a), 544, 547, 548, 550(a), and 551 of 11 U.S.C. §§ 101 *et. seq.* (the “Bankruptcy Code”), and New York Debtor and Creditor Law §§ 273-279, to recover transfers received by the Defendants as subsequent transferees from Madoff Feeder Funds that were directly invested through BLMIS.

19. This is an adversary proceeding brought in this Court, in which the main underlying substantively consolidated SIPA case, No. 08-01789 (BRL) (the “SIPA Case”), is pending. The SIPA Case was originally brought in the United States District Court for the Southern District of New York (the “District Court”) as *Securities Exchange Commission vs. Bernard L. Madoff Investment Securities LLC et al.*, No. 08 CV 10791 (the “District Court Proceeding”). This Court has jurisdiction over this adversary proceeding under 28 U.S.C. § 1334(b) and 15 U.S.C. §§ 78eee(b)(2)(A), (b)(4).

20. ABN Bank (now RBS), ABNI, Rye LP and Rye Portfolio are subject to personal jurisdiction in this judicial district pursuant to N.Y. C.P.L.R. §§ 301 and 302 and Rule 7004 of the Federal Rules of Bankruptcy Procedure, because they routinely conduct business in New York, purposely avail themselves of the laws of the State of New York by undertaking

significant commercial activities in New York, and derived significant revenue from New York. ABN Bank (now RBS), ABNI, , Rye LP and Rye Portfolio have maintained minimum contacts with New York in connection with the claims alleged herein.

21. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (F), (H) and (O).

22. Venue in this District is proper under 28 U.S.C. § 1409.

III. BACKGROUND

23. On December 11, 2008 (the “Filing Date”), Madoff was arrested by federal agents for violations of the criminal securities laws, including, inter alia, securities fraud, investment adviser fraud, and mail and wire fraud. Contemporaneously, the SEC filed a District Court Proceeding against Madoff. The SEC complaint alleges that Madoff and BLMIS engaged in fraud through the BLMIS investment advisory business (the “BLMIS IA Business”).

24. On December 12, 2008, The Honorable Louis L. Stanton entered an order appointing Lee S. Richards, Esq. as receiver for the assets of BLMIS (the “Receiver”).

25. On December 15, 2008, pursuant to SIPA § 78eee(a)(4)(B), the Securities Investor Protection Corporation (“SIPC”) filed an application in the District Court alleging, inter alia, 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 that same date, pursuant to SIPA § 78eee(a)(4)(A), the SEC consented to a combination of its own action with SIPC’s application.

26. Also on December 15, 2008, Judge Stanton granted SIPC’s application and entered an order pursuant to SIPA (the “Protective Decree”), which, in pertinent part:

a. appointed the Trustee for the liquidation of the business of BLMIS pursuant to SIPA § 78eee(b)(3);

- b. appointed Baker & Hostetler LLP as counsel to the Trustee pursuant to SIPA § 78eee(b)(3);
 - c. removed the case to this Bankruptcy Court pursuant to SIPA § 78eee(b)(4);
- and
- d. released in effect the Receiver for BLMIS.

27. Pursuant to SIPA § 78lll(7)(B), the Filing Date is deemed to be the date of the filing of the petition within the meaning of sections 547 and 548 of the Bankruptcy Code and the date of the commencement of the case within the meaning of section 544 of the Bankruptcy Code.

28. By orders dated December 23, 2008 and February 4, 2009, respectively, the Bankruptcy Court approved the Trustee's bond and found the Trustee was a disinterested person. Accordingly, the Trustee is duly qualified to serve and act on behalf of the estate of BLMIS.

THE PONZI SCHEME

29. BLMIS was founded in 1959 by Madoff and, for most of its existence, operated from its principal place of business at 885 Third Avenue, New York, New York. Madoff, as founder, chairman, chief executive officer and sole owner, operated BLMIS together with several of his friends and family members. BLMIS was registered with the SEC as a securities broker-dealer under Section 15(b) of the Securities Exchange Act of 1934, SIPA § 78o(b). By virtue of that registration, BLMIS is a member of SIPC. BLMIS had three business units: the BLMIS IA Business, market-making and proprietary trading.

30. Outwardly, Madoff ascribed the consistent success of the IA Business to his so-called split-strike conversion strategy ("SSC Strategy"). Pursuant to the SSC Strategy, Madoff purported to invest BLMIS customers' funds in a basket of common stocks within the S&P 100

Index—a collection of the 100 largest publicly traded companies. Madoff claimed his basket of stocks would mimic the movement of the Standard & Poor’s 100 Index (the “S&P 100 Index”). He also asserted that he would carefully time purchases and sales to maximize value, and correspondingly, BLMIS customers’ funds would, intermittently, be out of the equity markets. While out of the market, those funds were purportedly invested in United States Treasury bills or in mutual funds holding Treasury bills.

31. The second part of the SSC Strategy was the hedge of Madoff’s stock purchases with S&P 100 Index option contracts (OEX options). Those option contracts functioned as a “collar,” limiting both the potential gains and the potential losses. Madoff purported to use proceeds from the sale of OEX call options to finance the cost of purchasing OEX put options. Madoff also told IA Business customers, including feeder funds and financial institutions, that he would enter and exit the market between six and ten times each year.

32. BLMIS IA Business customers received fabricated monthly or quarterly statements showing that securities were held in, or had been traded through, their accounts. The securities purchases and sales shown in such account statements never occurred and the profits reported were entirely fictitious. In fact, Madoff’s SSC Strategy was entirely fictitious.

33. At times prior to his arrest, Madoff generally assured customers and regulators that he purchased and sold the put and call options in the OTC marketplace rather than through an exchange. Yet, like the underlying securities, the Trustee has yet to uncover any evidence that Madoff ever purchased or sold any of the options described in customer statements. The Options Clearing Corporation, which clears all option contracts based upon the stocks of S&P 100 companies, has no record of the BLMIS IA Business having bought or sold any exchange-listed options on behalf of any of the IA Business customers. Nor are there any BLMIS records

of OTC OEX options contracts being settled with any domestic or foreign counterparties in connection with the SSC Strategy.

34. For all periods relevant hereto, the BLMIS IA Business was operated as a Ponzi scheme. The money received from investors was not invested in stocks and options. Rather, BLMIS used its IA Business customers' deposits to pay redemptions by other customers, and to make other transfers, which are avoidable by the Trustee. Many of these transfers were to enrich Madoff, his associates and his family.

35. The falsified monthly account statements reported that the accounts of IA Business customers had made substantial gains, but, in reality, because it was a Ponzi scheme, BLMIS did not have the funds to pay investors on account of their new investments. BLMIS was only able to survive for as long as it did by using the stolen principal invested by some customers to pay other customers.

36. The payments BLMIS made to investors constituted an intentional misrepresentation of fact regarding the underlying BLMIS accounts and were an integral and essential part of the fraud. The payments were necessary to validate the BLMIS false account statements, and were made to avoid detection of the fraud, to retain existing investors and to lure other investors into the Ponzi scheme.

37. At a Plea Hearing on March 12, 2009 in the case captioned *United States v. Madoff*, Madoff pleaded guilty to an eleven-count criminal information filed against him by the United States Attorneys' Office for the Southern District of New York. At the Plea Hearing, Madoff admitted that he "operated a Ponzi scheme through the investment advisory side of [BLMIS]." Plea Allocution of Bernard L. Madoff at 23, *United States v. Madoff*, No. 09-CR-213 (DC) (S.D.N.Y. March 12, 2009) (Docket No. 50) ("Madoff Plea Allocution"). Additionally,

Madoff asserted “[a]s I engaged in my fraud, I knew what I was doing [was] wrong, indeed criminal.” *Id.* Madoff was sentenced on June 29, 2009 to 150 years in prison.

38. On August 11, 2009, a former BLMIS employee, Frank DiPascali, also pleaded guilty to participating in and conspiring to perpetuate the Ponzi scheme. At the Plea Hearing in the case entitled *United States v. DiPascali*, DiPascali pleaded guilty to a ten-count criminal information. Among other things, DiPascali admitted that the Ponzi scheme operated at BLMIS since at least the 1980’s. *See* Plea Allocution of Frank DiPascali at 46, *United States v. DiPascali*, No. 09-CR-764 (RJS) (S.D.N.Y. Aug. 11, 2009) (Docket No. 11).

39. Based upon the Trustee’s ongoing investigation, it now appears there were more than 8,000 customer accounts at BLMIS over the life of the scheme. In early December 2008, BLMIS generated account statements for its approximately 4,900 open customer accounts. When added together, these statements purportedly showed that BLMIS customers had approximately \$65 billion invested through BLMIS. In reality, BLMIS had assets on hand worth only a fraction of that amount. Customer accounts had not accrued any real profits because virtually no investments were ever made. By the time the Ponzi scheme came to light on December 11, 2008 with Madoff’s arrest, investors had already lost approximately \$20 billion in principal.

40. As Madoff admitted at his Plea Hearing, he never purchased any of the securities, options or Treasuries for the BLMIS IA Business and the returns he reported to customers were entirely fictitious. Based on the Trustee’s investigation to date, there is no record of BLMIS having cleared a single purchase or sale of securities on any exchange or settled a trade with any counterparty in connection with the trading strategy.

41. At all times relevant hereto, the liabilities of BLMIS were billions of dollars

greater than its assets. BLMIS was insolvent in that: (i) its assets were worth less than the value of its liabilities; (ii) it could not meet its obligations as they came due; and (iii) at the time of the transfers, BLMIS was left with insufficient capital.

42. Madoff's scheme continued until December 2008, when the requests for redemptions overwhelmed the flow of new investments and caused the inevitable collapse of the Ponzi scheme.

43. This Complaint and similar complaints are being filed to recover Customer Property lost in subsequent transfers from BLMIS. All Customer Property recovered by the BLMIS estate shall be distributed among BLMIS's customers in accordance with SIPA § 78fff-2(c)(1).

IV. TRUSTEE'S POWERS AND STANDING

44. Pursuant to SIPA § 78fff-1(a), the Trustee has the general powers of a bankruptcy trustee in a case under the Bankruptcy Code. SIPA § 78fff(b), Chapters 1, 3, 5, and subchapters I and II of chapter 7 of the Bankruptcy Code are applicable to this case to the extent consistent with SIPA.

45. By virtue of his appointment under SIPA, the Trustee has the responsibility to recover and pay out Customer Property to BLMIS customers, assess claims and liquidate any other assets of BLMIS for the benefit of the estate and its creditors. The Trustee is in the process of marshalling BLMIS's assets, but they will not be sufficient to fully reimburse BLMIS customers for the billions of dollars they invested through BLMIS. Consequently, the Trustee must use his broad authority as expressed and intended by both SIPA and the Bankruptcy Code to pursue recovery for BLMIS accountholders and their subsequent transferees.

46. In addition to the powers of a bankruptcy trustee, the Trustee has broader powers

granted by SIPA.

47. The Trustee is a real party in interest and has standing to bring these claims pursuant to SIPA § 78fff-1 and the Bankruptcy Code, including sections 323(b) and 704(a)(1), because, among other reasons:

a. ABN Bank, ABNI, Rye LP and Rye Portfolio received “Customer Property” as defined in SIPA § 78lll(4);

b. BLMIS incurred losses as a result of the conduct set forth herein;

c. BLMIS customers were injured as a result of the conduct detailed herein;

d. SIPC cannot by statute advance funds to the Trustee to fully reimburse all customers for all of their losses;

e. the Trustee will not be able to fully satisfy all claims;

f. the Trustee, as bailee of Customer Property, can sue on behalf of the customer-bailors;

g. as of this date, the Trustee has received multiple, express assignments of certain claims of the applicable accountholders, which they could have asserted. As assignee, the Trustee stands in the shoes of persons who have suffered injury-in-fact, and a distinct and palpable loss for which the Trustee is entitled to reimbursement in the form of monetary damages;

h. SIPC is the subrogee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding. SIPC has expressly conferred upon the Trustee enforcement of its rights of subrogation with respect to payments it has made and is making to customers of BLMIS from SIPC funds; and

i. the Trustee has the power and authority to avoid and recover transfers pursuant to sections 544, 547, 548 and 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

V. DEFENDANTS AND RELEVANT NON-PARTIES

ABN Entities

48. Defendant ABN AMRO Bank N.V. has undergone numerous corporate changes since 2007. In 2007, ABN AMRO, ABN AMRO Bank N.V.'s corporate parent, was purchased by a consortium made up of The Royal Bank of Scotland Group ("RBSG"), Fortis and Banco Santander. Thereafter, the Dutch and United Kingdom governments took over control and nationalized their respective parts of Fortis and RBSG. The remaining parts of ABN AMRO held by the consortium's "RFS Holdings B.V." were merged into RBS and Santander, or were sold off or shut down.

49. Upon information and belief, Defendant RBS is the legal successor to the "ABN AMRO Bank N.V." entity that executed the swaps with the Tremont XL Funds in 2006 and 2007. Defendant RBS is part of RBSG. According to several news reports and releases from December 2008, RBS claimed its exposure to Madoff/BLMIS came through its acquisition of portions of ABN AMRO in 2007.

50. Defendant ABNI was formerly a subsidiary of ABN AMRO Bank N.V., and currently operates as a wholly owned subsidiary of RBS. Upon information and belief, ABNI is a New York corporation with its principal place of business in New York, New York.

Tremont

51. Defendant Rye LP is a Delaware limited partnership formed on July 13, 2006, with its principal place of business located at 555 Theodore Fremd Avenue, Rye, New York 10580. Using leverage provided by financial institutions like ABN, Rye LP sought to provide

investors with long-term capital growth and a return of three times (3x) the economic performance of its sister fund, Broad Market, a BLMIS accountholder. Rye LP sought to achieve this return through synthetic investments via swap agreements with multiple financial institutions. Tremont Partners Inc. (“TPI”) acted as the General Partner of Rye LP and was responsible for the day-to-day operations and investment management.

52. Defendant Rye Portfolio is a Cayman Islands exempted company incorporated with limited liability in the Cayman Islands on February 10, 2006. Rye Portfolio’s registered office is located at Walkers SPV Limited, Walker House, KY1-9002, Mary Street, George Town, Grand Cayman, Cayman Islands. Similar to Rye LP, using leverage, Rye Portfolio sought to provide investors with capital growth and a return of three times (3x) the economic performance of its sister fund, Broad Market Portfolio, a BLMIS accountholder. Also like Rye LP, Rye Portfolio sought to achieve this return by entering into swap agreements with multiple financial institutions. TPI acted as the Investment Manager for Rye Portfolio.

53. The Tremont XL Funds were managed and overseen by the same individuals responsible for Prime Fund, Broad Market and Broad Market Portfolio, among other funds (collectively, the “Rye Select Funds”).

54. Non-party Tremont Group Holdings, Inc. is a Delaware corporation with its corporate headquarters located at 555 Theodore Fremd Avenue, Rye, New York 10580. Tremont Group Holdings, Inc. is an investment management firm formed in 1987, and is currently a wholly owned subsidiary of Oppenheimer Acquisition Corporation, which is a subsidiary of Oppenheimer Funds, Inc. Oppenheimer Funds, Inc. is owned by Massachusetts Mutual Life Insurance. Originally known as Lynch Asset Management Corporation, Tremont Group Holdings, Inc. changed its name several times: to Tremont Advisers, Inc. in 1991, to

Tremont Capital Management, Inc. in 2003, and finally to Tremont Group Holdings, Inc. in 2006.

55. Non-party TPI is a Connecticut corporation with its headquarters located at 555 Theodore Fremd Avenue, Rye, New York 10580, and is a part of the Tremont Group. TPI is the General Partner and investment manager of Broad Market and Prime Fund. TPI is an investment adviser registered under the Investment Advisers Act of 1940. Numerous investors, both individual and institutional, invested in the dozens of funds managed by TPI. Rye LP, Rye Portfolio, Prime Fund, Broad Market, Broad Market Portfolio, TPI and Tremont Group Holdings, Inc. are collectively referred to herein as “Tremont.”

VI. ABN WAS ON INQUIRY NOTICE OF RED FLAGS OF POSSIBLE FRAUD AT BLMIS

56. In 2006, ABN was in the process of aggressively pursuing potential transactions involving some of the largest Madoff Feeder Funds managed by Fairfield Greenwich Group (“FGG”) and Tremont. By virtue of pursuing these relationships, before ABN entered into its first multi-million dollar swap transaction with Rye Portfolio, ABN learned considerable non-public information about these particular Madoff Feeder Funds and the BLMIS IA Business.

57. On June 27, 2006, FGG representatives held a conference call with one or more ABN representatives in the United Kingdom, working in the Fund Derivatives – Private Investor Products Group, the purpose of which was to discuss Fairfield Sentry Limited (“Sentry”), FGG’s flagship Madoff Feeder Fund. After that call, an FGG Vice President e-mailed that ABN UK employee a non-disclosure agreement (“NDA”) and asked ABN to execute it in order to receive copies of the “requested risk reports” and other information available on Sentry.

58. On July 3, 2006, the same FGG employee reported internally her ABN contact stated that the NDA for Sentry was under legal review. As the NDA was being reviewed, the

FGG employee reported ABN wanted generalized information regarding Sentry and BLMIS immediately. Finally, the FGG employee reported the ABN representative had also informed her that, “as a bank ABN Amro comes across different fund houses that are replicating the split strike conversion strategy with Madoff. They are in fact talking to another fund house that also has a separate account at BLM for a different transaction.”

59. Upon information and belief, on or about July 3, 2006, there was a telephone call between FGG and ABN during which FGG generally described the SSC Strategy, including the periodic purchase of a basket of S&P 100 Index equities, the purchase and sale of S&P 100 Index put and call options near or out of the money, the high correlation of Madoff’s stock basket to the S&P 100 Index, and the regular purchase and holding of US Treasury Bills.

60. Upon information and belief, Tremont was the other “fund house” with whom ABN was in discussions. By August 2006, ABN and Tremont were significantly involved in “Enhanced Liquidity” discussions, including having multiple conference calls and exchanging proposed terms for transactions between ABN and Tremont for investments with BLMIS. ABN’s David Schwartz of Structured Credit Products in New York led the discussions with multiple ABN colleagues in the UK copied on the various and multiple “Enhanced Liquidity” e-mail exchanges between ABN and Tremont.

61. Upon information and belief, ABN and Tremont were discussing alternative investment arrangements such as swaps. One of the “Trigger Events” ABN proposed for a swap transaction (which would lead to an immediate termination of the proposed swap) was if “any action, suit, proceeding, inquiry or investigation has been taken or brought, or is pending, by any court, governmental or regulatory body or agency against the Account Manager [BLMIS].”

Tremont, however, deleted that specific Trigger Event from draft language. In response, ABN asked Tremont for an explanation “as we did not believe this to be controversial.”

62. Although ABN received some materials from Tremont as part of the swap negotiations, upon information and belief, ABN did not conduct any independent, reasonable due diligence on Madoff and BLMIS even though ABN understood them to be the “Account Manager” for the funds underlying the contemplated swap transaction. Instead, it appears ABN relied almost exclusively upon information it received from Tremont. Upon information and belief, once the swap agreement was entered into, ABN also did not meet with Madoff or anyone else from the BLMIS IA Business before purchasing shares of Broad Market Portfolio to hedge its exposure under the swap.

63. In September 2006, “ABN AMRO Bank N.V.” entered into a swap transaction with Rye Portfolio, an offshore Tremont fund (the “Rye Portfolio swap”). The swap transaction was designed to provide Rye Portfolio with three times (3x) the return of Class D shares of Broad Market Portfolio, a large Tremont offshore Madoff Feeder Fund. The effective date for the trade was September 5, 2006 and the scheduled termination date was September 5, 2009.

64. The Rye Portfolio swap was designed to: (i) return to Rye Portfolio all or substantially all of its “equity amount” or collateral deposited with ABN, (ii) pay three times (3x) the return of the Broad Market Portfolio Class D shares, (iii) return 100% of ABN’s leverage to ABN (as Rye Portfolio was obligated to restore to ABN any diminution in the value of the portion of the investment represented by such leverage), and (iv) earn ABN interest charges and a spread (1.00% per annum) with such charges (100 basis points over LIBOR). The profit potential for Rye Portfolio under the swap depended upon its synthetic investment in Broad

Market Portfolio earning double-digit returns. Otherwise, the transaction would not be profitable.

65. The swap confirmation includes a representation that “[e]ach party represents to the other that it is entering into the Agreement, each Transaction and any other documentation relating to the ISDA Master or any Transaction as principal (and not as agent or in any other capacity, fiduciary or otherwise)”. It also includes a further paragraph called “Status of Parties” – “The other party is not acting as a fiduciary or an adviser to it in respect of that Transaction.”

66. Annex 1 to the swap confirmation describes the SSC Strategy and includes other details concerning the Madoff trading strategy.

67. While the original Equity Notional Value (“ENV”) of the swap was only \$10 million, the maximum ENV for this transaction was set at \$250 million. Upon information and belief, an aggregate amount of at least \$110 million was transferred from Rye Portfolio to ABN Bank from 2006 through 2008 to increase the size of the swap. Upon information and belief, a significant portion, if not all, of the money Rye Portfolio transferred to ABN originated from BLMIS.

68. In or around September 2006, even though it was not required to do so, upon information and belief, ABN Bank purchased \$30 million worth of Broad Market Portfolio shares in order to hedge its exposure under the Rye Portfolio Swap which, upon information and belief, was ABN Bank’s first investment in Broad Market Portfolio shares.

69. Upon information and belief, during 2006 through 2008, ABN Bank continued to purchase Broad Market Portfolio shares to hedge its exposure whenever Rye Portfolio increased the size of the swap by making additional transfers of collateral to ABN.

70. As part of the Rye Portfolio swap transaction, on September 13, 2006, an ABN representative in the UK e-mailed Tremont's Darren Johnston requesting the August BLMIS brokerage statement for Broad Market Portfolio, plus copies of any intervening transactions, "so that we can start building our monitoring spreadsheet." During the life of the Rye Portfolio swap transaction, upon information and belief, ABN continued to receive copies of Broad Market Portfolio's monthly BLMIS brokerage account statements, as well as other information concerning Broad Market Portfolio's alleged trading through BLMIS.

71. Shortly after ABN Bank completed its first swap transaction with Rye Portfolio, an internal ABN e-mail from October 2006 reveals that ABN was still pursuing potential business with FGG. That same e-mail, however, shows that ABN was aware of red flags of potential fraud and had serious questions about Madoff and the BLMIS IA Business.

72. For example, according to the internal ABN e-mail, a large issue in approving the Rye Portfolio swap transaction was that BLMIS was self-reporting its trading positions. Some ABN employees questioned the situation in which BLMIS was acting simultaneously as the adviser, the prime broker and the custodian of the assets. Having all of these roles at the same time violated industry best practices. Upon information and belief, there were questions raised within ABN regarding the lack of an independent custodian of the assets who could verify the existence of the trading and the claimed assets. This was a red flag of possible Madoff fraud in connection with the BLMIS IA Business and the SSC Strategy.

73. Because of the questions raised by ABN previously in connection with the Rye Portfolio swap, as it negotiated with FGG, ABN wanted to know more about the relationship between Sentry and BLMIS, including how Sentry verified the trades reported by BLMIS. ABN further questioned how Madoff supposedly used the put options in the SSC Strategy. ABN also

had questions regarding the counterparties to the OTC OEX options transactions and the creditworthiness of the counterparties. The October 2006 e-mail concluded by saying that it might be difficult to access the high limits available for Madoff risk at ABN at four times (4x) leverage amounts unless ABN got more information concerning Madoff's use of put options. In short, it is clear that ABN had identified significant issues and red flags of possible fraud concerning Madoff, the BLMIS IA Business and the Madoff SSC Strategy.

74. Notwithstanding ABN's unanswered questions concerning Madoff's alleged securities and options trading, ABN continued to explore opportunities for leveraged transactions involving Sentry. ABN also moved forward with additional transactions involving the Tremont XL Funds and made significant subscriptions and redemptions of Broad Market and Broad Market Portfolio shares in connection with the swaps.

75. In January 2007, ABN's Schwartz in New York was continuing to work on a swap transaction with Rye LP. Tremont informed ABN that it contemplated the size of the Rye LP trade to be \$250 million during 2007 and would begin at approximately \$20 million, which was similar in size to ABN's Rye Portfolio swap.

76. In January 2007, Tremont's Johnson provided ABN's Schwartz information concerning the Rye LP fund, including its Offering Memorandum and underlying operating agreements for Rye LP, as well as similar documentation for Broad Market, the reference fund for the contemplated Rye LP swap.

77. In the process of gathering the paperwork to seek internal approval for the proposed Rye LP swap transaction, ABN asked Tremont how much capacity Tremont anticipated for the Rye Portfolio transaction in 2007 because ABN wanted to present both the Rye LP and Rye Portfolio 2007 transaction requests together to ABN management.

78. At the same time ABN was preparing to present the Rye LP swap to ABN management, ABN, including Schwartz, was also talking to Richard Glantz, who was the control person for two entities called “Lakeview” and “Vista,” which, upon information and belief, were invested in one or more of Tremont’s Madoff Feeder Funds. ABN was exploring the possibility of investing in either Lakeview or Vista, which would indirectly expose ABN to Madoff. As part of its due diligence on Lakeview or Vista, ABN’s internal compliance department sought a meeting with Madoff in order to move forward with ABN’s proposed Lakeview and Vista investment.

79. Glantz responded to ABN’s request for access to Madoff:

In response to your request as to having access for due diligence with Madoff, I spoke to Frank DiPascali who is his operations chief who referred me directly to Bernie. **Bernie simply said no. He does not do this.** He was happy to allow Fortis who does not require this personal due diligence in the form you are requesting. He said he will not have a direct relationship with any bank on any account.

Bernie is in this way difficult and problematic.

ABN AMRO can get copies of all the transactions direct from Madoff at the same time I get them. I will be happy explore ways in which assist ABN AMRO to have sufficient control of the account. **If credit needs to meet with Bernie or tour his plant, that it not possible now or in the future.**

(emphasis added).

80. ABN’s Schwartz responded to Glantz’s e-mail: “**Richard – how do we invest in this fund if we do not have a direct relationship and the ability to perform due diligence on Madoff.** We do not need to speak directly to Bernie but what about one of his subordinates? Your thoughts would be appreciated. Any help you can provide to get our credit people comfortable would be appreciated.” (emphasis added)

81. Glantz promptly responded back to ABN Bank, “**The question of access [to Madoff] is not open.**” (emphasis added)

82. ABN’s inability to conduct independent due diligence on Madoff and the BLMIS IA Business in connection with ABN’s potential investment in either Lakeview or Vista (or both) was another red flag of possible Madoff fraud. Refusal to deal directly with banks like ABN should have prompted ABN to seriously question its swap transactions with the Tremont XL Funds, including the investments ABN was making in the two Madoff Feeder Funds – Broad Market and Broad Market Portfolio. Nevertheless, ABN moved forward with the Tremont swap transactions, and even increased ABN’s investments through BLMIS.

83. Even after the refusal of Madoff to meet with ABN in connection with the proposed Lakeview/Vista investments, in March 2007, ABN’s Schwartz continued to work with Tremont to finalize the Rye LP swap. In early April, Schwartz e-mailed Tremont with a question from ABN’s risk department: “How frequent are the inspections from Madoff’s regulators and what is the nature of these inspections (e.g. perhaps there are more frequent lighter checks and less frequent in-depth checks, etc.). Can you pls phrase the response in terms of which regulator is doing the inspection as well (i.e. the SEC and/or the NASD?)” Tremont responded to ABN’s inquiry: “Tremont cannot make any representations on the scope or frequency of inspections by US regulatory agencies related to Madoff Securities.”

84. Notwithstanding increasing evidence of potential wrongdoing by Madoff in connection with the BLMIS IA Business, ABN pressed forward with the Rye LP swap.

85. In addition to the Rye LP swap, in June 2007, ABN’s Schwartz was also still considering possible transactions involving Sentry and asked FGG’s Amit Vijayvergiya whether FGG would be willing to pay ABN fees on any investors that ABN brought to Sentry.

86. On June 19, 2007, Schwartz sent Vijayvergiya a list of requirements for ABN to undertake “Madoff Risk” through a structured product involving Sentry. Among other things, FGG required “[m]onthly brokerage statements from Madoff sent via email by the Administrator detailing all movements over the account in the previous month, receivable within 5 Business Days of the previous month-end.” ABN further required an annual on-site inspection of all relevant Madoff documentation held by FGG, specifically including “1. the SEC advisor’s form ADV Part 2, 2. the annual audited financial statements, and [sic] 3. the annual Independent Auditors Report on Internal Control prepared by the auditors (SEC Rule 17a-5) to report on the internal controls, 4. the discretionary brokerage agreement.” ABN also required as a special redemption event, “Bernard L Madoff Investment Securities becomes the subject of a formal investigation by a U.S. court, governmental or regulatory body or agency related to a specific breach of a U.S. securities law or regulation.”

87. Later in 2007, on or about November 1, ABN Bank executed a swap with Rye LP, which was designed to provide Rye LP three times (3x) the return of Class D shares of Broad Market, a significant Tremont-managed Madoff Feeder Fund. The termination date of the swap was October 31, 2010. The terms and conditions of the Rye LP swap were similar to those included in the Rye Portfolio swap confirmation. The maximum ENV of the swap was \$125 million with an original equity notional amount of \$7.5 million.

88. In January 2008, only a few months after execution of the Rye Portfolio swap, ABN’s Schwartz sent an e-mail to Tremont’s Patrick Kelly asking to arrange a conference call with Tremont “to discuss some immediate inquiries we have had regarding Madoff risk.” Despite these questions and concerns, ABN continued to accept transfers from both Rye LP and

Rye Portfolio, and in response, ABN continued to make subscriptions in and sizeable redemptions from Broad Market and Broad Market Portfolio in 2008.

89. In April 2008, ABN's Schwartz continued to explore possible transactions with FGG. On April 16, 2008, Schwartz wrote to FGG's Vijayvergiya,

We have identified some appetite for unleveraged exposure to Madoff Risk. Would you be interested in working with us on this opportunity? If so, please give me a call. In the meantime, pls send us some information on which funds would be available (both on shore and off shore) with respect to historical returns, liquidity, fees, minimums, etc. Also, we would also like to have some idea of what ABN/RBS would earn for this distribution. Regards.

90. Vijayvergiya responded by sending Schwartz the Offering Memoranda and "Tear Sheets" for Sentry and its sister fund, Fairfield Sigma Limited ("Sigma"). At the same time Schwartz again sought a rebate or some other type of fee for bringing customers to Sentry. Schwartz's request prompted internal debate within FGG as to whether or not FGG should pay retrocession fees to banks that bring "reverse inquiries" to FGG. Upon information and belief, FGG offered ABN a rebate of up to 30 basis points per annum on the value of the investment. Accordingly, ABN was financially incentivized to ignore red flags of potential Madoff fraud in order to conduct business with FGG and Sentry.

91. In a late April 2008 conference call between ABN and FGG, Schwartz asked whether FGG had any sensitivity to how the role of BLMIS was described in its marketing material, because Madoff was not listed as the investment manager. Vijayvergiya responded to Schwartz that "FGBL [Fairfield Greenwich (Bermuda) Ltd.] is the 'Investment Manager' and BLM is the 'Execution Agent' and that our preference is that marketing material reflect this."

92. In June 2008, Schwartz's colleague, Saad Aslam, e-mailed Vijayvergiya informing him that Aslam would be responsible for conducting due diligence on FGG and

Sentry. He requested additional documents from FGG, including, historical performance, assets under management history, the most recent audited financial statements, due diligence questionnaire on the fund and the investment manager, any performance/risk reports generated by the fund showing P&L attribution, volatility, drawdown and liquidity analysis, a copy of the investment management agreement with Madoff and details of all portfolio allocations made by the fund, including Madoff. Aslam also informed Vijayvergiya that, after reviewing the documentation from FGG, ABN wanted to schedule an onsite due diligence meeting.

93. On or about June 9, 2008, Vijayvergiya provided Aslam with various documents and materials, but not the requested Madoff investment management agreement. FGG's refusal to provide the BLMIS agreement should have raised suspicions within ABN.

94. In August 2008, Schwartz once again confirmed with Vijayvergiya that if ABN brought new customers to FGG, ABN would receive a rebate fee from FGG. Upon information and belief, Schwartz's group – Structured Credit Products – never completed a transaction with FGG.

95. The information received from FGG did little to ease ABN's concerns about Madoff. In fact, by September 2008, ABN's discomfort with Madoff was apparent and an issue of concern for Tremont. In an internal Tremont memorandum titled "September 2008 – Counterparty Update," the following information was circulated within Tremont about ABN:

ABN/RBS

ABN is one of the larger of our counterparties. They were acquired by ABN Amro and [sic] the start of 2008.

Issues

1. In the fall of 2007 we approached RBS about Madoff lending. They indicated they were not comfortable with Madoff.
2. It is apparent that after buying ABN is really not comfortable.

3. We have had several counsels review the swap confirm and are comfortable the commitment of ABN/ RBS to continue to lend is strong provided there are not events of default.

4. Our main contact (David Schwartz) requested a private sit down. Mark and I went and were told they (ABN/ RBS) is happy with the transaction. The next day David Schwartz called and said he was disappointed that I was not alone. He indicated there are problems with the relationship that he wants to discuss in private. No meeting has been arranged as of yet.

5. We are unhappy with ABN for many reasons. They have verbally agreed to changes in the domestic ppm, lpa and side letter only to reject the changes. This has been going on for 9 months and they appear to not be in control of their own business. . .

96. Upon information and belief, it was ABN's discomfort with Madoff that prompted more than \$70 million in redemptions from Broad Market Portfolio from July 1, 2008 through November 26, 2008, all of which were paid to ABN AMRO Bank N.V.'s London Branch on or before December 1, 2008. Additionally, on November 3, 2008, Broad Market paid ABNI a \$1.4 million redemption.

97. ABN submitted all of its Broad Market and Broad Market Portfolio redemption requests, and received payment for them, after it had knowledge of the red flags of possible fraud at BLMIS.

VII. ABN HAD OTHER KNOWLEDGE AND INFORMATION NECESSARY TO IDENTIFY POSSIBLE FRAUD AT BLMIS

98. As detailed above, ABN was provided with a wealth of information about Madoff, Broad Market, Broad Market Portfolio and Sentry, some of the largest Madoff Feeder Funds, in connection with the Tremont XL Funds swaps and the potential Sentry transaction.

99. Upon information and belief, ABN traders and sales people also had frequent discussions with their counterparts at London and Paris equity derivatives desks of other major financial institutions about Madoff and BLMIS, in which traders and others would share information. Upon information and belief, these trading desks communicated specifically about Madoff and their respective redemptions of shares from various Madoff Feeder Funds. In fact,

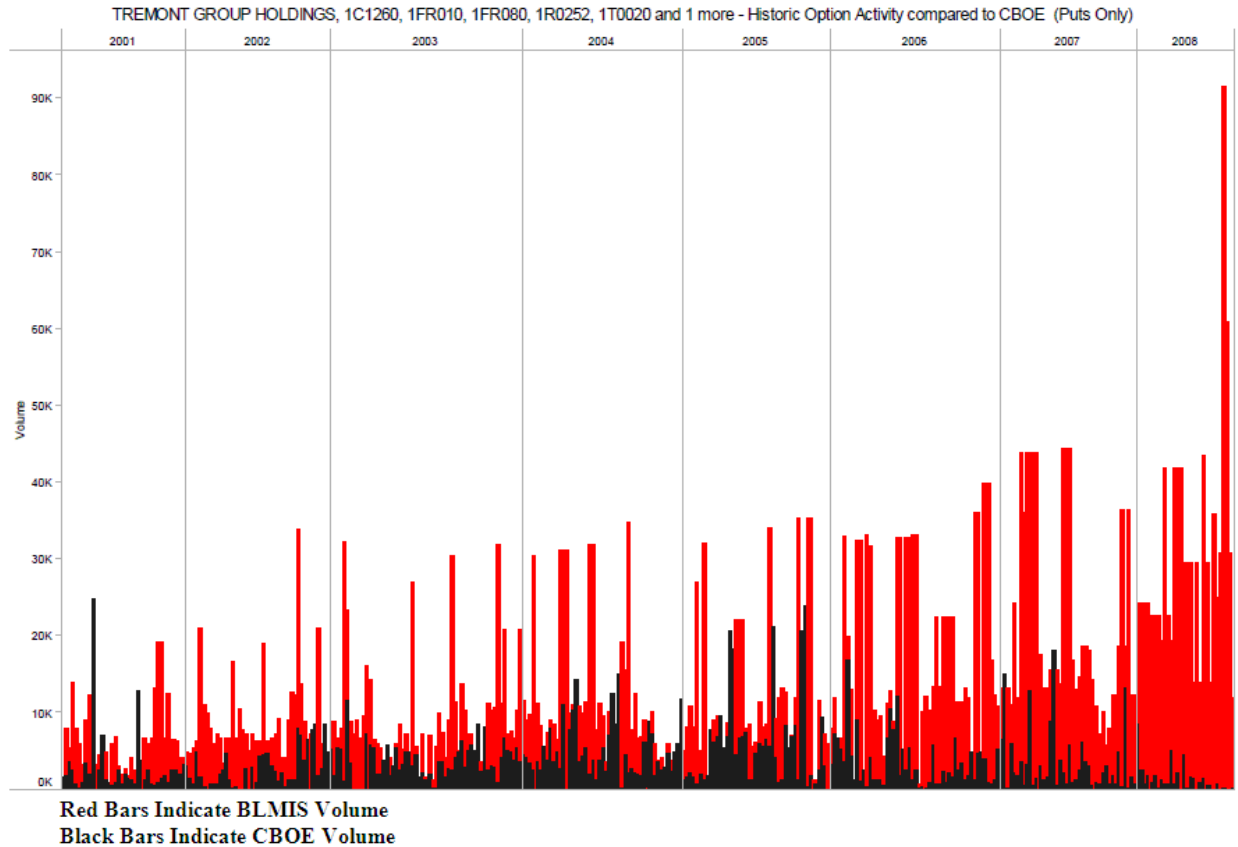
multiple financial institutions with London derivatives desks made multi-million dollar redemptions from Sentry in the months and weeks prior to Madoff's arrest.

100. As discussed above, through the process of executing swaps linked to Madoff Feeder Funds, ABN learned information that placed them on inquiry notice of possible fraud at BLMIS. In particular, pursuant to the Tremont XL Funds swaps, ABN received information that, either facially or with basic, industry-standard quantitative due diligence analysis, evidenced possible fraud. ABN, a sophisticated financial institution, should have been keenly aware of such anomalies.

101. **Options Trading Volumes:** ABN knew or should have known that the options trading volumes reported by BLMIS were impossible if exchange-traded. To implement its SSC Strategy, BLMIS purportedly purchased OEX options, which are traded on the CBOE. After receipt of information from FGG, if ABN had performed minimal due diligence and checked the number of listed options in the BLMIS accounts for the Sentry funds against the number of the same options actually traded on the CBOE, it would have been abundantly clear that Madoff's claimed trading strategy was impossible due to market volume alone.

102. The options volumes reported to have been traded by BLMIS for the Tremont accounts alone also would have exceeded the total options available on the CBOE almost all of the time.

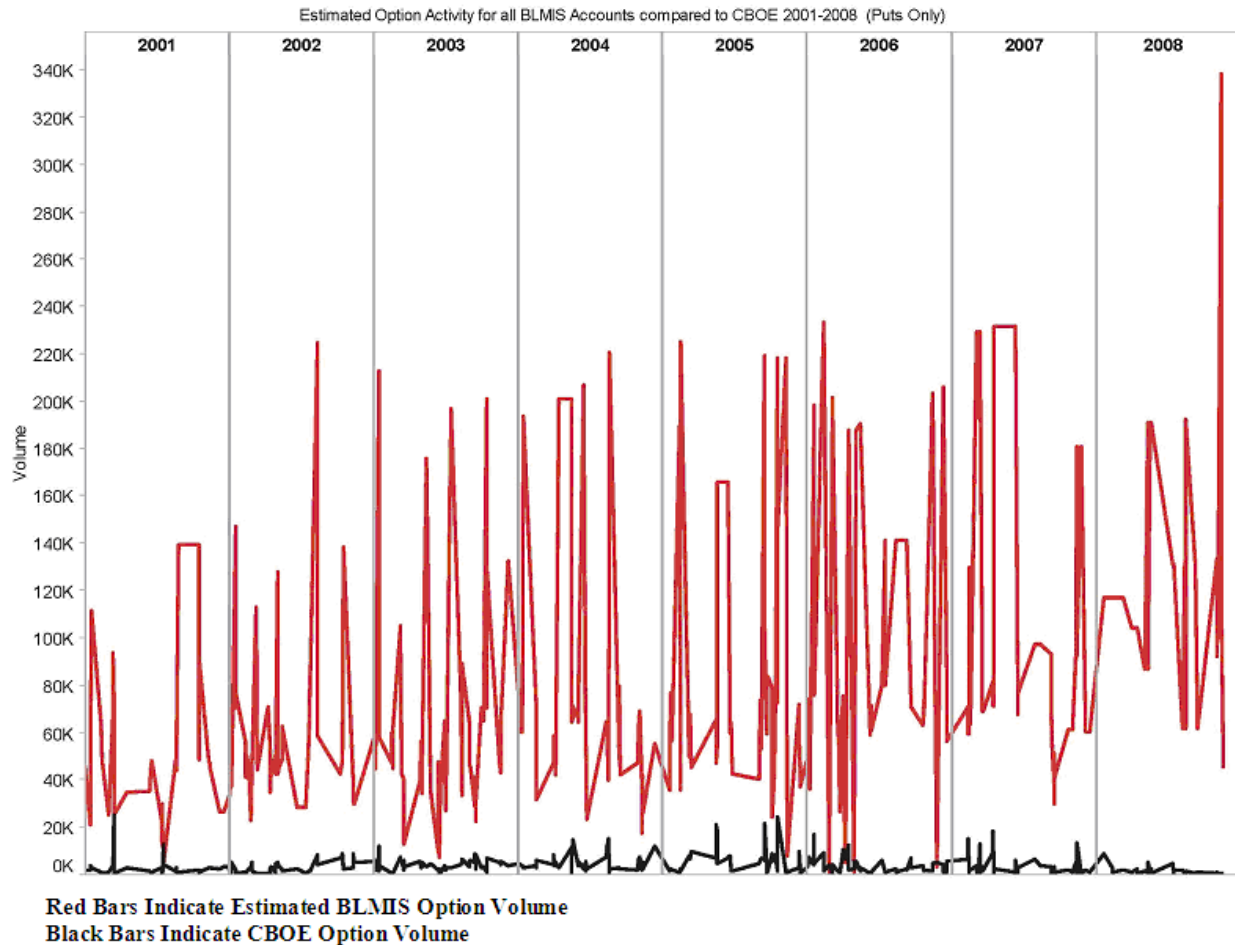
103. A graphical display of the options supposedly traded just for Tremont's BLMIS investment is illuminating.



104. The volume of OEX put options BLMIS purported to trade on behalf of the Tremont funds (the red line) completely dwarfs the volume of OEX put options traded on the entire CBOE (the black line).

105. ABN also knew that BLMIS allocated trades to all of his customers on a pro-rata basis, and that Sentry was approximately 40% of the IA Business. ABN also had a good sense of Tremont's total Madoff exposure. Through an easy extrapolation, ABN had a clear picture of BLMIS's options volume for all customers based on its knowledge of Sentry's options trading volume – *i.e.*, 2.5 times Sentry's volume equaled the total BLMIS customer volume.

106. As shown below, the volumes of OEX put options BLMIS purportedly traded on behalf of all of BLMIS's customers reveal there was rarely, if ever, a time when BLMIS traded fewer OEX put options than were traded on the CBOE.



107. ABN also should have known that there is always less liquidity in OTC markets than on exchanges. Accordingly, if Madoff's reported options volumes exceeded the CBOE's capacity, there was virtually no chance that the OTC market could support the options trading volumes Madoff reported.

108. ABN also knew or should have known that trading options in the OTC market would likely have been more expensive than trading over the CBOE. Simple review of the Sentry account statements, which ABN had in its possession, would have revealed that this cost did not appear on the Sentry account statements. Nor did those costs appear on the Broad Market or Broad Market Portfolio account statements. The absence of such costs, together with

reported trading at an impossible volume of options in the OTC market, were further signs of possible fraud at BLMIS.

109. **Unidentified Options Counterparties:** ABN knew or should have known that fraud was a possibility due to the absence of any identification of Madoff's purported option counterparties and the lack of any evidence in the marketplace of anyone trading with Madoff.

110. In the OTC marketplace, where ABN knew that Madoff claimed he was trading options, each transaction requires a private contract between the two parties and the trade confirmation identifies the counterparty. Sentry's and Tremont's BLMIS trade confirmations did not include the identification of the options trade counterparties. Madoff refused to identify the options trade counterparties allegedly to prevent his clients from dealing directly with their counterparties. Madoff sometimes stated that the counterparties were 8-12 large European financial institutions.

111. With the massive purported volume of BLMIS-related options trades, there were only a limited number of institutions that could have satisfied Madoff's trading needs. Upon information and belief, ABN regularly communicated with many large European financial institutions – the alleged options trade counterparties. Despite its regular contacts with institutions that fit Madoff's options counterparty profile, upon information and belief, ABN never asked any of these institutions if they were trading options with Madoff and never saw any evidence of trading by them.

112. Even if Madoff had actually transacted billions of dollars worth of OTC OEX options trades with undisclosed European counterparties, those entities would have hedged their risks by entering into other offsetting options or futures contracts. The most likely place to enter into such contracts was the CBOE. ABN, however, never saw any of Madoff's alleged options

counterparties laying off their exposure to BLMIS's customers by entering into opposite options contracts on the CBOE, because no such trades ever occurred.

113. **No Market Impact:** ABN knew or should have known that Madoff's alleged trades could not be legitimately accomplished without any impact on the price of the securities bought and sold, without any market footprint, and without anyone in the industry knowing or even hearing about Madoff's alleged trading activity.

114. The SSC Strategy marketed by Madoff involved moving money into the market over the course of one or more days, and then selling off all of those securities over a similar time span. Therefore, over the course of many years, tens of billions of dollars would have moved into and then out of the U.S. stock and options markets over the course of just a few days, six-to-ten times a year. Sales of tens of billions of dollars of stocks in a short period of time would have resulted in decreased prices of those stocks, cutting into the alleged profits from the sales of such stock. Further, when Madoff exited the market, he claimed to have placed his customers' assets in Treasuries or mutual funds invested in Treasuries. The movement of tens of billions of dollars in and out of the market should have materially affected the price of Treasuries. The lack of any impact on the markets by Madoff's reported trades was yet another red flag of possible fraud at BLMIS.

115. **Strip Mall Auditor:** ABN knew or should have known that Madoff's auditor was not legitimate and independent, nor reasonably capable of performing the required domestic and international auditing functions for BLMIS. BLMIS, which had tens of billions of dollars under management, was audited not by one of the major audit firms, but by Friehling & Horowitz CPAs P.C. ("F&H"), an accounting "firm" of three employees, including a secretary and a (semi-retired) certified public accountant living in Florida. F&H's offices were located in a strip mall

in suburban Rockland County, New York. The size and qualifications of F&H and the nature of the services they provided were readily accessible to ABN.

116. ABN knew or should have known that all accounting firms that perform audit work must enroll in the American Institute of Certified Public Accountants' ("AICPA") peer review program. This program involves having experienced auditors assess a firm's audit quality each year. The results of these peer reviews are on public file with the AICPA. F&H never appeared on the public peer review list because F&H had notified the AICPA that they did not perform audits. F&H's absence on the list was another major red flag of possible fraud at BLMIS.

117. No experienced investment professional could have reasonably believed it possible for any firm such as F&H to have competently and independently audited an entity the size of BLMIS. Simple investigation would have confirmed F&H's inability to properly audit and certify BLMIS's account records.

118. Such a simple investigation is exactly what Aksia, LLC ("Aksia"), an independent hedge fund research and advisory firm, did when it sent an investigator to F&H's office. What Aksia discovered was a simple office with what appeared to be a few chairs, a reception desk, one office, and a conference table. Furthermore, F&H's neighbors told Aksia's investigator that the office did not have regular hours. Having determined that it was hardly a facility from which one would expect the auditor of a multi-billion dollar fund to operate, Aksia advised its clients against investing with BLMIS, Madoff, or any of his feeder funds.

119. **No Segregation of Assets**: ABN knew or should have known that accounts at BLMIS were not segregated, and therefore not subject to independent verification. Adequate segregation allows independent checks and balances throughout the trading cycle, the movement

of cash, and the custody process, and is a fundamental area of inquiry for those performing independent and reasonable due diligence on investment managers. ABN failed to perform reasonable diligence into the practices surrounding the segregation of assets.

120. **Lack of Independent Verification That The Assets Existed**: ABN knew that BLMIS functioned as investment advisor, prime broker and the “in-fact” custodian of the purported securities. This structure – unusual for the hedge-fund industry – eliminated a key check and balance in investment management by excluding an independent custodian of securities from the process. This lack of independence over custody furthered the lack of transparency of BLMIS.

121. By functioning in so many roles, BLMIS had no segregation between those who were responsible for trading and those who were responsible for recording trade activities. Nor was there segregation of signing authority and authority over cash and securities transfers, deposits, and withdrawals. This was a clear conflict of interest, and the complete lack of segregation of duties was on its face a red flag of possible Madoff fraud identified by numerous other industry professionals who performed basic due diligence on Madoff.

122. **Improbable Returns**: ABN knew or should have known that BLMIS produced returns that were simply too good to be true, reflecting a pattern of abnormal profitability, both in terms of consistency and amounts that were simply not credible. Returns this good could not be reproduced by other skilled hedge fund managers, and those managers who attempted to employ the split-strike conversion strategy purportedly used by BLMIS consistently failed even to approximate its results. Such returns would have required Madoff to perfectly time the market for over 20 years. Numerous industry professionals viewed Madoff’s alleged perfect timing based on market flow as indicative of illegitimate and illegal trading activity.

123. Madoff’s trading purportedly involved the purchase of a basket of 30 to 40 S&P 100 stocks, most correlated to the S&P 100 Index, the sale of out-of-the-money calls on the index and the purchase of out-of-the-money puts on the index. The sale of the calls was designed to increase the rate of return, while allowing upward movement of the stock portfolio to the strike price of the calls. The puts, funded in large part by the sale of the calls, limited the portfolio’s downside. Among options traders, Madoff’s alleged trading strategy was typically known as a “split-strike conversion” strategy. The strategy, in effect, created a “collar” on a stock, limiting its upside while at the same time protecting against a sharp decline in the share price. By design, Madoff’s returns should have been highly correlated to the performance of the S&P 100 Index. ABN had access to this data for both the Tremont funds and Sentry.

124. For example, the Tremont Feeder Funds had the following rates of returns:

Year	Prime Fund Rate of Return	Broad Market Portfolio Rate of Return	Broad Market Rate of Return
1996			16.4%
1997	7.3%		17.7%
1998	15.9%		17.5%
1999	18.4%		18.3%
2000	14.3%		14.9%
2001	13.1%	2.4%	13.1%
2002	12.2%	12.2%	12.2%
2003	10.8%	10.5%	10.8%
2004	10.1%	9.9%	10.0%
2005	10.6%	10.5%	10.3%
2006	13.4%	13.1%	12.7%
2007	10.9%	10.9%	10.8%
2008 ³	9.0%	9.2%	9.5%

125. When reviewed side-by-side with returns for the S&P 100, the returns showed that Tremont was immune from any number of market catastrophes, enjoying steady rates of

³ Through November 2008.

return at times when the rest of the market was experiencing financial crises. As shown below, Tremont and BLMIS maintained consistent and seemingly impossible positive rates of return during events that otherwise devastated the S&P 100 – the performance of which formed the core tenet of the SSC Strategy. In fact, between 1997 and 2008, Broad Market, Broad Market Portfolio, and Prime Fund, did not experience a single quarter of negative returns.

Year	Prime Fund Rate of Return	Broad Market Portfolio Rate of Return	Broad Market Rate of Return	S&P 100 Rate of Return
1996			16.4%	22.9%
1997	7.3%		17.7%	27.8%
1998	15.9%		17.5%	31.3%
1999	18.4%		18.3%	31.3%
2000	14.3%		14.9%	(13.4%)
2001	13.1%	2.4%	13.1%	(14.9%)
2002	12.2%	12.2%	12.2%	(23.9%)
2003	10.8%	10.5%	10.8%	23.8%
2004	10.1%	9.9%	10.0%	4.5%
2005	10.6%	10.5%	10.3%	(.9%)
2006	13.4%	13.1%	12.7%	15.9%
2007	10.9%	10.9%	10.8%	3.8%
2008 ⁴	9.0%	9.2%	9.5%	(36.9%)

126. For example, during the burst of the dotcom “bubble” in 2000, the September 11, 2001 terrorist attack, and the recession and housing crisis of 2008, Sentry purported to produce positive returns, outperforming the S&P 100 by 20 to 40 percent in each instance where the S&P 100 suffered double-digit losses.

127. Additionally, BLMIS continued to generate a purported positive return on investments even during the last 14 months of BLMIS’s existence. Namely, in November 2008, the S&P 100 was down, yet Madoff showed positive returns. ABN knew or should have known that these results were simply not credible.

⁴ Through November 2008.

128. **Paper Confirmations**: ABN blindly accepted Madoff's and the feeder funds' explanation for why Madoff issued paper trade confirmations mailed out days after trades purportedly occurred. It was well known in the securities industry that Madoff was purportedly a pioneer in electronic over-the-counter trading mechanisms, but in the BLMIS IA Business, Madoff provided his customers with only paper information. Of course, Madoff issued delayed paper tickets to hide the fact that he was backdating his trades (so that he could pretend that they were always profitable). Madoff forged these phony confirmations already knowing the movements of the market. Upon information and belief, ABN, as a sophisticated financial institution, never reasonably or independently inquired into why BLMIS issued time-delayed confirmations and account statements in hardcopy only.

* * *

129. ABN not only failed to properly respond to these clear red flags of possible fraudulent activity at BLMIS, ABN redeemed shares worth hundreds of millions of dollars from Madoff Feeder Funds with knowledge of possible fraud at BLMIS. Additionally, the due diligence performed by ABN, both before and after its Madoff Feeder Fund investments, was not reasonable, independent or adequate in light of the red flags concerning possible Madoff fraud.

130. ABN had the motive to consciously or recklessly disregard possible fraud at BLMIS. ABN's motivation to turn a blind eye to the numerous indicia of illegitimate trading activity and fraud included the receipt of substantial fees in relation to swaps underlying Madoff Feeder Funds. ABN was further motivated to disregard possible fraud at BLMIS and to structure swap transactions underlying Madoff Feeder Funds because of Madoff's high, consistent annual returns of 11-16%.

131. ABN had a unique opportunity to gain access to extensive information about the operations of BLMIS, by virtue of its relationships with the Madoff Feeder Funds underlying its swap transactions. In this capacity, ABN was an important and necessary investor in the feeder funds, which, in turn, enabled ABN to obtain non-public information that other investors were denied.

132. In the aggregate, upon information and belief, ABN had approximately \$600 million in swap-related investments indirectly with BLMIS. ABN knew, and was on notice of, numerous irregularities and problems concerning the trades reported by BLMIS.

VIII. THE TRANSFERS

A. INITIAL TRANSFERS FROM BLMIS TO NON-PARTY FUNDS

133. ABN Bank (now RBS), ABNI, Rye LP and Rye Portfolio (the “Defendants”) received subsequent transfers from Madoff Feeder Funds that are not named as defendants herein, including Broad Market, Broad Market Portfolio and Prime Fund (collectively, the “Non-Party Funds”)—each of which maintained one or more accounts with BLMIS.

134. The Trustee has filed an action against Broad Market, Broad Market Portfolio, and Prime Fund to avoid and recover the initial transfers of Customer Property. *See Picard v. Tremont Group Holdings, Inc., et al (In re Bernard L. Madoff Inv. Sec. LLC)*, No. 10-05310 (Bankr. S.D.N.Y filed Dec. 7, 2010). The Trustee incorporates by reference the allegations contained in the Tremont Complaint as if fully rewritten herein.

135. During the six years preceding the Filing Date, BLMIS made transfers to Broad Market (account number 1T0027) of approximately \$252 million (the “Broad Market Six Year Initial Transfers”). The Broad Market Six Year Initial Transfers include approximately \$60 million that BLMIS transferred to Broad Market during the two years preceding the Filing Date (the “Broad Market Two Year Initial Transfers”). The Broad Market Six Year Initial Transfers

and Broad Market Two Year Initial Transfers include approximately \$40 million that BLMIS transferred to Broad Market during the 90 days preceding the Filing Date (the “Broad Market Preference Period Initial Transfers”). The Broad Market Six Year Initial Transfers, the Broad Market Two Year Initial Transfers, and the Broad Market Preference Period Initial Transfers (collectively, the “Broad Market Initial Transfers”) are set forth more fully in Exhibits A and B.

136. During the six years preceding the Filing Date, BLMIS made transfers to Broad Market Portfolio (account number 1FR080) of approximately \$618 million (the “Broad Market Portfolio Six Year Initial Transfers”). The Broad Market Portfolio Six Year Initial Transfers include approximately \$354 million that BLMIS transferred to Broad Market Portfolio during the two years preceding the Filing Date (the “Broad Market Portfolio Two Year Initial Transfers”). The Broad Market Portfolio Six Year Initial Transfers and Broad Market Portfolio Two Year Initial Transfers include approximately \$275 million that BLMIS transferred to Broad Market Portfolio during the 90 days preceding the Filing Date (the “Broad Market Portfolio Preference Period Initial Transfers”). The Broad Market Portfolio Six Year Initial Transfers, the Broad Market Portfolio Two Year Initial Transfers, and the Broad Market Portfolio Preference Period Initial Transfers (collectively, the “Broad Market Portfolio Initial Transfers”) are set forth more fully in Exhibits C and D.

137. During the six years preceding the Filing Date, BLMIS made transfers to Prime Fund (account number 1C1260) of approximately \$945 million (the “Prime Fund Six Year Initial Transfers”). The Prime Fund Six Year Initial Transfers include approximately \$495 million that BLMIS transferred to Prime Fund during the two years preceding the Filing Date (the “Prime Fund Two Year Initial Transfers”). The Prime Fund Six Year Initial Transfers and the Prime

Fund Two Year Initial Transfers (collectively, the “Prime Fund Initial Transfers”) are set forth more fully in Exhibits E and F.

138. The Broad Market Initial Transfers, the Broad Market Portfolio Initial Transfers, and the Prime Fund Initial Transfers (collectively, the “Non-Party Initial Transfers”), were and continue to be Customer Property within the meaning of SIPA § 78III(4) and are avoidable, should be avoided, and are recoverable under sections 544, 547, 548(a)(1), 550, and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly SIPA § 78fff-2(c)(3), and sections 273-279 of New York Debtor and Creditor Law.

B. SUBSEQUENT TRANSFERS FROM THE NON-PARTY FUNDS TO THE DEFENDANTS

139. A sizeable portion of the money transferred from BLMIS to the Non-Party Funds subsequently was transferred by the Non-Party Funds to the Defendants.

140. The Trustee has filed the Tremont Complaint against Broad Market, Broad Market Portfolio, and Prime Fund to avoid and recover the Broad Market Initial Transfers and the Broad Market Portfolio Initial Transfers pursuant to sections 544, 547, 548, 550 and 551 of the Bankruptcy Code and sections 273-279 of the New York Debtor and Creditor Law.

141. A portion of the Broad Market Initial Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Broad Market Subsequent Transfers”).

142. A portion of the Broad Market Portfolio Initial Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Broad Market Portfolio Subsequent Transfers”).

143. A portion of the Prime Fund Initial Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Prime Fund Subsequent Transfers”).

144. The Broad Market Subsequent Transfers, the Broad Market Portfolio Subsequent Transfers, and the Prime Fund Subsequent Transfers (collectively, the “Non-Party Subsequent Transfers”) are recoverable from the Defendants pursuant to section 550 of the Bankruptcy Code.

C. SUBSEQUENT TRANSFERS BETWEEN THE DEFENDANTS

145. A sizeable portion of the money transferred from BLMIS to the Non-Party Funds subsequently was transferred by the Non-Party Funds to the Defendants, and subsequently among the Defendants themselves.

146. The Trustee has filed the Tremont Complaint against Broad Market, Broad Market Portfolio, and Prime Fund to avoid and recover the Broad Market Initial Transfers and the Broad Market Portfolio Initial Transfers pursuant to sections 544, 547, 548, 550 and 551 of the Bankruptcy Code and sections 273-279 of the New York Debtor and Creditor Law.

147. A portion of the Broad Market Subsequent Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Secondary Broad Market Subsequent Transfers”).

148. A portion of the Broad Market Portfolio Subsequent Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Secondary Broad Market Portfolio Subsequent Transfers”).

149. A portion of the Prime Fund Subsequent Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Secondary Prime Fund Subsequent Transfers”).

150. The Secondary Broad Market Subsequent Transfers, the Secondary Broad Market Portfolio Subsequent Transfers, and the Secondary Prime Fund Subsequent Transfers (collectively, the “Secondary Subsequent Transfers”) are recoverable from the Defendants pursuant to section 550 of the Bankruptcy Code.

COUNT ONE:
PREFERENTIAL TRANSFERS (SUBSEQUENT TRANSFEREES)
11 U.S.C. §§ 547(b), 550(a), AND 551

151. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

152. At the time of each of the Non-Party Initial Transfers, the Non-Party Funds were a “creditor” of BLMIS within the meaning of section 101(10) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

153. Each of the Broad Market Preference Period Initial Transfers and the Broad Market Portfolio Preference Period Initial Transfers (collectively, the “Non-Party Preference Period Initial Transfers”) constitutes a transfer of an interest of BLMIS in property within the meaning of section 101(54) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

154. Each of the Non-Party Preference Period Initial Transfers was to or for the benefit of the Non-Party Funds.

155. Each of the Non-Party Preference Period Initial Transfers was made for or on account of an antecedent debt owed by BLMIS to the Non-Party Funds before such transfer was made.

156. Each of the Non-Party Preference Period Initial Transfers was made while BLMIS was insolvent.

157. Each of the Non-Party Preference Period Initial Transfers was made during the 90-day preference period under section 547(b)(4) of the Bankruptcy Code.

158. Each of the Non-Party Preference Period Initial Transfers enabled the Non-Party Funds to receive more than they would receive if: (i) this case was a case under chapter 7 of the Bankruptcy Code; (ii) the transfers had not been made; and (iii) such transferee received payment of such debt to the extent provided by the provisions of the Bankruptcy Code.

159. Each of the Non-Party Preference Period Initial Transfers constitutes a preferential transfer avoidable by the Trustee pursuant to section 547(b) of the Bankruptcy Code.

160. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Preference Period Initial Transfers pursuant to section 547(b) of the Bankruptcy Code, and to recover the Non-Party Preference Period Initial Transfers, or the value thereof, from the Non-Party Defendants pursuant to section 550(a) of the Bankruptcy Code.

161. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Non-Party Preference Period Initial Transfers from the Non-Party Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code (the "Preference Period Subsequent Transfers").

162. Upon information and belief, the Defendants also were immediate or mediate transferees of some portion of the Preference Period Subsequent Transfers by virtue of receiving some portion of the Preference Period Subsequent Transfers from other Defendants from the Non-Party Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

163. Each of the Preference Period Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

164. As a result of the foregoing, pursuant to sections 547(b), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3), the Trustee is entitled to a judgment recovering the Preference Period Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT TWO:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREES)
11 U.S.C. §§ 548(a)(1)(A), 550(a), AND 551

165. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

166. Each of the Broad Market Two Year Initial Transfers, the Broad Market Portfolio Two Year Initial Transfers and the Prime Fund Two Year Initial Transfers (collectively, the “Non-Party Two Year Initial Transfers”) was made on or within two years before the Filing Date.

167. Each of the Non-Party Two Year Initial Transfers constituted a transfer of an interest of BLMIS in property within the meaning of sections 101(54) and 548(a) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

168. Each of the Non-Party Two Year Initial Transfers was made by BLMIS with the actual intent to hinder, delay or defraud some or all of BLMIS’ then existing or future creditors. BLMIS made the Non-Party Two Year Initial Transfers to or for the benefit of the Non-Party Funds in furtherance of a fraudulent investment scheme.

169. Each of the Non-Party Two Year Initial Transfers constitutes a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(A) of the Bankruptcy Code and recoverable from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-(2)(c)(3).

170. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Two Year Initial Transfers pursuant to section 548(a)(1)(A) of the Bankruptcy Code, and to recover the Non-Party Two Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

171. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Non-Party Two Year Initial Transfers, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code (the “Two Year Subsequent Transfers”).

172. Upon information and belief, the Defendants were also immediate or mediate transferees of some portion of the Two Year Subsequent Transfers by virtue of receiving some portion of the Two Year Subsequent Transfers from other Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code (the “Two Year Secondary Subsequent Transfers”).

173. Each of the Two Year Subsequent Transfers and the Two Year Secondary Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

174. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 550(a) and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) recovering the Two Year Subsequent Transfers and the Two Year Secondary Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT THREE:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREES)
11 U.S.C. §§ 548(a)(1)(B), 550(a), AND 551

175. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

176. Each of the Non-Party Two Year Initial Transfers was made on or within two years before the Filing Date.

177. Each of the Non-Party Two Year Initial Transfers constitutes a transfer of an interest of BLMIS in property within the meaning of sections 101(54) and 548(a) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

178. BLMIS received less than a reasonably equivalent value in exchange for each of the Non-Party Two Year Initial Transfers.

179. At the time of each of the Non-Party Two Year Initial Transfers, BLMIS was insolvent, or became insolvent as a result of each of the Non-Party Two Year Initial Transfers.

180. At the time of each of the Non-Party Two Year Initial Transfers, BLMIS was engaged in a business or a transaction, or was about to engage in a business or a transaction, for which any property remaining with BLMIS was an unreasonably small capital.

181. At the time of each of the Non-Party Two Year Initial Transfers, BLMIS intended to incur, or believed that it would incur, debts that would be beyond BLMIS's ability to pay as such debts matured.

182. Each of the Non-Party Two Year Initial Transfers constitute a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(B) of the Bankruptcy Code and recoverable from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-(2)(c)(3).

183. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Two Year Initial Transfers pursuant to section 548(a)(1)(B) of the Bankruptcy Code, and to recover the Non-Party Two Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

184. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Two Year Subsequent Transfers, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

185. Upon information and belief, the Defendants were also immediate or mediate transferees some portion of the Two Year Secondary Subsequent Transfers by virtue of receiving some portion of the Two Year Subsequent Transfers from other Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

186. Each of the Two Year Subsequent Transfers and the Two Year Secondary Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

187. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) recovering the Two Year Subsequent Transfers and the Two Year Secondary Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT FOUR:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREES)
NEW YORK DEBTOR AND CREDITOR LAW §§ 276, 276-a, 278
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

188. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

189. At all times relevant to the Broad Market Six Year Initial Transfers, the Broad Market Portfolio Six Year Initial Transfers and the Prime Fund Six Year Initial Transfers (collectively, the “Non-Party Six Year Initial Transfers”), there have been one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

190. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

191. The Non-Party Six Year Initial Transfers was made by BLMIS with the actual intent to hinder, delay, or defraud the creditors of BLMIS. BLMIS made the Non-Party Six Year Initial Transfers to or for the benefit of the Non-Party Funds in furtherance of a fraudulent investment scheme.

192. Each of the Non-Party Six Year Initial Transfers were received by the Non-Party Funds with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Non-Party Six Year Initial Transfers, and/or future creditors of BLMIS.

193. Each of the Non-Party Funds received each of the Non-Party Six Year Initial Transfers with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Non-Party Six Year Initial Transfers, and/or future creditors of BLMIS.

194. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 276, 276-a, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover the Non-Party Six Year Initial Transfers, or the value thereof, and attorneys' fees from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

195. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Non-Party Initial Transfers, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code (the "Six Year Subsequent Transfers").

196. Upon information and belief, the Defendants were also immediate or mediate transferees of some portion of the Six Year Subsequent Transfers by virtue of receiving some

portion of the Six Year Subsequent Transfers from other Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code (the “Six Year Secondary Subsequent Transfers”).

197. Each of the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

198. Each of the Defendants received the Six Year Subsequent Transfers with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Six Year Subsequent Transfers, and/or future creditors of BLMIS.

199. Each of the Defendants received the Six Year Secondary Subsequent Transfers with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Six Year Subsequent Transfers, and/or future creditors of BLMIS.

200. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 276, 276-a, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers, or the value thereof, and attorneys’ fees from the Defendants for the benefit of the estate.

COUNT FIVE:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREES)
NEW YORK DEBTOR AND CREDITOR LAW §§ 273 AND 278
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

201. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

202. At all relevant times there was and is at least one or more creditors who held and hold matured or unmatured unsecured claims against BLMIS that were and are allowable under

section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

203. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

204. BLMIS did not receive fair consideration for the Non-Party Six Year Initial Transfers.

205. BLMIS was insolvent at the time it made each of the Non-Party Six Year Initial Transfers or, in the alternative, BLMIS became insolvent as a result of each of the Non-Party Six Year Initial Transfers.

206. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 273, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover the Non-Party Six Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

207. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Six Year Subsequent Transfers, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

208. Upon information and belief, the Defendants were also immediate or mediate transferees of some portion of the Six Year Secondary Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

209. Each of the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

210. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 273, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT SIX:
FRAUDULENT TRANSFERS (SUBSEQUENT TRANSFEREES)
NEW YORK DEBTOR AND CREDITOR LAW §§ 274, 278,
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

211. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

212. At all relevant times there was and is at least one or more creditors who held and hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

213. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

214. BLMIS did not receive fair consideration for the Non-Party Six Year Initial Transfers.

215. At the time BLMIS made each of the Non-Party Six Year Initial Transfers, BLMIS was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Non-Party Six Year Initial Transfers was an unreasonably small capital.

216. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections

274, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover the Non-Party Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

217. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Six Year Subsequent Transfers, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

218. Upon information and belief, the Defendants were also immediate or mediate transferees of some portion of the Six Year Secondary Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

219. Each of the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

220. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 274, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT SEVEN:
FRAUDULENT TRANSFERS (SUBSEQUENT TRANSFEREES)
NEW YORK DEBTOR AND CREDITOR LAW §§ 275, 278,
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

221. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

222. At all relevant times there was and is at least one or more creditors who held and hold matured or unmatured unsecured claims against BLMIS that were and are allowable under

section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

223. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

224. BLMIS did not receive fair consideration for the Non-Party Six Year Initial Transfers.

225. At the time BLMIS made each of the Non-Party Six Year Initial Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

226. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 275, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover Non-Party Six Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

227. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Six Year Subsequent Transfers, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

228. Upon information and belief, the Defendants were also immediate or mediate transferees of some portion of the Six Year Secondary Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants, which are recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code.

229. Each of the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

230. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 275, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers and the Six Year Secondary Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in favor of the Trustee and against ABNI, ABN Bank (now RBS), Rye LP and Rye Portfolio on counts one through seven as follows:

(a) On the First Claim for Relief, pursuant to sections 547(b), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3), the Trustee is entitled to a judgment recovering the Preference Period Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS;

(b) On the Second Claim for Relief, pursuant to sections 548(a)(1)(A), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Two Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(c) On the Third Claim for Relief, pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Two Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(d) On the Fourth Claim for Relief, pursuant to sections 276, 276-a, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year

Subsequent Transfers, or the value thereof, and attorneys' fees from the Defendants for the benefit of the estate;

(e) On the Fifth Claim for Relief, pursuant to sections 273, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(f) On the Sixth Claim for Relief, pursuant to sections 274, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(g) On the Seventh Claim for Relief, pursuant to sections 275, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(h) Awarding the Trustee all applicable attorneys' fees, interest, costs, and disbursements of this action; and

(i) Granting the Trustee such other, further and different relief as the Court deems just, proper and equitable.

Dated: New York, New York
December 8, 2010

Of Counsel:

Deborah H. Renner
Oren J. Warshavsky
Gonzalo S. Zeballos
Timothy S. Pfeifer
Seanna R. Brown
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111

/s/ David J. Sheehan
/s/ Keith R. Murphy
/s/ Marc Skapof
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Ryan P. Farley
Mark A. Kornfeld
Keith R. Murphy
Marc Skapof

Thomas L. Long
Catherine E. Woltering
Baker & Hostetler LLP
65 East State Street, Suite 2100
Columbus, Ohio 43215
Telephone: (614) 228-1541
Facsimile: (614) 462-2616

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

INITIAL TRANSFERS - RYE SELECT BROAD MKT FUND LP C/O TREMONT PARTNERS

Account Number	Date	Description	Withdrawal Amount
1T0027	2/8/1995	CHECK WIRE	\$ 590,000.00
1T0027	10/6/1995	CHECK WIRE	\$ 1,350,000.00
1T0027	3/29/1996	CHECK WIRE	\$ 1,000,000.00
1T0027	4/29/1996	CHECK WIRE	\$ 2,200,000.00
1T0027	11/7/1996	CHECK WIRE	\$ 500,000.00
1T0027	3/31/1997	CHECK WIRE	\$ 3,000,000.00
1T0027	12/31/1997	CHECK WIRE	\$ 15,000,000.00
1T0027	3/5/1998	CHECK WIRE	\$ 1,000,000.00
1T0027	4/1/1998	CHECK WIRE	\$ 1,500,000.00
1T0027	7/8/1999	CHECK WIRE	\$ 3,000,000.00
1T0027	10/2/2000	CHECK WIRE	\$ 32,000,000.00
1T0027	11/1/2000	CHECK WIRE	\$ 20,000,000.00
1T0027	12/1/2000	CHECK WIRE	\$ 8,000,000.00
1T0027	3/30/2001	CHECK WIRE	\$ 20,000,000.00
1T0027	7/2/2001	CHECK WIRE	\$ 3,000,000.00
1T0027	1/2/2002	CHECK WIRE	\$ 20,000,000.00
1T0027	6/30/2003	CHECK WIRE	\$ 12,000,000.00
1T0027	1/2/2004	CHECK WIRE	\$ 21,000,000.00
1T0027	5/27/2004	CHECK WIRE	\$ 10,000,000.00
1T0027	12/31/2004	CHECK WIRE	\$ 36,000,000.00
1T0027	7/29/2005	CHECK WIRE	\$ 25,000,000.00
1T0027	9/29/2005	CHECK WIRE	\$ 25,000,000.00
1T0027	12/28/2005	CHECK WIRE	\$ 20,000,000.00
1T0027	1/30/2006	CHECK WIRE	\$ 28,000,000.00
1T0027	8/28/2006	CHECK WIRE	\$ 15,000,000.00
1T0027	1/30/2007	CHECK WIRE	\$ 20,000,000.00
1T0027	9/25/2008	CHECK WIRE	\$ 40,000,000.00
TOTAL:			\$ 384,140,000.00

SUMMARY SCHEDULE

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
<u>Account Number</u>	<u>Account Name</u>	<u>Preferential Transfers</u>	<u>Two Year Fictitious Profit Transfers</u>	<u>Two Year Principal Transfers</u>	<u>Six Year Fictitious Profit Transfers</u>	<u>Six Year Principal Transfers</u>	<u>Full History Fictitious Profit Transfers</u>	<u>Full History Principal Transfers</u>
1T0027	RYE SELECT BROAD MKT FUND LP C/O TREMONT PARTNERS ATTN: HARRY HODGES SUITE C300	40,000,000	-	60,000,000	-	252,000,000	-	384,140,000
Total:		\$40,000,000	-	\$60,000,000	-	\$252,000,000	-	\$384,140,000

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	10/15/2001	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 32.97
1FR080	11/19/2001	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 5.84
1FR080	12/31/2001	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.12
1FR080	1/7/2002	W/H TAX DIV WMT	\$ 375.14
1FR080	1/10/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.74
1FR080	1/25/2002	W/H TAX DIV MWD	\$ 225.15
1FR080	2/1/2002	W/H TAX DIV SBC	\$ 758.30
1FR080	2/1/2002	W/H TAX DIV PHA	\$ 152.48
1FR080	2/1/2002	W/H TAX DIV VZ	\$ 916.03
1FR080	2/11/2002	W/H TAX DIV TXN	\$ 227.56
1FR080	2/15/2002	W/H TAX DIV PG	\$ 3,045.51
1FR080	2/21/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 14.28
1FR080	2/22/2002	W/H TAX DIV C	\$ 5,119.58
1FR080	3/1/2002	W/H TAX DIV WFC	\$ 2,778.36
1FR080	3/1/2002	W/H TAX DIV INTC	\$ 863.90
1FR080	3/6/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.18
1FR080	3/7/2002	W/H TAX DIV PFE	\$ 5,131.19
1FR080	3/11/2002	W/H TAX DIV BUD	\$ 1,103.98
1FR080	3/11/2002	W/H TAX DIV XOM	\$ 9,926.34
1FR080	3/11/2002	W/H TAX DIV IBM	\$ 1,496.04
1FR080	3/12/2002	W/H TAX DIV JNJ	\$ 2,144.12
1FR080	3/14/2002	W/H TAX DIV DD	\$ 2,244.06
1FR080	3/15/2002	W/H TAX DIV AIG	\$ 441.50
1FR080	3/22/2002	W/H TAX DIV BAC	\$ 3,854.52
1FR080	3/28/2002	W/H TAX DIV HD	\$ 1,081.20
1FR080	4/1/2002	W/H TAX DIV KO	\$ 4,694.52
1FR080	4/1/2002	W/H TAX DIV ONE	\$ 1,264.54
1FR080	4/1/2002	W/H TAX DIV MRK	\$ 7,526.19
1FR080	4/1/2002	W/H TAX DIV PEP	\$ 2,347.26
1FR080	4/10/2002	W/H TAX DIV MO	\$ 11,736.30
1FR080	4/18/2002	W/H TAX DIV WMT	\$ 3,139.43
1FR080	4/23/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.94
1FR080	4/25/2002	W/H TAX DIV GE	\$ 7,337.41
1FR080	4/26/2002	W/H TAX DIV MWD	\$ 2,366.42
1FR080	4/26/2002	W/H TAX DIV MDT	\$ 651.57
1FR080	4/30/2002	W/H TAX DIV JPM	\$ 6,329.51
1FR080	5/1/2002	W/H TAX DIV BMY	\$ 5,115.43
1FR080	5/1/2002	W/H TAX DIV TYC	\$ 237.03
1FR080	5/1/2002	W/H TAX DIV T	\$ 1,244.45
1FR080	5/1/2002	W/H TAX DIV SBC	\$ 8,554.57
1FR080	5/1/2002	W/H TAX DIV PHA	\$ 1,639.04
1FR080	5/1/2002	W/H TAX DIV VZ	\$ 9,883.34
1FR080	5/10/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.82
1FR080	5/15/2002	W/H TAX DIV PG	\$ 2,437.78
1FR080	5/24/2002	W/H TAX DIV C	\$ 5,313.44
1FR080	6/3/2002	W/H TAX DIV INTC	\$ 753.62
1FR080	6/3/2002	W/H TAX DIV WFC	\$ 5,493.60
1FR080	6/6/2002	W/H TAX DIV PFE	\$ 9,566.23
1FR080	6/10/2002	W/H TAX DIV XOM	\$ 18,276.03
1FR080	6/10/2002	W/H TAX DIV BUD	\$ 1,348.00
1FR080	6/10/2002	W/H TAX DIV IBM	\$ 3,056.58
1FR080	6/11/2002	W/H TAX DIV JNJ	\$ 2,624.15
1FR080	6/12/2002	W/H TAX DIV DD	\$ 3,044.16
1FR080	6/25/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.12

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	7/10/2002	W/H TAX DIV MO	\$ 2,351.09
1FR080	7/15/2002	W/H TAX DIV USB	\$ 757.52
1FR080	7/19/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.68
1FR080	7/25/2002	W/H TAX DIV GE	\$ 3,617.84
1FR080	7/26/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.73
1FR080	7/26/2002	W/H TAX DIV MWD	\$ 505.01
1FR080	7/26/2002	W/H TAX DIV MDT	\$ 147.79
1FR080	7/31/2002	W/H TAX DIV JPM	\$ 1,378.22
1FR080	8/1/2002	W/H TAX DIV VZ	\$ 2,080.85
1FR080	8/1/2002	W/H TAX DIV PHA	\$ 342.02
1FR080	8/1/2002	W/H TAX DIV T	\$ 285.02
1FR080	8/1/2002	W/H TAX DIV BMY	\$ 1,087.72
1FR080	8/1/2002	W/H TAX DIV SBC	\$ 1,778.52
1FR080	8/9/2002	W/H TAX DIV AXP	\$ 202.68
1FR080	8/19/2002	W/H TAX DIV MON	\$ 3.19
1FR080	8/19/2002	W/H TAX DIV TXN	\$ 624.62
1FR080	8/23/2002	W/H TAX DIV C	\$ 16,278.89
1FR080	8/26/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.01
1FR080	9/3/2002	W/H TAX DIV WFC	\$ 8,230.32
1FR080	9/3/2002	W/H TAX DIV INTC	\$ 2,289.56
1FR080	9/5/2002	W/H TAX DIV PFE	\$ 14,018.47
1FR080	9/5/2002	W/H TAX DIV G	\$ 2,865.92
1FR080	9/6/2002	W/H TAX DIV BA	\$ 2,407.46
1FR080	9/9/2002	W/H TAX DIV BUD	\$ 2,865.92
1FR080	9/10/2002	W/H TAX DIV JNJ	\$ 3,421.61
1FR080	9/10/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 13.58
1FR080	9/10/2002	W/H TAX DIV XOM	\$ 26,489.58
1FR080	9/10/2002	W/H TAX DIV IBM	\$ 4,328.78
1FR080	9/12/2002	W/H TAX DIV DD	\$ 5,849.55
1FR080	10/1/2002	CHECK WIRE	\$ 10,000,000.00
1FR080	10/17/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 45.26
1FR080	11/15/2002	W/H TAX DIV PG	\$ 3,388.90
1FR080	11/15/2002	W/H TAX DIV CL	\$ 976.86
1FR080	11/18/2002	W/H TAX DIV TXN	\$ 346.74
1FR080	11/22/2002	W/H TAX DIV C	\$ 8,642.21
1FR080	11/25/2002	W/H TAX DIV GS	\$ 542.70
1FR080	11/27/2002	W/H TAX DIV MER	\$ 1,352.74
1FR080	1/6/2003	W/H TAX DIV IBM	\$ 2,447.55
1FR080	1/6/2003	W/H TAX DIV XOM	\$ 14,970.24
1FR080	1/6/2003	W/H TAX DIV JNJ	\$ 1,584.98
1FR080	1/6/2003	W/H TAX DIV DD	\$ 2,403.35
1FR080	1/6/2003	W/H TAX DIV INTC	\$ 1,291.39
1FR080	1/6/2003	W/H TAX DIV WFC	\$ 4,636.55
1FR080	1/6/2003	W/H TAX DIV PFE	\$ 5,510.23
1FR080	1/6/2003	W/H TAX DIV BA	\$ 982.57
1FR080	1/6/2003	W/H TAX DIV BUD	\$ 1,641.63
1FR080	1/6/2003	W/H TAX DIV UTX	\$ 786.74
1FR080	1/6/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.55
1FR080	1/6/2003	W/H TAX DIV HCA	\$ 108.54
1FR080	1/6/2003	W/H TAX DIV G	\$ 1,661.99
1FR080	1/10/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.94
1FR080	1/31/2003	W/H TAX DIV MWD	\$ 2,103.95
1FR080	2/3/2003	W/H TAX DIV SBC	\$ 7,616.11
1FR080	2/3/2003	W/H TAX DIV VZ	\$ 8,951.83

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	2/3/2003	W/H TAX DIV PHA	\$ 2,630.31
1FR080	2/10/2003	W/H TAX DIV TXN	\$ 553.83
1FR080	2/14/2003	W/H TAX DIV CL	\$ 1,503.04
1FR080	2/14/2003	W/H TAX DIV PFE	\$ 13,973.04
1FR080	2/14/2003	W/H TAX DIV PG	\$ 7,988.36
1FR080	2/27/2003	W/H TAX DIV GS	\$ 835.02
1FR080	2/28/2003	W/H TAX DIV C	\$ 15,663.54
1FR080	2/28/2003	W/H TAX DIV MER	\$ 2,065.25
1FR080	3/3/2003	W/H TAX DIV INTC	\$ 2,016.64
1FR080	3/3/2003	W/H TAX DIV WFC	\$ 7,717.59
1FR080	3/5/2003	W/H 1/31/03G	\$ 2,597.30
1FR080	3/7/2003	W/H TAX DIV BA	\$ 2,129.30
1FR080	3/7/2003	W/H TAX DIV MSFT	\$ 10,157.57
1FR080	3/10/2003	W/H TAX DIV UTX	\$ 1,704.83
1FR080	3/10/2003	W/H TAX DIV BUD	\$ 2,442.44
1FR080	3/10/2003	W/H TAX DIV XOM	\$ 23,434.47
1FR080	3/10/2003	W/H TAX DIV IBM	\$ 3,814.56
1FR080	3/11/2003	W/H TAX DIV JNJ	\$ 9,189.45
1FR080	3/12/2003	W/H TAX DIV MMM	\$ 2,865.85
1FR080	3/14/2003	W/H TAX DIV DD	\$ 5,358.05
1FR080	3/17/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 44.30
1FR080	4/7/2003	W/H TAX DIV WMT	\$ 6,904.52
1FR080	4/9/2003	W/H TAX DIV HPQ	\$ 4,353.91
1FR080	4/15/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 40.42
1FR080	5/9/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.33
1FR080	5/19/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.08
1FR080	5/28/2003	W/H TAX DIV MER	\$ 1,700.35
1FR080	5/30/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.67
1FR080	6/2/2003	W/H TAX DIV WFC	\$ 6,376.32
1FR080	6/2/2003	W/H TAX DIV INTC	\$ 920.16
1FR080	6/5/2003	W/H TAX DIV PFE	\$ 15,266.57
1FR080	6/9/2003	W/H TAX DIV BUD	\$ 2,072.30
1FR080	6/10/2003	W/H TAX DIV XOM	\$ 21,389.85
1FR080	6/10/2003	W/H TAX DIV JNJ	\$ 9,068.54
1FR080	6/10/2003	W/H TAX DIV UTX	\$ 1,594.08
1FR080	6/10/2003	W/H TAX DIV IBM	\$ 3,400.70
1FR080	6/12/2003	W/H TAX DIV DD	\$ 4,546.08
1FR080	6/12/2003	W/H TAX DIV MMM	\$ 3,117.31
1FR080	6/20/2003	W/H TAX DIV AIG	\$ 1,913.67
1FR080	6/25/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 5.15
1FR080	6/26/2003	W/H TAX DIV HD	\$ 2,185.99
1FR080	6/27/2003	W/H TAX DIV BAC	\$ 14,935.68
1FR080	6/30/2003	W/H TAX DIV PEP	\$ 4,319.52
1FR080	7/1/2003	W/H TAX DIV ALL	\$ 2,172.67
1FR080	7/1/2003	W/H TAX DIV KO	\$ 8,589.17
1FR080	7/1/2003	W/H TAX DIV ONE	\$ 3,870.47
1FR080	7/1/2003	W/H TAX DIV MRK	\$ 12,513.10
1FR080	7/3/2003	W/H TAX DIV SLB	\$ 1,328.40
1FR080	7/7/2003	W/H TAX DIV WMT	\$ 2,896.21
1FR080	7/8/2003	W/H TAX DIV MO	\$ 20,722.18
1FR080	7/9/2003	W/H TAX DIV HPQ	\$ 3,828.38
1FR080	7/10/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.94
1FR080	7/21/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.85
1FR080	7/31/2003	W/H TAX DIV MWD	\$ 3,845.23

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	8/1/2003	W/H TAX DIV VZ	\$ 16,091.46
1FR080	8/1/2003	W/H TAX DIV SBC	\$ 19,184.36
1FR080	8/15/2003	W/H TAX DIV CL	\$ 2,006.21
1FR080	8/15/2003	W/H TAX DIV PG	\$ 8,874.68
1FR080	8/18/2003	W/H TAX DIV TXN	\$ 553.82
1FR080	8/22/2003	W/H TAX DIV C	\$ 27,467.16
1FR080	8/27/2003	W/H TAX DIV MER	\$ 2,229.12
1FR080	8/28/2003	W/H TAX DIV GS	\$ 1,741.50
1FR080	9/2/2003	W/H TAX DIV WFC	\$ 11,284.92
1FR080	9/2/2003	W/H TAX DIV INTC	\$ 1,986.10
1FR080	9/4/2003	W/H TAX DIV PFE	\$ 11,073.42
1FR080	9/5/2003	W/H TAX DIV G	\$ 2,490.35
1FR080	9/5/2003	W/H TAX DIV BA	\$ 1,321.61
1FR080	9/5/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.47
1FR080	9/9/2003	W/H TAX DIV BUD	\$ 2,758.54
1FR080	9/10/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.19
1FR080	9/10/2003	W/H TAX DIV XOM	\$ 25,341.45
1FR080	9/10/2003	W/H TAX DIV IBM	\$ 4,235.33
1FR080	9/12/2003	W/H TAX DIV DD	\$ 3,325.67
1FR080	9/19/2003	W/H TAX DIV AIG	\$ 911.02
1FR080	9/23/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 6.74
1FR080	9/26/2003	W/H TAX DIV BAC	\$ 6,572.88
1FR080	9/30/2003	W/H TAX DIV PEP	\$ 3,558.62
1FR080	10/1/2003	W/H TAX DIV KO	\$ 7,059.69
1FR080	10/1/2003	W/H TAX DIV ONE	\$ 3,804.45
1FR080	10/1/2003	W/H TAX DIV MRK	\$ 4,470.53
1FR080	10/1/2003	W/H TAX DIV VIA.B	\$ 984.73
1FR080	10/8/2003	W/H TAX DIV HPQ	\$ 3,184.03
1FR080	10/9/2003	W/H TAX DIV MO	\$ 18,308.18
1FR080	10/14/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.48
1FR080	10/31/2003	W/H TAX DIV MWD	\$ 2,960.93
1FR080	11/3/2003	W/H TAX DIV VZ	\$ 12,803.87
1FR080	11/3/2003	W/H TAX DIV SBC	\$ 11,213.44
1FR080	11/3/2003	W/H TAX DIV SBC	\$ 3,969.36
1FR080	11/7/2003	W/H TAX DIV MSFT	\$ 32,151.26
1FR080	11/14/2003	W/H TAX DIV PG	\$ 10,825.95
1FR080	11/17/2003	W/H TAX DIV TXN	\$ 693.35
1FR080	11/24/2003	W/H TAX DIV GS	\$ 2,076.00
1FR080	11/25/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.36
1FR080	11/26/2003	W/H TAX DIV C	\$ 33,528.50
1FR080	11/26/2003	W/H TAX DIV MER	\$ 2,828.93
1FR080	12/1/2003	W/H TAX DIV MCD	\$ 9,300.48
1FR080	12/1/2003	W/H TAX DIV WFC	\$ 14,199.84
1FR080	12/1/2003	W/H TAX DIV INTC	\$ 2,466.31
1FR080	12/4/2003	W/H TAX DIV PFE	\$ 21,593.84
1FR080	12/5/2003	W/H TAX DIV G	\$ 2,968.68
1FR080	12/9/2003	W/H TAX DIV JNJ	\$ 13,153.54
1FR080	12/9/2003	W/H TAX DIV BUD	\$ 3,288.38
1FR080	12/10/2003	W/H TAX DIV XOM	\$ 30,860.33
1FR080	12/10/2003	W/H TAX DIV IBM	\$ 5,048.83
1FR080	12/10/2003	W/H TAX DIV UTX	\$ 2,906.40
1FR080	12/12/2003	W/H TAX DIV MMM	\$ 2,620.73
1FR080	12/15/2003	W/H TAX DIV DD	\$ 6,394.08
1FR080	12/16/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.60

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	12/31/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.42
1FR080	1/2/2004	W/H TAX DIV ONE	\$ 1,107.90
1FR080	1/2/2004	W/H TAX DIV PEP	\$ 1,122.67
1FR080	1/5/2004	W/H TAX DIV WMT	\$ 1,595.38
1FR080	1/6/2004	W/H TAX DIV DIS	\$ 1,783.72
1FR080	1/7/2004	W/H TAX DIV HPQ	\$ 1,004.50
1FR080	1/8/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.25
1FR080	1/9/2004	W/H TAX DIV MO	\$ 5,775.85
1FR080	1/15/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.78
1FR080	1/30/2004	W/H TAX DIV MWD	\$ 1,879.20
1FR080	2/2/2004	W/H TAX DIV VZ	\$ 7,476.08
1FR080	2/2/2004	W/H TAX DIV SBC	\$ 7,242.75
1FR080	2/17/2004	W/H TAX DIV PG	\$ 11,898.02
1FR080	2/26/2004	W/H TAX DIV GS	\$ 2,179.13
1FR080	2/27/2004	W/H TAX DIV MER	\$ 3,068.21
1FR080	2/27/2004	W/H TAX DIV C	\$ 40,444.56
1FR080	3/1/2004	W/H TAX DIV WFC	\$ 14,905.22
1FR080	3/1/2004	W/H TAX DIV INTC	\$ 5,069.77
1FR080	3/5/2004	W/H TAX DIV G	\$ 3,116.15
1FR080	3/5/2004	W/H TAX DIV PFE	\$ 25,278.51
1FR080	3/5/2004	W/H TAX DIV BA	\$ 2,667.25
1FR080	3/9/2004	W/H TAX DIV JNJ	\$ 13,951.01
1FR080	3/9/2004	W/H TAX DIV BUD	\$ 3,451.73
1FR080	3/10/2004	W/H TAX DIV UTX	\$ 1,922.03
1FR080	3/10/2004	W/H TAX DIV IBM	\$ 5,299.63
1FR080	3/10/2004	W/H TAX DIV XOM	\$ 32,380.20
1FR080	3/12/2004	W/H TAX DIV MMM	\$ 3,558.49
1FR080	3/15/2004	W/H TAX DIV DD	\$ 6,711.71
1FR080	3/22/2004	CHECK WIRE	\$ 13,000,000.00
1FR080	4/6/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 60.11
1FR080	4/8/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.05
1FR080	4/30/2004	W/H TAX DIV MWD	\$ 4,294.80
1FR080	4/30/2004	W/H TAX DIV JPM	\$ 3,298.48
1FR080	5/3/2004	W/H TAX DIV VZ	\$ 16,534.98
1FR080	5/3/2004	W/H TAX DIV SBC	\$ 16,268.63
1FR080	5/14/2004	W/H TAX DIV PG	\$ 12,646.20
1FR080	5/17/2004	W/H TAX DIV TXN	\$ 737.39
1FR080	5/26/2004	W/H TAX DIV MER	\$ 3,179.62
1FR080	5/27/2004	W/H TAX DIV GS	\$ 2,258.25
1FR080	5/28/2004	W/H TAX DIV C	\$ 41,190.48
1FR080	6/1/2004	W/H TAX DIV INTC	\$ 5,145.74
1FR080	6/1/2004	W/H TAX DIV WFC	\$ 15,446.43
1FR080	6/4/2004	W/H TAX DIV G	\$ 3,229.30
1FR080	6/4/2004	W/H TAX DIV PFE	\$ 25,726.54
1FR080	6/7/2004	W/H TAX DIV WMT	\$ 7,585.38
1FR080	6/7/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.73
1FR080	6/8/2004	W/H TAX DIV JNJ	\$ 16,870.86
1FR080	6/9/2004	W/H TAX DIV BUD	\$ 3,577.07
1FR080	6/10/2004	W/H TAX DIV UTX	\$ 2,579.85
1FR080	6/10/2004	W/H TAX DIV XOM	\$ 35,120.30
1FR080	6/10/2004	W/H TAX DIV IBM	\$ 6,178.57
1FR080	6/11/2004	W/H TAX DIV BA	\$ 2,211.30
1FR080	6/14/2004	W/H TAX DIV DD	\$ 6,955.41
1FR080	6/14/2004	W/H TAX DIV MMM	\$ 3,980.34

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	6/18/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.86
1FR080	6/24/2004	W/H TAX DIV HD	\$ 4,044.30
1FR080	6/30/2004	W/H TAX DIV PEP	\$ 8,316.98
1FR080	7/1/2004	W/H TAX DIV KO	\$ 12,846.60
1FR080	7/7/2004	W/H TAX DIV HPQ	\$ 5,176.70
1FR080	7/9/2004	W/H TAX DIV MO	\$ 29,313.17
1FR080	7/26/2004	W/H TAX DIV GE	\$ 4,751.82
1FR080	8/18/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 73.98
1FR080	8/23/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.54
1FR080	9/7/2004	W/H TAX DIV WMT	\$ 10,374.62
1FR080	9/10/2004	W/H TAX DIV UTX	\$ 3,491.46
1FR080	9/13/2004	W/H TAX DIV MMM	\$ 5,386.82
1FR080	9/14/2004	W/H TAX DIV MSFT	\$ 21,761.78
1FR080	9/16/2004	W/H TAX DIV HD	\$ 4,839.26
1FR080	9/17/2004	W/H TAX DIV AIG	\$ 4,953.13
1FR080	9/24/2004	W/H TAX DIV BAC	\$ 47,140.11
1FR080	9/30/2004	W/H TAX DIV PEP	\$ 9,951.80
1FR080	10/1/2004	W/H TAX DIV KO	\$ 15,371.78
1FR080	10/1/2004	W/H TAX DIV VIA.B	\$ 2,671.34
1FR080	10/1/2004	W/H TAX DIV MRK	\$ 21,634.35
1FR080	10/6/2004	W/H TAX DIV HPQ	\$ 6,194.26
1FR080	10/12/2004	W/H TAX DIV MO	\$ 38,235.87
1FR080	11/3/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 84.74
1FR080	11/4/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.14
1FR080	11/9/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.00
1FR080	11/24/2004	W/H TAX DIV MER	\$ 1,995.84
1FR080	12/1/2004	W/H TAX DIV INTC	\$ 3,285.30
1FR080	12/1/2004	W/H TAX DIV WFC	\$ 10,342.08
1FR080	12/3/2004	W/H TAX DIV BA	\$ 3,336.12
1FR080	12/3/2004	W/H TAX DIV PFE	\$ 26,607.52
1FR080	12/7/2004	W/H TAX DIV JNJ	\$ 6,711.24
1FR080	12/10/2004	W/H TAX DIV IBM	\$ 6,338.63
1FR080	12/10/2004	W/H TAX DIV XOM	\$ 36,530.51
1FR080	12/13/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 57.42
1FR080	12/14/2004	W/H TAX DIV DD	\$ 7,135.59
1FR080	12/16/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.29
1FR080	12/31/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 8.93
1FR080	1/3/2005	W/H TAX DIV WMT	\$ 3,609.22
1FR080	2/14/2005	W/H TAX DIV TXN	\$ 1,162.52
1FR080	2/24/2005	W/H TAX DIV GS	\$ 484.50
1FR080	2/25/2005	W/H TAX DIV C	\$ 61,380.79
1FR080	2/28/2005	W/H TAX DIV MER	\$ 3,915.84
1FR080	3/1/2005	W/H TAX DIV INTC	\$ 13,656.29
1FR080	3/1/2005	W/H TAX DIV WFC	\$ 22,320.29
1FR080	3/4/2005	W/H TAX DIV G	\$ 4,374.73
1FR080	3/4/2005	W/H TAX DIV BA	\$ 5,506.65
1FR080	3/7/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 81.46
1FR080	3/8/2005	W/H TAX DIV PFE	\$ 38,595.50
1FR080	3/8/2005	W/H TAX DIV JNJ	\$ 22,842.69
1FR080	3/9/2005	W/H TAX DIV BUD	\$ 5,396.52
1FR080	3/10/2005	W/H TAX DIV IBM	\$ 7,929.58
1FR080	3/10/2005	W/H TAX DIV UTX	\$ 6,461.14
1FR080	3/10/2005	W/H TAX DIV MSFT	\$ 23,396.83
1FR080	3/10/2005	W/H TAX DIV XOM	\$ 46,916.66

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/14/2005	W/H TAX DIV MMM	\$ 9,251.17
1FR080	3/14/2005	W/H TAX DIV DD	\$ 9,422.49
1FR080	3/18/2005	W/H TAX DIV AIG	\$ 8,871.83
1FR080	3/24/2005	W/H TAX DIV HD	\$ 5,873.76
1FR080	3/28/2005	W/H TAX DIV BAC	\$ 49,007.43
1FR080	3/31/2005	W/H TAX DIV PEP	\$ 10,695.14
1FR080	4/1/2005	W/H TAX DIV MRK	\$ 22,320.29
1FR080	4/1/2005	W/H TAX DIV KO	\$ 14,431.87
1FR080	4/1/2005	W/H TAX DIV VIA.B	\$ 3,255.04
1FR080	4/7/2005	W/H TAX DIV HPQ	\$ 3,225.41
1FR080	4/11/2005	W/H TAX DIV MO	\$ 32,051.75
1FR080	4/13/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 38.55
1FR080	4/25/2005	W/H TAX DIV GE	\$ 62,590.84
1FR080	5/23/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 45.47
1FR080	6/6/2005	W/H TAX DIV WMT	\$ 4,042.62
1FR080	6/10/2005	W/H TAX DIV UTX	\$ 1,922.98
1FR080	6/13/2005	W/H TAX DIV MMM	\$ 2,753.35
1FR080	6/17/2005	W/H TAX DIV AIG	\$ 6,709.88
1FR080	6/20/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 32.61
1FR080	6/23/2005	W/H TAX DIV HD	\$ 4,494.78
1FR080	6/24/2005	W/H TAX DIV BAC	\$ 37,482.75
1FR080	6/30/2005	W/H TAX DIV PEP	\$ 9,143.94
1FR080	7/1/2005	W/H TAX DIV MRK	\$ 16,881.12
1FR080	7/1/2005	W/H TAX DIV VIA.B	\$ 2,461.83
1FR080	7/1/2005	W/H TAX DIV ALL	\$ 4,546.94
1FR080	7/1/2005	W/H TAX DIV KO	\$ 12,957.00
1FR080	7/6/2005	W/H TAX DIV HPQ	\$ 4,838.74
1FR080	7/8/2005	W/H TAX DIV SLB	\$ 2,720.97
1FR080	7/11/2005	W/H TAX DIV MO	\$ 31,078.29
1FR080	7/25/2005	W/H TAX DIV GE	\$ 47,920.22
1FR080	7/29/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 83.41
1FR080	7/29/2005	CHECK WIRE	\$ 30,000,000.00
1FR080	9/8/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 46.33
1FR080	9/12/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.46
1FR080	9/30/2005	W/H TAX DIV S	\$ 1,037.03
1FR080	9/30/2005	W/H TAX DIV PEP	\$ 6,209.58
1FR080	10/3/2005	W/H TAX DIV KO	\$ 17,443.27
1FR080	10/5/2005	W/H TAX DIV HPQ	\$ 6,322.78
1FR080	10/11/2005	W/H TAX DIV MO	\$ 44,976.96
1FR080	10/12/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 116.30
1FR080	10/13/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.41
1FR080	10/14/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.01
1FR080	10/19/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.15
1FR080	10/25/2005	W/H TAX DIV GE	\$ 46,775.92
1FR080	10/31/2005	W/H TAX DIV MWD	\$ 5,524.85
1FR080	11/4/2005	CHECK WIRE	\$ 50,000,000.00
1FR080	11/15/2005	W/H TAX DIV PG	\$ 27,898.42
1FR080	11/15/2005	W/H TAX DIV ABT	\$ 8,440.74
1FR080	11/17/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 42.91
1FR080	11/21/2005	W/H TAX DIV GS	\$ 3,193.50
1FR080	11/21/2005	W/H TAX DIV TXN	\$ 1,432.60
1FR080	11/23/2005	W/H TAX DIV MER	\$ 5,109.60
1FR080	11/23/2005	W/H TAX DIV C	\$ 65,198.50
1FR080	11/30/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.07

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	12/1/2005	W/H TAX DIV WFC	\$ 25,241.42
1FR080	12/1/2005	W/H TAX DIV INTC	\$ 13,971.50
1FR080	12/2/2005	W/H TAX DIV BA	\$ 5,748.30
1FR080	12/6/2005	W/H TAX DIV PFE	\$ 40,613.18
1FR080	12/8/2005	W/H TAX DIV MSFT	\$ 18,009.79
1FR080	12/9/2005	W/H TAX DIV XOM	\$ 52,788.03
1FR080	12/12/2005	W/H TAX DIV CVX	\$ 25,106.22
1FR080	12/12/2005	W/H TAX DIV MMM	\$ 8,208.65
1FR080	12/12/2005	W/H TAX DIV UTX	\$ 5,574.10
1FR080	12/12/2005	W/H TAX DIV IBM	\$ 9,197.28
1FR080	12/13/2005	W/H TAX DIV JNJ	\$ 24,286.48
1FR080	12/15/2005	W/H TAX DIV HD	\$ 5,211.81
1FR080	12/15/2005	W/H TAX DIV TWX	\$ 5,718.59
1FR080	12/15/2005	W/H TAX DIV KO	\$ 14,051.77
1FR080	12/16/2005	W/H TAX DIV AIG	\$ 9,446.40
1FR080	12/16/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.23
1FR080	12/22/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.55
1FR080	12/23/2005	W/H TAX DIV BAC	\$ 48,860.55
1FR080	12/28/2005	CHECK WIRE	\$ 15,000,000.00
1FR080	12/30/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.33
1FR080	12/30/2005	W/H TAX DIV S	\$ 1,791.56
1FR080	1/3/2006	W/H TAX DIV MRK	\$ 20,630.01
1FR080	1/3/2006	W/H TAX DIV VIA.B	\$ 2,736.20
1FR080	1/3/2006	W/H TAX DIV WMT	\$ 6,019.65
1FR080	1/3/2006	W/H TAX DIV PEP	\$ 10,727.65
1FR080	1/4/2006	W/H TAX DIV HPQ	\$ 5,621.64
1FR080	1/6/2006	W/H TAX DIV DIS	\$ 13,485.53
1FR080	1/13/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 19.02
1FR080	1/31/2006	W/H TAX DIV MS	\$ 7,047.97
1FR080	1/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 21.27
1FR080	2/1/2006	W/H TAX DIV T	\$ 7,323.25
1FR080	2/1/2006	CHECK WIRE	\$ 6,000,000.00
1FR080	2/1/2006	W/H TAX DIV VZ	\$ 6,371.46
1FR080	2/13/2006	W/H TAX DIV TXN	\$ 1,150.97
1FR080	2/15/2006	W/H TAX DIV PG	\$ 22,536.11
1FR080	2/15/2006	W/H TAX DIV ABT	\$ 10,169.53
1FR080	2/21/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 31.03
1FR080	2/23/2006	W/H TAX DIV GS	\$ 2,719.13
1FR080	2/24/2006	W/H TAX DIV C	\$ 59,046.23
1FR080	2/28/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.37
1FR080	2/28/2006	W/H TAX DIV MER	\$ 5,438.25
1FR080	2/28/2006	CHECK WIRE	\$ 40,000,000.00
1FR080	3/1/2006	W/H TAX DIV INTC	\$ 14,311.65
1FR080	3/1/2006	W/H TAX DIV WFC	\$ 20,360.81
1FR080	3/3/2006	W/H TAX DIV BA	\$ 5,873.31
1FR080	3/7/2006	W/H TAX DIV UPS	\$ 9,919.37
1FR080	3/7/2006	W/H TAX DIV PFE	\$ 42,179.04
1FR080	3/9/2006	W/H TAX DIV MSFT	\$ 19,726.28
1FR080	3/10/2006	W/H TAX DIV IBM	\$ 7,481.40
1FR080	3/10/2006	W/H TAX DIV XOM	\$ 47,218.37
1FR080	3/10/2006	W/H TAX DIV TGT	\$ 2,175.30
1FR080	3/10/2006	W/H TAX DIV CVX	\$ 24,116.67
1FR080	3/10/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.41
1FR080	3/10/2006	W/H TAX DIV UTX	\$ 5,264.23

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/13/2006	W/H TAX DIV MMM	\$ 8,005.10
1FR080	3/14/2006	W/H TAX DIV JNJ	\$ 21,320.15
1FR080	3/15/2006	W/H TAX DIV TWX	\$ 5,011.53
1FR080	3/16/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.97
1FR080	3/17/2006	W/H TAX DIV AIG	\$ 8,280.27
1FR080	3/23/2006	W/H TAX DIV HD	\$ 6,754.32
1FR080	3/24/2006	W/H TAX DIV BAC	\$ 49,923.15
1FR080	3/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 25.16
1FR080	3/31/2006	W/H TAX DIV PEP	\$ 9,241.52
1FR080	3/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.72
1FR080	3/31/2006	W/H TAX DIV S	\$ 1,610.84
1FR080	4/3/2006	W/H TAX DIV MRK	\$ 18,006.07
1FR080	4/3/2006	W/H TAX DIV KO	\$ 13,854.58
1FR080	4/3/2006	W/H TAX DIV WMT	\$ 9,192.94
1FR080	4/5/2006	W/H TAX DIV HPQ	\$ 4,959.38
1FR080	4/5/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.38
1FR080	4/7/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.37
1FR080	4/10/2006	W/H TAX DIV MO	\$ 36,328.80
1FR080	4/21/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.44
1FR080	4/25/2006	W/H TAX DIV GE	\$ 62,992.95
1FR080	4/28/2006	W/H TAX DIV MDT	\$ 2,488.53
1FR080	4/28/2006	W/H TAX DIV MS	\$ 6,313.14
1FR080	4/28/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 5.18
1FR080	5/1/2006	W/H TAX DIV JPM	\$ 18,883.57
1FR080	5/1/2006	W/H TAX DIV T	\$ 27,858.68
1FR080	5/1/2006	W/H TAX DIV VZ	\$ 25,773.07
1FR080	5/5/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.99
1FR080	5/10/2006	W/H TAX DIV AXP	\$ 3,273.48
1FR080	5/10/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.99
1FR080	5/15/2006	W/H TAX DIV ABT	\$ 9,771.73
1FR080	5/15/2006	W/H TAX DIV PG	\$ 22,349.30
1FR080	5/22/2006	W/H TAX DIV TXN	\$ 1,052.19
1FR080	5/22/2006	W/H TAX DIV CAT	\$ 3,731.18
1FR080	5/24/2006	W/H TAX DIV MER	\$ 4,938.00
1FR080	5/25/2006	W/H TAX DIV GS	\$ 3,409.88
1FR080	5/26/2006	W/H TAX DIV C	\$ 53,466.84
1FR080	5/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 24.50
1FR080	5/31/2006	CHECK WIRE	\$ 30,000,000.00
1FR080	5/31/2006	W/H TAX DIV UPS	\$ 9,006.91
1FR080	6/1/2006	W/H TAX DIV INTC	\$ 12,838.80
1FR080	6/1/2006	W/H TAX DIV WFC	\$ 19,514.98
1FR080	6/2/2006	W/H TAX DIV BA	\$ 5,333.04
1FR080	6/5/2006	W/H TAX DIV WMT	\$ 9,263.69
1FR080	6/6/2006	W/H TAX DIV BMY	\$ 12,002.76
1FR080	6/6/2006	W/H TAX DIV PFE	\$ 38,871.94
1FR080	6/8/2006	W/H TAX DIV MSFT	\$ 17,599.03
1FR080	6/9/2006	W/H TAX DIV XOM	\$ 43,148.16
1FR080	6/12/2006	W/H TAX DIV UTX	\$ 2,878.85
1FR080	6/12/2006	W/H TAX DIV IBM	\$ 10,309.77
1FR080	6/12/2006	W/H TAX DIV MMM	\$ 7,268.74
1FR080	6/13/2006	W/H TAX DIV JNJ	\$ 24,443.10
1FR080	6/15/2006	W/H TAX DIV TWX	\$ 4,445.42
1FR080	6/15/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 22.01
1FR080	6/22/2006	W/H TAX DIV HD	\$ 6,399.68

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	6/23/2006	W/H TAX DIV BAC	\$ 46,219.80
1FR080	6/30/2006	W/H TAX DIV S	\$ 1,629.54
1FR080	6/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 28.94
1FR080	6/30/2006	W/H TAX DIV PEP	\$ 9,606.69
1FR080	6/30/2006	CHECK WIRE	\$ 25,000,000.00
1FR080	7/3/2006	W/H TAX DIV MRK	\$ 16,212.51
1FR080	7/3/2006	W/H TAX DIV CVX	\$ 25,677.60
1FR080	7/3/2006	W/H TAX DIV AIG	\$ 7,732.94
1FR080	7/3/2006	W/H TAX DIV KO	\$ 8,745.72
1FR080	7/5/2006	W/H TAX DIV HPQ	\$ 4,513.10
1FR080	7/10/2006	W/H TAX DIV MO	\$ 22,569.60
1FR080	7/14/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.69
1FR080	7/21/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.01
1FR080	7/27/2006	CHECK WIRE	\$ 20,000,000.00
1FR080	7/31/2006	W/H TAX DIV MS	\$ 2,290.03
1FR080	7/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.09
1FR080	8/15/2006	W/H TAX DIV ABT	\$ 3,544.60
1FR080	8/15/2006	W/H TAX DIV PG	\$ 13,371.73
1FR080	8/17/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 25.18
1FR080	8/21/2006	W/H TAX DIV CAT	\$ 1,484.28
1FR080	8/21/2006	W/H TAX DIV TXN	\$ 608.33
1FR080	8/23/2006	W/H TAX DIV MER	\$ 2,914.50
1FR080	8/24/2006	W/H TAX DIV GS	\$ 2,040.15
1FR080	8/25/2006	W/H TAX DIV C	\$ 31,764.64
1FR080	9/1/2006	W/H TAX DIV INTG	\$ 7,623.60
1FR080	9/1/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 16.51
1FR080	9/1/2006	W/H TAX DIV WFC	\$ 12,404.11
1FR080	9/1/2006	W/H TAX DIV BA	\$ 3,147.66
1FR080	9/5/2006	W/H TAX DIV WMT	\$ 5,467.60
1FR080	9/5/2006	W/H TAX DIV PFE	\$ 23,002.42
1FR080	9/6/2006	W/H TAX DIV UPS	\$ 5,316.05
1FR080	9/11/2006	W/H TAX DIV UTX	\$ 3,398.31
1FR080	9/11/2006	W/H TAX DIV CVX	\$ 15,155.40
1FR080	9/11/2006	W/H TAX DIV XOM	\$ 25,141.63
1FR080	9/11/2006	W/H TAX DIV IBM	\$ 5,945.58
1FR080	9/12/2006	W/H TAX DIV MMM	\$ 4,290.14
1FR080	9/12/2006	W/H TAX DIV JNJ	\$ 14,426.78
1FR080	9/14/2006	W/H TAX DIV MSFT	\$ 10,345.97
1FR080	9/15/2006	W/H TAX DIV AIG	\$ 5,578.35
1FR080	9/15/2006	W/H TAX DIV TWX	\$ 3,116.59
1FR080	9/15/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 20.70
1FR080	9/21/2006	W/H TAX DIV HD	\$ 4,022.01
1FR080	9/22/2006	W/H TAX DIV BAC	\$ 33,295.25
1FR080	9/26/2006	CHECK WIRE	\$ 30,000,000.00
1FR080	9/27/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.82
1FR080	9/29/2006	W/H TAX DIV S	\$ 979.46
1FR080	9/29/2006	W/H TAX DIV PEP	\$ 6,433.02
1FR080	10/2/2006	W/H TAX DIV KO	\$ 8,312.15
1FR080	10/2/2006	W/H TAX DIV MRK	\$ 10,632.10
1FR080	10/4/2006	W/H TAX DIV HPQ	\$ 2,891.18
1FR080	10/10/2006	W/H TAX DIV MO	\$ 23,454.26
1FR080	10/17/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 26.21
1FR080	10/25/2006	W/H TAX DIV GE	\$ 33,984.90
1FR080	10/26/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.08

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	10/27/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.23
1FR080	10/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.42
1FR080	10/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.09
1FR080	11/20/2006	W/H TAX DIV TXN	\$ 1,433.71
1FR080	11/20/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 16.28
1FR080	11/22/2006	W/H TAX DIV C	\$ 54,755.15
1FR080	11/22/2006	W/H TAX DIV MER	\$ 5,271.00
1FR080	11/27/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.05
1FR080	11/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.93
1FR080	1/2/2007	W/H TAX DIV WMT	\$ 12,906.92
1FR080	1/2/2007	W/H TAX DIV MRK	\$ 25,436.93
1FR080	1/2/2007	W/H TAX DIV PEP	\$ 15,563.34
1FR080	1/3/2007	W/H TAX DIV TGT	\$ 2,277.07
1FR080	1/3/2007	W/H TAX DIV MSFT	\$ 19,673.22
1FR080	1/3/2007	W/H TAX DIV MMM	\$ 7,758.91
1FR080	1/3/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 14.48
1FR080	1/3/2007	W/H TAX DIV HD	\$ 14,266.40
1FR080	1/3/2007	W/H TAX DIV WB	\$ 33,460.22
1FR080	1/3/2007	W/H TAX DIV INTC	\$ 13,137.18
1FR080	1/3/2007	W/H TAX DIV BA	\$ 5,692.68
1FR080	1/3/2007	W/H TAX DIV TWX	\$ 6,974.68
1FR080	1/3/2007	W/H TAX DIV IBM	\$ 10,315.62
1FR080	1/3/2007	W/H TAX DIV MCD	\$ 27,409.20
1FR080	1/3/2007	W/H TAX DIV PFE	\$ 40,157.78
1FR080	1/3/2007	W/H TAX DIV WFC	\$ 21,434.95
1FR080	1/3/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.66
1FR080	1/3/2007	W/H TAX DIV S	\$ 2,305.68
1FR080	1/3/2007	W/H TAX DIV AIG	\$ 13,315.30
1FR080	1/3/2007	W/H TAX DIV KO	\$ 19,655.92
1FR080	1/3/2007	W/H TAX DIV BAC	\$ 78,651.55
1FR080	1/3/2007	W/H TAX DIV XOM	\$ 43,388.35
1FR080	1/3/2007	W/H TAX DIV HPQ	\$ 6,799.39
1FR080	1/3/2007	W/H TAX DIV JNJ	\$ 25,300.80
1FR080	1/3/2007	W/H TAX DIV EXC	\$ 5,903.52
1FR080	1/3/2007	W/H TAX DIV CVX	\$ 26,312.83
1FR080	1/3/2007	W/H TAX DIV UTX	\$ 6,145.99
1FR080	1/4/2007	W/H TAX DIV UPS	\$ 9,614.30
1FR080	1/10/2007	W/H TAX DIV MO	\$ 15,206.52
1FR080	1/12/2007	W/H TAX DIV DIS	\$ 20,093.49
1FR080	1/25/2007	W/H TAX DIV GE	\$ 52,059.67
1FR080	1/29/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 56.05
1FR080	1/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.11
1FR080	2/6/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 6.26
1FR080	2/13/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.88
1FR080	2/16/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.25
1FR080	2/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.13
1FR080	2/22/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.89
1FR080	2/23/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.69
1FR080	2/27/2007	W/H TAX DIV CMCSA	\$ 4.14
1FR080	2/28/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.36
1FR080	3/1/2007	W/H TAX DIV COP	\$ 14,300.35
1FR080	3/6/2007	W/H TAX DIV UPS	\$ 9,478.85
1FR080	3/9/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.59
1FR080	3/12/2007	W/H TAX DIV MMM	\$ 11,736.58

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/12/2007	W/H TAX DIV UTX	\$ 3,259.26
1FR080	3/12/2007	W/H TAX DIV CVX	\$ 13,372.48
1FR080	3/12/2007	W/H TAX DIV TGT	\$ 2,215.84
1FR080	3/13/2007	W/H TAX DIV JNJ	\$ 35,530.65
1FR080	3/15/2007	W/H TAX DIV TWX	\$ 7,060.28
1FR080	3/15/2007	W/H TAX DIV WB	\$ 34,231.68
1FR080	3/16/2007	W/H TAX DIV AIG	\$ 13,616.26
1FR080	3/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 14.28
1FR080	3/22/2007	W/H TAX DIV HD	\$ 15,129.18
1FR080	3/23/2007	W/H TAX DIV BAC	\$ 80,444.45
1FR080	3/28/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.32
1FR080	3/30/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.37
1FR080	3/30/2007	W/H TAX DIV S	\$ 2,781.94
1FR080	3/30/2007	W/H TAX DIV PEP	\$ 18,975.06
1FR080	4/2/2007	W/H TAX DIV MRK	\$ 32,518.04
1FR080	4/2/2007	W/H TAX DIV KO	\$ 27,224.11
1FR080	4/2/2007	W/H TAX DIV WMT	\$ 21,060.80
1FR080	4/4/2007	W/H TAX DIV HPQ	\$ 8,631.79
1FR080	4/10/2007	W/H TAX DIV MO	\$ 70,393.75
1FR080	4/19/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 27.27
1FR080	4/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.26
1FR080	4/25/2007	W/H TAX DIV GE	\$ 93,281.33
1FR080	4/30/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.71
1FR080	5/4/2007	W/H TAX DIV CVS	\$ 2,512.57
1FR080	5/15/2007	W/H TAX DIV PG	\$ 44,521.47
1FR080	5/21/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.20
1FR080	5/23/2007	W/H TAX DIV MER	\$ 11,785.10
1FR080	5/24/2007	W/H TAX DIV GS	\$ 3,448.62
1FR080	5/25/2007	W/H TAX DIV C	\$ 105,055.70
1FR080	5/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.34
1FR080	6/1/2007	W/H TAX DIV COP	\$ 27,086.81
1FR080	6/1/2007	W/H TAX DIV BA	\$ 10,878.63
1FR080	6/1/2007	W/H TAX DIV INTC	\$ 26,095.57
1FR080	6/1/2007	W/H TAX DIV WFC	\$ 37,712.30
1FR080	6/4/2007	W/H TAX DIV WMT	\$ 21,400.24
1FR080	6/5/2007	W/H TAX DIV PFE	\$ 82,458.25
1FR080	6/5/2007	W/H TAX DIV UPS	\$ 17,284.81
1FR080	6/11/2007	W/H TAX DIV UTX	\$ 10,905.89
1FR080	6/11/2007	W/H TAX DIV XOM	\$ 79,429.46
1FR080	6/11/2007	W/H TAX DIV CVX	\$ 49,908.94
1FR080	6/11/2007	W/H TAX DIV IBM	\$ 23,944.32
1FR080	6/12/2007	W/H TAX DIV JNJ	\$ 47,654.00
1FR080	6/12/2007	W/H TAX DIV MMM	\$ 14,366.59
1FR080	6/14/2007	W/H TAX DIV MSFT	\$ 34,666.29
1FR080	6/15/2007	W/H TAX DIV AIG	\$ 17,284.81
1FR080	6/15/2007	W/H TAX DIV TWX	\$ 8,499.96
1FR080	6/15/2007	W/H TAX DIV WB	\$ 41,902.56
1FR080	6/15/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.75
1FR080	6/21/2007	W/H TAX DIV HD	\$ 18,519.44
1FR080	6/22/2007	W/H TAX DIV BAC	\$ 100,566.14
1FR080	6/29/2007	W/H TAX DIV PEP	\$ 24,774.53
1FR080	6/29/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.46
1FR080	6/29/2007	W/H TAX DIV S	\$ 2,899.51
1FR080	7/2/2007	W/H TAX DIV KO	\$ 27,158.93

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	7/2/2007	W/H TAX DIV MRK	\$ 32,698.96
1FR080	7/5/2007	W/H TAX DIV HPQ	\$ 8,679.82
1FR080	7/10/2007	W/H TAX DIV MO	\$ 57,587.40
1FR080	7/17/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 27.79
1FR080	8/6/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.72
1FR080	8/24/2007	W/H TAX DIV C	\$ 43,470.92
1FR080	9/4/2007	W/H TAX DIV WFC	\$ 16,950.92
1FR080	9/4/2007	W/H TAX DIV WMT	\$ 8,688.11
1FR080	9/4/2007	W/H TAX DIV INTC	\$ 10,765.20
1FR080	9/5/2007	W/H TAX DIV PFE	\$ 33,476.56
1FR080	9/7/2007	W/H TAX DIV BA	\$ 4,252.92
1FR080	9/10/2007	W/H TAX DIV UTX	\$ 5,346.53
1FR080	9/10/2007	W/H TAX DIV IBM	\$ 9,113.40
1FR080	9/10/2007	W/H TAX DIV XOM	\$ 32,428.52
1FR080	9/10/2007	W/H TAX DIV CVX	\$ 20,262.13
1FR080	9/13/2007	W/H TAX DIV MSFT	\$ 13,821.99
1FR080	9/14/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 40.52
1FR080	9/18/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.67
1FR080	9/26/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 16.09
1FR080	10/1/2007	W/H TAX DIV KO	\$ 10,322.30
1FR080	10/10/2007	W/H TAX DIV MO	\$ 23,854.05
1FR080	10/25/2007	W/H TAX DIV GE	\$ 62,998.49
1FR080	10/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 39.41
1FR080	11/7/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.99
1FR080	11/13/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.89
1FR080	11/15/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.51
1FR080	11/21/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.21
1FR080	11/21/2007	W/H TAX DIV MER	\$ 3,448.20
1FR080	11/21/2007	W/H TAX DIV C	\$ 29,260.44
1FR080	11/30/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.49
1FR080	12/3/2007	W/H TAX DIV COP	\$ 7,270.78
1FR080	12/3/2007	W/H TAX DIV MCD	\$ 30,121.65
1FR080	12/10/2007	W/H TAX DIV CVX	\$ 20,606.30
1FR080	12/10/2007	W/H TAX DIV UTX	\$ 5,437.34
1FR080	12/10/2007	W/H TAX DIV EXC	\$ 4,757.68
1FR080	12/11/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 27.86
1FR080	12/11/2007	W/H TAX DIV JNJ	\$ 38,969.37
1FR080	12/12/2007	W/H TAX DIV MMM	\$ 11,631.74
1FR080	12/13/2007	W/H TAX DIV MSFT	\$ 14,952.70
1FR080	12/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.79
1FR080	12/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 19.03
1FR080	1/2/2008	W/H TAX DIV HPQ	\$ 2,324.45
1FR080	1/2/2008	W/H TAX DIV WMT	\$ 5,935.64
1FR080	1/3/2008	W/H TAX DIV UPS	\$ 7,136.51
1FR080	1/28/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 40.58
1FR080	2/20/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.35
1FR080	2/22/2008	W/H TAX DIV C	\$ 36,101.38
1FR080	2/28/2008	W/H TAX DIV GS	\$ 2,924.88
1FR080	3/3/2008	W/H TAX DIV WFC	\$ 23,963.12
1FR080	3/3/2008	W/H TAX DIV INTC	\$ 16,781.50
1FR080	3/3/2008	W/H TAX DIV COP	\$ 16,692.71
1FR080	3/4/2008	W/H TAX DIV UPS	\$ 10,341.54
1FR080	3/4/2008	W/H TAX DIV PFE	\$ 48,135.17
1FR080	3/5/2008	W/H TAX DIV MER	\$ 6,580.98

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/7/2008	W/H TAX DIV BA	\$ 6,685.44
1FR080	3/10/2008	W/H TAX DIV XOM	\$ 43,873.20
1FR080	3/10/2008	W/H TAX DIV EXC	\$ 7,312.20
1FR080	3/10/2008	W/H TAX DIV CVX	\$ 27,869.93
1FR080	3/10/2008	W/H TAX DIV UTX	\$ 7,353.98
1FR080	3/10/2008	W/H TAX DIV IBM	\$ 12,535.20
1FR080	3/11/2008	W/H TAX DIV JNJ	\$ 26,877.56
1FR080	3/12/2008	W/H TAX DIV MMM	\$ 8,356.80
1FR080	3/13/2008	W/H TAX DIV MSFT	\$ 19,993.64
1FR080	3/17/2008	W/H TAX DIV MCD	\$ 10,184.85
1FR080	3/17/2008	W/H TAX DIV TWX	\$ 5,092.43
1FR080	3/17/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 10.30
1FR080	3/17/2008	W/H TAX DIV WB	\$ 29,415.94
1FR080	3/19/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.58
1FR080	3/24/2008	W/H TAX DIV AIG	\$ 11,699.52
1FR080	3/27/2008	W/H TAX DIV HD	\$ 8,461.26
1FR080	3/28/2008	W/H TAX DIV BAC	\$ 64,180.22
1FR080	3/31/2008	W/H TAX DIV PEP	\$ 13,318.65
1FR080	4/1/2008	W/H TAX DIV MRK	\$ 19,053.50
1FR080	4/1/2008	W/H TAX DIV KO	\$ 17,465.71
1FR080	4/2/2008	W/H TAX DIV HPQ	\$ 4,679.81
1FR080	4/4/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.84
1FR080	4/4/2008	W/H TAX DIV KFT	\$ 9,589.43
1FR080	4/7/2008	W/H TAX DIV WMT	\$ 12,404.63
1FR080	4/23/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.30
1FR080	4/25/2008	W/H TAX DIV GE	\$ 70,594.07
1FR080	4/25/2008	W/H TAX DIV MDT	\$ 2,916.90
1FR080	4/30/2008	W/H TAX DIV MS	\$ 5,775.46
1FR080	4/30/2008	W/H TAX DIV JPM	\$ 26,602.13
1FR080	5/1/2008	W/H TAX DIV VZ	\$ 25,921.52
1FR080	5/1/2008	W/H TAX DIV T	\$ 50,559.60
1FR080	5/2/2008	W/H TAX DIV CVS	\$ 1,866.82
1FR080	5/2/2008	W/H TAX DIV BK	\$ 5,600.45
1FR080	5/9/2008	W/H TAX DIV AXP	\$ 4,200.34
1FR080	5/15/2008	W/H TAX DIV PG	\$ 26,446.56
1FR080	5/15/2008	W/H TAX DIV ABT	\$ 11,900.95
1FR080	5/20/2008	W/H TAX DIV CAT	\$ 4,900.39
1FR080	5/23/2008	W/H TAX DIV C	\$ 33,602.69
1FR080	5/28/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 28.22
1FR080	5/29/2008	W/H TAX DIV GS	\$ 2,722.44
1FR080	6/2/2008	W/H TAX DIV INTC	\$ 17,151.37
1FR080	6/2/2008	W/H TAX DIV WFC	\$ 39,442.60
1FR080	6/2/2008	W/H TAX DIV WMT	\$ 22,157.75
1FR080	6/2/2008	W/H TAX DIV COP	\$ 9,748.04
1FR080	6/3/2008	W/H TAX DIV PFE	\$ 84,970.94
1FR080	6/3/2008	W/H TAX DIV UPS	\$ 17,762.09
1FR080	6/6/2008	W/H TAX DIV BA	\$ 11,482.56
1FR080	6/10/2008	W/H TAX DIV XOM	\$ 84,026.40
1FR080	6/10/2008	W/H TAX DIV UTX	\$ 12,630.82
1FR080	6/10/2008	W/H TAX DIV IBM	\$ 26,912.25
1FR080	6/10/2008	W/H TAX DIV EXC	\$ 12,559.05
1FR080	6/10/2008	W/H TAX DIV JNJ	\$ 17,397.52
1FR080	6/10/2008	W/H TAX DIV CVX	\$ 53,645.09
1FR080	6/12/2008	W/H TAX DIV MMM	\$ 14,353.20

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	6/12/2008	W/H TAX DIV MSFT	\$ 34,340.03
1FR080	7/1/2008	CHECK WIRE	\$ 75,000,000.00
1FR080	7/1/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 10.05
1FR080	7/21/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.78
1FR080	7/23/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.50
1FR080	8/1/2008	W/H TAX DIV CVS	\$ 2,550.90
1FR080	8/8/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.57
1FR080	8/13/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.44
1FR080	8/20/2008	W/H TAX DIV CAT	\$ 6,793.16
1FR080	8/22/2008	W/H TAX DIV C	\$ 43,624.13
1FR080	8/28/2008	W/H TAX DIV GS	\$ 3,234.84
1FR080	10/1/2008	CHECK WIRE	\$ 65,000,000.00
1FR080	10/2/2008	W/H TAX DIV WFC	\$ 24,353.72
1FR080	10/2/2008	W/H TAX DIV QCOM	\$ 3,166.56
1FR080	10/2/2008	W/H TAX DIV BUD	\$ 6,839.38
1FR080	10/2/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.68
1FR080	10/2/2008	W/H TAX DIV HD	\$ 4,700.36
1FR080	10/2/2008	W/H TAX DIV MCD	\$ 15,757.76
1FR080	10/2/2008	W/H TAX DIV COP	\$ 18,461.69
1FR080	10/2/2008	W/H TAX DIV JNJ	\$ 48,122.26
1FR080	10/2/2008	W/H TAX DIV UPS	\$ 16,880.00
1FR080	10/2/2008	W/H TAX DIV EXC	\$ 11,935.35
1FR080	10/2/2008	W/H TAX DIV IBM	\$ 17,329.50
1FR080	10/2/2008	W/H TAX DIV WMT	\$ 20,247.47
1FR080	10/2/2008	W/H TAX DIV MSFT	\$ 32,888.82
1FR080	10/2/2008	W/H TAX DIV BAC	\$ 106,165.63
1FR080	10/2/2008	W/H TAX DIV INTC	\$ 20,056.01
1FR080	10/2/2008	W/H TAX DIV BA	\$ 7,393.92
1FR080	10/2/2008	W/H TAX DIV XOM	\$ 78,674.52
1FR080	10/2/2008	W/H TAX DIV TWX	\$ 8,449.56
1FR080	10/2/2008	W/H TAX DIV AIG	\$ 21,998.33
1FR080	10/2/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.83
1FR080	10/2/2008	W/H TAX DIV PEP	\$ 24,637.97
1FR080	10/2/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.65
1FR080	10/2/2008	W/H TAX DIV MMM	\$ 13,640.40
1FR080	10/2/2008	W/H TAX DIV CVX	\$ 50,266.32
1FR080	10/2/2008	W/H TAX DIV UTX	\$ 12,003.55
1FR080	10/2/2008	W/H TAX DIV PFE	\$ 54,715.01
1FR080	11/4/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.52
1FR080	11/4/2008	W/H TAX DIV KO	\$ 9,122.74
1FR080	11/4/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.08
1FR080	11/4/2008	W/H TAX DIV PM	\$ 13,553.24
1FR080	11/4/2008	W/H TAX DIV MRK	\$ 29,804.27
1FR080	11/4/2008	W/H TAX DIV BAX	\$ 5,191.88
1FR080	11/4/2008	W/H TAX DIV HPQ	\$ 7,277.86
1FR080	11/4/2008	W/H TAX DIV MO	\$ 5,441.95
1FR080	12/1/2008	CHECK WIRE	\$ 210,000,000.00
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.63
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.14
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.39
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.25
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.82
TOTAL:			\$ 628,231,909.12

SUMMARY SCHEDULE

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
<u>Account Number</u>	<u>Account Name</u>	<u>Preferential Transfers</u>	<u>Two Year Fictitious Profit Transfers</u>	<u>Two Year Principal Transfers</u>	<u>Six Year Fictitious Profit Transfers</u>	<u>Six Year Principal Transfers</u>	<u>Full History Fictitious Profit Transfers</u>	<u>Full History Principal Transfers</u>
1FR080	RYE SELECT BROAD MARKET PORTFOLIO LIMITED	275,689,103	-	354,571,757	-	617,944,432	-	628,231,909
Total:		\$275,689,103	-	\$354,571,757	-	\$617,944,432	-	\$628,231,909

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PRIME FUND, L.P.

Account Number	Date	Description	Withdrawal Amount
1C1260	9/30/1998	CHECK WIRE	\$ 17,000,000.00
1C1260	3/30/2001	CHECK WIRE	\$ 22,000,000.00
1C1260	7/2/2001	CHECK WIRE	\$ 18,000,000.00
1C1260	1/2/2002	CHECK WIRE	\$ 8,000,000.00
1C1260	6/28/2004	CHECK WIRE	\$ 10,000,000.00
1C1260	10/1/2004	CHECK WIRE	\$ 110,000,000.00
1C1260	3/31/2005	CHECK WIRE	\$ 180,000,000.00
1C1260	12/28/2005	CHECK WIRE	\$ 15,000,000.00
1C1260	6/30/2006	CHECK WIRE	\$ 30,000,000.00
1C1260	8/28/2006	CHECK WIRE	\$ 35,000,000.00
1C1260	9/26/2006	CHECK WIRE	\$ 50,000,000.00
1C1260	11/8/2006	CHECK WIRE	\$ 20,000,000.00
1C1260	12/27/2006	CHECK WIRE	\$ 20,000,000.00
1C1260	3/25/2008	CHECK WIRE	\$ 475,000,000.00
TOTAL:			\$ 1,010,000,000.00

SUMMARY SCHEDULE

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
<u>Account Number</u>	<u>Account Name</u>	<u>Preferential Transfers</u>	<u>Two Year Fictitious Profit Transfers</u>	<u>Two Year Principal Transfers</u>	<u>Six Year Fictitious Profit Transfers</u>	<u>Six Year Principal Transfers</u>	<u>Full History Fictitious Profit Transfers</u>	<u>Full History Principal Transfers</u>
1C1260	RYE SELECT BROAD MARKET PRIME FUND, LP	-	210,955,000	284,045,000	210,955,000	734,045,000	210,955,000	799,045,000
Total:		-	\$210,955,000	\$284,045,000	\$210,955,000	\$734,045,000	\$210,955,000	\$799,045,000

Baker & Hostetler LLP

45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Ryan P. Farley
Mark A. Kornfeld
Keith R. Murphy
Marc Skapof
Thomas L. Long
Catherine E. Woltering

*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.

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

SIPA Liquidation

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

COMPLAINT

FILE UNDER SEAL

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

Plaintiff,

v.

ABN AMRO BANK (IRELAND) LTD.
(F/N/A FORTIS PRIME FUND
SOLUTIONS BANK (IRELAND)
LIMITED), ABN AMRO CUSTODIAL
SERVICES (IRELAND) LTD. (F/K/A
FORTIS PRIME FUND SOLUTIONS
CUSTODIAL SERVICES (IRELAND)
LTD.), RYE SELECT BROAD MARKET
XL FUND, LP and RYE SELECT BROAD
MARKET XL PORTFOLIO LIMITED,

Defendants.

Adv. Pro. No. _____ (BRL)

Irving H. Picard (the “Trustee”), as Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”), and the substantively consolidated estate of Bernard L. Madoff, individually, under the Securities Investor Protection Act (“SIPA”), 15 U.S.C. §§ 78aaa *et seq.*, for this Complaint against ABN AMRO Bank (Ireland) Ltd. (f/k/a Fortis Prime Fund Solutions Bank (Ireland) Ltd.) (the “Irish Bank”), ABN AMRO Custodial Services (Ireland) Ltd. (f/n/a Fortis Prime Fund Solutions Custodial Services (Ireland) Ltd.) (“Fortis Services”), (the Irish Bank and Fortis Services are collectively referred to herein as “Fortis”), Rye Select Broad Market XL Fund, LP (“Rye LP”) and Rye Select Broad Market XL Portfolio Limited (“Rye Portfolio”) (Rye LP and Rye Portfolio are collectively referred to as the “Tremont XL Funds”), alleges the following:

I. NATURE OF THE ACTION

1. This adversary proceeding is part of the Trustee's continuing efforts to avoid transfers of and return BLMIS Customer Property¹ that was lost as part of the massive Ponzi scheme perpetrated by Bernard L. Madoff ("Madoff") and others.

2. With this Complaint, the Trustee seeks to recover approximately \$267 million in subsequent transfers made to Fortis, a sophisticated, global financial institution, in connection with two swap transactions with the Tremont XL Funds. Specifically, the Trustee seeks to recover over \$30 million transferred to Fortis in connection with its redemption of shares of a large Madoff "feeder fund"² as part of two multi-million dollar financial transactions with the Tremont XL Funds. The Trustee also seeks to recover approximately \$237 million transferred to Fortis from the Tremont XL Funds under the two swap transactions. Upon information and belief, most, if not all, of the money Rye LP and Rye Portfolio transferred to Fortis originated from BLMIS. Upon information and belief, Fortis may have redeemed shares of other Madoff Feeder Funds (in addition to Rye Select Broad Market Fund, L.P. ("Broad Market") and Rye Select Broad Market Portfolio Limited ("Broad Market Portfolio") in connection with leverage supplied to customers by Fortis or other alternative investment products Fortis offered to investors.

3. With this Complaint, the Trustee also seeks to recover at least \$400 million in subsequent transfers made to Rye LP and Rye Portfolio, which funds originated from BLMIS.

¹ SIPA § 78III(4) defines "Customer Property" as cash and securities at any time received, acquired or held by or for the account of a debtor from or for the securities accounts of a customer, and the proceeds of any such property transferred by the debtor, including property unlawfully converted.

² As used herein, and in other similar actions brought by the Trustee, a Madoff (or BLMIS) Feeder Fund is an investment vehicle which invested assets through BLMIS via direct customer accounts with BLMIS's investment advisory business.

Upon information and belief, these transfers were made in connection with the two Fortis swap transactions and several other swaps executed by Rye LP and Rye Portfolio with multiple financial institutions.

4. At the time when Fortis received the subsequent transfers that originated from BLMIS, it was armed with public information, as well as considerable non-public information, which raised red flags of possible fraud at BLMIS, and which gave Fortis actual or constructive knowledge of Madoff's potential fraudulent activity.

5. Similarly, at the times when Rye LP and Rye Portfolio received transfers from related entities, which funds originated from BLMIS, the Tremont XL Funds knew or should have known Madoff's fraudulent activity in connection with the investment advisory business.

A. Leverage And The Madoff Ponzi Scheme

6. For nearly a decade before Madoff's arrest, at a time when many, if not most investment firms were regularly using borrowed money in making their investments, or were lending money to customers to make securities investments, it was widely-known to money managers, investment bankers, lenders, feeder funds, funds of funds, fund service providers, the hedge fund industry as a whole, and the financial community at large, that Madoff was adamantly opposed to the use of leverage. Madoff told his customers and prospective customers he did not personally use leverage, and claimed he would return their investments if they used leverage to invest through BLMIS.

7. Inasmuch as Madoff could have made huge personal gains by simply borrowing money and investing it using his own "split strike conversion" trading strategy (the "SSC Strategy"), and also could have substantially increased his commissions by permitting his customers to utilize leverage to increase the amount of funds they invested through BLMIS,

Madoff's purported resistance to leverage was viewed for years by many industry participants as a glaring red flag that he and others were possibly engaged in fraudulent activity. Madoff's explanations for not wanting to employ leverage personally made no logical sense and were seen by many financial institutions as extremely suspicious. In truth, upon information and belief, Madoff attempted to limit the use of leverage because he feared sophisticated institutions like Fortis would conduct proper due diligence on BLMIS's investment strategy and operations, increasing the likelihood his fraud would be exposed to the world.

8. Madoff Feeder Funds, like the Tremont XL Funds, nonetheless wanted to use leverage to increase the amount of assets invested through Madoff, thereby increasing their returns by using another entity's balance sheet. They found eager leverage-provider partners in large financial institutions, like Fortis, which created various lending and alternative investment products each designed for the same purpose – to exploit Madoff's "success" and low volatility for their own institutional gains. For fees paid to financial institutions like Fortis, investors could make large "synthetic investments" into Madoff Feeder Fund via "loans" from financial institutions with reduced upfront capital outlay in relation to the promised returns.

9. A synthetic investment simulates the return of an actual investment, but the return is actually created by using one or a combination of financial instruments, typically including derivatives such as option contracts or an equity index and debt securities, rather than a single conventional investment.

10. These synthetic investments led to a "win-win-win" situation for those seeking to capitalize on Madoff's extraordinarily consistent returns. Financial institutions providing the leverage earned significant structuring and financing fees; the Madoff Feeder Fund, into which the financial institutions made sizeable investments to hedge their promised returns to their swap

counterparties, earned even more management and performance fees; and finally, investors, such as their swap counterparties, earned multiples on the returns they would have earned based on the amount of capital they actually had to invest. In some instances, like with the Tremont XL Funds, it was the Madoff Feeder Funds themselves that wanted to use borrowed money to double, triple or even quadruple their Madoff investments to generate even greater returns of fictitious profits.

11. Such alternative investment products created and offered by entities like Fortis included total return swaps. These and other financial instruments promised an opportunity for lucrative future returns based on the performance of a particular Madoff feeder fund, which in a swap transaction is also referred to as a “reference fund.” By investing in these structured products, institutional investors – including Madoff Feeder Funds – could multiply their Madoff returns.

12. A swap is a bilateral financial transaction where one counterparty “swaps” the cash flows of a single asset or basket of assets in exchange for cash flows from the other counterparty. As a result, a swap allows the party receiving the total return to gain exposure and the upside returns from a reference fund without actually having to own it. In fact, a key feature of a swap is that the parties do not need to transfer actual ownership of shares of the reference fund. This allows for greater flexibility and reduced up-front capital to execute a valuable trade.

13. In connection with a swap, even though it is not required to do so, to hedge its exposure to pay the promised return to the other party, a financial institution typically uses cash collateral from the swap counterparty plus its own funds to purchase the referenced asset – in this case, Madoff Feeder Fund shares. In exchange for promising to provide the total return based on the Feeder Fund shares, the financing institution often charges the swap counterparty a higher

“borrowing” rate than if it had simply lent money to the investor.

14. Total return swaps can be highly leveraged, making them a favorite of hedge funds. The swap market is mostly institutional and over-the-counter (“OTC”). Market participants often include, among others, investment banks, commercial banks, mutual funds, hedge funds, funds of funds, private equity funds and pension funds. Swaps are extremely popular with hedge funds because they get the benefit of a large exposure with the potential for significant upside gain with a minimal initial cash outlay.

15. Total return swaps were frequently used by foreign investors to avoid the IRS tax rule for sourcing income. By investing in certain derivative products an investor may avoid the 30% withholding tax by avoiding the receipt of U.S. sourced income. These tax implications meant it was financially more advantageous for foreign investors to enter into a total return swap than to invest directly in the underlying asset. This savings was amplified when leveraged.

16. Fortis was one of the largest leverage providers to Madoff Feeder Funds. As a leverage provider, Fortis had relationships with several different Madoff Feeder Funds and institutional investment advisors. Beyond its role as a leverage provider, Fortis entities also provided administrative and banking services to certain Madoff Feeder Funds. By functioning in multiple capacities to multiple Madoff Feeder Funds, Fortis created a situation where it was firmly entrenched in the Madoff-investment world.

B. The Fortis Swaps

17. Starting in or around May 2007, the Irish Bank was a party to two total return swaps for which the reference funds were two large Madoff Feeder Funds, Broad Market and Broad Market Portfolio, which funds, upon information and belief, were created solely to make leveraged synthetic investments through BLMIS. The counterparties to the swaps were the

Tremont XL Funds. To hedge the Fortis exposure to the Tremont XL Funds under the swaps, upon information and belief, the Irish Bank or Fortis Services, invested hundreds of millions of dollars in shares of Broad Market and Broad Market Portfolio.

18. In the six years leading up to December 11, 2008, Fortis entities submitted redemptions for shares of Madoff Feeder Funds, and received millions of dollars in transfers of money from various Madoff Feeder Funds, at times when Fortis had knowledge of red flags of possible fraudulent activity by Madoff. The funds used to pay for those redemptions are BLMIS Customer Property and are recoverable by the Trustee as subsequent transfers of avoidable transfers.

19. Specifically, either the Irish Bank or Fortis Services redeemed approximately \$30 million from Broad Market in the third quarter of 2008 when Fortis knew or should have known of possible fraud at BLMIS. Further, in just one instance, Fortis received a transfer of \$125 million from Rye LP in March of 2008 to “upsized” a swap when Fortis was on inquiry notice of Madoff’s possible fraud. Upon information and belief, Fortis received multiple transfers totaling hundreds of millions of dollars from the Tremont XL Funds in 2007 and 2008 in connection with the swaps at times when both Fortis and the Tremont XL Funds knew or should have known about Madoff’s potential fraud. Likewise, any transfer Rye LP or Rye Portfolio received from a related Tremont entity, including a Tremont fund called Rye Select Broad Market Prime Fund, LP (“Prime Fund”), which Rye LP or Rye Portfolio subsequently transferred to Fortis, was made when Fortis and the Tremont XL Funds were on actual or inquiry notice of Madoff’s possible fraud. Upon information and belief, the funds used to pay the Fortis redemptions, and also used by the Tremont XL Funds to make transfers to Fortis under the swaps, originated from BLMIS.

20. Upon information and belief, to pay the Fortis redemption of \$30 million in late

2008, Broad Market withdrew and/or utilized money from its BLMIS account and then transferred those funds to Fortis. The Trustee has filed suit against Broad Market, Broad Market Portfolio and Prime Fund, and other “Tremont” defendants to avoid initial and certain subsequent transfers of Customer Property. *See Picard v. Tremont Group Holdings, Inc., et al. (In re Bernard L. Madoff Inv. Sec. LLC)*, No. 10-05310 (Bankr. S.D.N.Y. filed Dec. 7, 2010) (the “Tremont Complaint”). For the reasons set forth in the Trustee’s complaint in that action and also set forth herein, the transfers between BLMIS and Prime Fund and BLMIS and Broad Market are avoidable. For the reasons set forth in that complaint and herein, the subsequent transfers between Prime Fund and Rye LP, Rye LP and Fortis, and Broad Market and Fortis, are recoverable by the Trustee and the Customer Property should be returned to the BLMIS estate.

21. Fortis was so focused on growing the profitable Tremont relationship that Fortis consciously disregarded numerous red flags of Madoff’s potential fraud. In fact, in authorizing ever-increasing Madoff exposure, Fortis consistently highlighted the profitability of its relationship with Tremont. It was unreasonable for Fortis to continue to conduct business involving exposure to Madoff given the knowledge and information Fortis possessed about Madoff and the Madoff Feeder Fund world.

22. Because Fortis and the Tremont XL Funds received the transfers of BLMIS Customer Property when they knew or should have known of Madoff’s possible fraud, the Trustee is entitled to recover those transfers, or the value thereof, from the Defendants herein so a fair and equitable distribution can be made to all innocent BLMIS accountholders with valid claims.

II. JURISDICTION AND VENUE

23. The Trustee brings this adversary proceeding pursuant to his statutory authority under SIPA §§ 78fff(b), 78fff-1(a), and 78fff-2(c)(3), 11 U.S.C. §§ 544, 547, 548, 550(a), and 551 (the “Bankruptcy Code”), to recover money received by these Defendants as subsequent transferees from a Madoff feeder fund directly invested through BLMIS.

24. This is an adversary proceeding brought in this Court, in which the main underlying substantively consolidated SIPA case, No. 08-01789 (BRL) (the “SIPA Case”), is pending. The SIPA Case was originally brought in the United States District Court for the Southern District of New York (the “District Court”) as *Securities Exchange Commission vs. Bernard L. Madoff Investment Securities LLC et al.*, No. 08 CV 10791 (the “District Court Proceeding”). This Court has jurisdiction over this adversary proceeding under 28 U.S.C. § 1334(b), Federal Rules of Bankruptcy Procedure 7001 and 15 U.S.C. § 78eee(b)(2)(A), (b)(4).

25. The Irish Bank is subject to personal jurisdiction in this judicial district because it routinely conducts business in New York, purposely avails itself of the laws of the State of New York by undertaking significant commercial activities in New York, and derives significant revenue from New York. The Irish Bank also has subsidiaries or affiliates domiciled and doing business in New York. The Irish Bank entered into one or more agreements with Broad Market and its investment manager Tremont Partners, Inc. (“TPI”) governed by New York law. This Court has personal jurisdiction over The Irish Bank pursuant to N.Y. C.P.L.R. § 302 and Rule 7004 of the Federal Rules of Bankruptcy Procedure. The Irish Bank has maintained minimum contacts with New York in connection with the claims alleged herein.

26. Fortis Services is subject to personal jurisdiction in this judicial district because it routinely conducts business in New York, purposely avails itself of the laws of the State of New

York by undertaking significant commercial activities in New York, and derives significant revenue from New York. Fortis Services also entered into one or more agreements with Broad Market and its investment manager TPI governed by New York law. This Court has personal jurisdiction over Fortis Services pursuant to N.Y. C.P.L.R. § 302 and Rule 7004 of the Federal Rules of Bankruptcy Procedure. Fortis Services has maintained minimum contacts with New York in connection with the claims alleged herein.

27. Rye LP is subject to personal jurisdiction in this judicial district because it routinely conducted business in New York, purposely avails itself of the laws of the State of New York by undertaking significant commercial activities in New York, derives significant revenue from New York, and at all times relevant hereto, maintained its principal place of business in New York. Rye LP is a Delaware corporation with its principal place of business in New York. This Court has personal jurisdiction over Rye LP pursuant to N.Y. C.P.L.R. §§ 301 and 302 and Rule 7004 of the Federal Rules of Bankruptcy Procedure. Rye LP has maintained minimum contacts with New York in connection with the claims alleged herein.

28. Rye Portfolio is subject to personal jurisdiction in this judicial district because it routinely conducted business in New York, purposely avails itself of the laws of the State of New York by undertaking significant commercial activities in New York, and derives significant revenue from New York. This Court has personal jurisdiction over Rye Portfolio pursuant to N.Y. C.P.L.R. § 302 and Rule 7004 of the Federal Rules of Bankruptcy Procedure. Rye Portfolio has maintained minimum contacts with New York in connection with the claims alleged herein.

29. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (F), (H), and (O).

30. Venue in this District is proper under 28 U.S.C. § 1409.

III. BACKGROUND

31. On December 11, 2008 (the “Filing Date”), Madoff was arrested by federal agents for violations of the criminal securities laws, including, *inter alia*, securities fraud, investment adviser fraud, and mail and wire fraud. Contemporaneously, the SEC filed a District Court Proceeding against Madoff. The SEC complaint alleges that Madoff and BLMIS engaged in fraud through the BLMIS investment advisory business (the “BLMIS IA Business”).

32. On December 12, 2008, The Honorable Louis L. Stanton entered an order appointing Lee S. Richards, Esq. as receiver for the assets of BLMIS (the “Receiver”)

33. On December 15, 2008, pursuant to SIPA § 78eee(a)(4)(B), the Securities Investor Protection Corporation (“SIPC”) filed an application in the District Court alleging, *inter alia*, 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 that same date, pursuant to SIPA § 78eee(a)(4)(A), the SEC consented to a combination of its own action with SIPC’s application.

34. Also on December 15, 2008, Judge Stanton granted SIPC’s application and entered an order pursuant to SIPA (the “Protective Decree”), which, in pertinent part:

(a) appointed the Trustee for the liquidation of the business of BLMIS pursuant to SIPA § 78eee(b)(3);

(b) appointed Baker & Hostetler LLP as counsel to the Trustee pursuant to SIPA § 78eee(b)(3);

(c) removed the case to this Bankruptcy Court pursuant to SIPA § 78eee(b)(4); and

(d) released in effect the Receiver for BLMIS.

35. Pursuant to SIPA § 78III(7)(B), the Filing Date is deemed to be the date of the filing of the petition within the meaning of sections 547 and 548 of the Bankruptcy Code and the date of the commencement of the case within the meaning of section 544 of the Bankruptcy Code.

36. By orders dated December 23, 2008 and February 4, 2009, respectively, the Bankruptcy Court approved the Trustee's bond and found the Trustee was a disinterested person. Accordingly, the Trustee is duly qualified to serve and act on behalf of the estate of BLMIS.

THE PONZI SCHEME

37. BLMIS was founded in 1959 by Madoff and, for most of its existence, operated from its principal place of business at 885 Third Avenue, New York, New York. Madoff, as founder, chairman, chief executive officer and sole owner, operated BLMIS together with several of his friends and family members. BLMIS was registered with the SEC as a securities broker-dealer under Section 15(b) of the Securities Exchange Act of 1934, SIPA § 78o(b). By virtue of that registration, BLMIS is a member of SIPC. BLMIS had three business units: the investment advisory ("IA") business, market-making and proprietary trading.

38. Outwardly, Madoff ascribed the consistent success of the BLMIS IA Business to his so-called "split-strike conversion" strategy (the "SSC Strategy"). Pursuant to the SSC Strategy, Madoff purported to invest BLMIS customers' funds in a basket of common stocks within the Standard & Poor's 100 Index ("S&P 100 Index), which is a capitalization-weighted index of 100 stocks from a broad range of industries. The component stocks are weighted according to the total market value of their outstanding shares. The impact of a component's price change is proportional to the issue's total market value, which is the share price times the

number of shares outstanding.

39. Madoff claimed his basket of stocks would mimic the movement of the S&P 100 Index. Madoff also asserted that he would carefully time purchases and sales to maximize value, and correspondingly, BLMIS customers' funds would, intermittently, be out of the equity markets. While out of the market, those funds were purportedly invested in United States Treasury bills or in mutual funds holding Treasury bills.

40. The second part of the SSC Strategy was the hedge of Madoff's stock purchases with S&P 100 Index option contracts (OEX options). Those option contracts functioned as a "collar," limiting both the potential gains and the potential losses. Madoff purported to use proceeds from the sale of OEX call options to finance the cost of purchasing OEX put options. Madoff also told IA Business customers, including feeder funds and financial institutions, that he would enter and exit the market between six to ten times each year.

41. BLMIS IA Business customers received fabricated monthly or quarterly statements showing that securities were held in, or had been traded through, their accounts. The securities purchases and sales shown in such account statements never occurred and the profits reported were entirely fictitious. Madoff's SSC Strategy was entirely fictitious.

42. At times prior to his arrest, Madoff generally assured customers and regulators that he purchased and sold the put and call options in the OTC marketplace rather than through an exchange. Yet, like the underlying securities, the Trustee has yet to uncover any evidence that Madoff ever purchased or sold any of the options described in customer statements. The Options Clearing Corporation, which clears all option contracts based upon the stocks of S&P 100 companies, has no record of the BLMIS IA Business having bought or sold any exchange-listed options on behalf of any of the IA Business customers. Nor are there any BLMIS records

of OTC OEX options contracts settled with any domestic or foreign counterparties in connection with the SSC Strategy.

43. For all periods relevant hereto, the BLMIS IA Business was operated as a Ponzi scheme. The money received from investors was not invested in stocks and options. Rather, BLMIS used its IA Business customers' deposits to pay redemptions by other customers, and to make other transfers, which are avoidable by the Trustee. Many of these transfers were made to enrich Madoff, his associates and his family.

44. The falsified monthly account statements reported that the accounts of IA Business customers had made substantial gains, but, in reality, because it was a Ponzi scheme, BLMIS did not have the funds to pay investors on account of their new investments. BLMIS was only able to survive for as long as it did by using the stolen principal invested by some customers to pay other customers.

45. The payments BLMIS made to investors constituted an intentional misrepresentation of fact regarding the underlying BLMIS accounts and were an integral and essential part of the fraud. The payments were necessary to validate the BLMIS false account statements, and were made to avoid detection of the fraud, to retain existing investors and to lure other investors into the Ponzi scheme.

46. At a Plea Hearing on March 12, 2009 in the case captioned *United States v. Madoff*, Madoff pleaded guilty to an eleven-count criminal information filed against him by the United States Attorneys' Office for the Southern District of New York. At the Plea Hearing, Madoff admitted that he "operated a Ponzi scheme through the investment advisory side of [BLMIS]." Plea Allocution of Bernard L. Madoff at 23, *United States v. Madoff*, No. 09-CR-213 (DC) (S.D.N.Y. March 12, 2009) (Docket No. 50) ("Madoff Plea Allocution"). Additionally,

Madoff asserted “[a]s I engaged in my fraud, I knew what I was doing [was] wrong, indeed criminal.” *Id.* Madoff was sentenced on June 29, 2009 to 150 years in prison.

47. On August 11, 2009, a former BLMIS employee, Frank DiPascali, also pleaded guilty to participating in and conspiring to perpetuate the Ponzi scheme. At the Plea Hearing in the case entitled *United States v. DiPascali*, DiPascali pleaded guilty to a ten-count criminal information. Among other things, DiPascali admitted that the Ponzi scheme operated at BLMIS since at least the 1980’s. See Plea Allocution of Frank DiPascali at 46, *United States v. DiPascali*, No. 09-CR-764 (RJS) (S.D.N.Y. Aug. 11, 2009) (Docket No. 11).

48. Based upon the Trustee’s ongoing investigation, it now appears there were more than 8,000 customer accounts at BLMIS over the life of the scheme. In early December 2008, BLMIS generated account statements for its approximately 4,900 open customer accounts. When added together, these statements purportedly showed that BLMIS customers had approximately \$65 billion invested through BLMIS. In reality, BLMIS had assets on hand worth only a fraction of that amount. Customer accounts had not accrued any real profits because virtually no investments were ever made. By the time the Ponzi scheme came to light on December 11, 2008 with Madoff’s arrest, investors had already lost approximately \$20 billion in principal.

49. As Madoff admitted at his Plea Hearing, he never purchased any of the securities, options or Treasuries for the BLMIS IA Business and the returns he reported to customers were entirely fictitious. Based on the Trustee’s investigation to date, there is no record of BLMIS having cleared a single purchase or sale of securities on any exchange or settled a trade with any counterparty in connection with the trading strategy.³

³ Madoff did a “*de minimis*” amount of securities trading outside of the SSC Strategy – such trading is not at issue in the Trustee’s allegations herein.

50. At all times relevant hereto, the liabilities of BLMIS were billions of dollars greater than its assets. BLMIS was insolvent in that: (i) its assets were worth less than the value of its liabilities; (ii) it could not meet its obligations as they came due; and (iii) at the time of the transfers, BLMIS was left with insufficient capital.

51. Madoff's scheme continued until December 2008, when the requests for redemptions or withdrawals by BLMIS accountholders overwhelmed the flow of new investments and caused the inevitable collapse of the Ponzi scheme.

52. This Complaint and similar complaints are being filed to recover Customer Property lost in subsequent transfers originating from BLMIS. All Customer Property recovered by the BLMIS estate shall be distributed among BLMIS's customers in accordance with SIPA § 78fff-2(c)(1).

IV. TRUSTEE'S POWERS AND STANDING

53. Pursuant to SIPA § 78fff-1(a), the Trustee has the general powers of a bankruptcy trustee in a case under the Bankruptcy Code. SIPA § 78fff(b), Chapters 1, 3, 5, and subchapters I and II of chapter 7 of the Bankruptcy Code are applicable to this case to the extent consistent with SIPA.

54. By virtue of his appointment under SIPA, the Trustee has the responsibility to recover and pay out Customer Property to BLMIS customers, assess claims and liquidate any other assets of BLMIS for the benefit of the estate and its creditors. The Trustee is in the process of marshalling BLMIS's assets, but they will not be sufficient to fully reimburse BLMIS customers for the billions of dollars they invested through BLMIS. Consequently, the Trustee must use his broad authority as expressed and intended by both SIPA and the Bankruptcy Code to pursue recovery for BLMIS accountholders and their subsequent transferees.

55. In addition to the powers of a bankruptcy trustee, the Trustee has broader powers granted by SIPA.

56. The Trustee is a real party in interest and has standing to bring these claims pursuant to SIPA § 78fff-1 and the Bankruptcy Code, including sections 323(b) and 704(a)(1), because, among other reasons:

(a) the Irish Bank, Fortis Services, Rye LP and Rye Portfolio received Customer Property as defined in SIPA § 78lll(4);

(b) BLMIS incurred losses as a result of the conduct set forth herein;

(c) BLMIS customers were injured as a result of the conduct detailed herein;

(d) SIPC cannot by statute advance funds to the Trustee to fully reimburse all customers for all of their losses;

(e) the Trustee will not be able to fully satisfy all claims;

(f) the Trustee, as bailee of Customer Property, can sue on behalf of the customer-bailors;

(g) as of this date, the Trustee has received multiple, express assignments of certain claims of the applicable accountholders, which they could have asserted. As assignee, the Trustee stands in the shoes of persons who have suffered injury-in-fact, and a distinct and palpable loss for which the Trustee is entitled to reimbursement in the form of monetary damages;

(h) SIPC is the subrogee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding. SIPC has expressly conferred upon the Trustee enforcement of its rights of subrogation with respect to payments it has made and is making to customers of BLMIS from SIPC funds; and

(i) the Trustee has the power and authority to recover transfers pursuant to sections 544, 547, 548 and 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

V. DEFENDANTS AND RELEVANT NON-PARTIES

Fortis

57. Defendant Irish Bank, which was formerly known as Fortis Prime Fund Solutions Bank (Ireland) Ltd., is a company incorporated in 2003 with its principal place of business at Fortis House Park Lane, Spencer Dock, Dublin, Ireland. Upon information and belief, the Irish Bank operates as a subsidiary of ABN AMRO Bank N.V. The Irish Bank offers fund administration services, as well as current account, money market, foreign exchange services, and bridge or leverage financing for investment schemes. On July 5, 2010, “Fortis Prime Fund Solutions Bank (Ireland) Limited” changed its name to “ABN AMRO Bank (Ireland) Limited.”

58. Defendant Fortis Services, which was formerly known as Fortis Prime Fund Solutions Fortis Ireland (Ireland) Ltd., is a company incorporated in 1995 with its principal place of business at Fortis House Park Lane, Spencer Dock, Dublin 1. Upon information and belief, Fortis Services also operates as a subsidiary of ABN AMRO Bank N.V. and provides custodial and other administrative services to hedge funds.

Tremont

59. Defendant Rye LP is a Delaware limited partnership formed on July 13, 2006, with its principal place of business located at 555 Theodore Fremd Avenue, Rye, New York 10580. Rye LP sought to provide investors with long-term capital growth and exposure to BLMIS, with a return of three times (3x) the economic performance of its sister fund and BLMIS accountholder, Broad Market. Rye LP sought to achieve this return through synthetic investments via swap agreements with financial institutions. TPI acted as the General Partner of

Rye LP and was responsible for the day-to-day operations and investment management.

60. Defendant Rye Portfolio is a Cayman Islands exempted company incorporated with limited liability in the Cayman Islands on February 10, 2006. Rye Portfolio's registered office is located at Walkers SPV Limited, Walker House, KY1-9002, Mary Street, George Town, Grand Cayman, Cayman Islands. Similar to Rye LP, Rye Portfolio sought to provide investors with capital growth through exposure to BLMIS, with a return of approximately three times (3x) the economic performance of its sister fund and BLMIS accountholder, Broad Market Portfolio. Also like Rye LP, Rye Portfolio sought to achieve this return by entering into swap agreements with financial institutions like Fortis. TPI acted as the Investment Manager for Rye Portfolio.

61. The Tremont XL Funds were managed and overseen by the same individuals responsible for Prime Fund, Broad Market, Broad Market Portfolio, and other funds (the "Rye Select Funds").

62. Non-party Tremont Group Holdings, Inc. is a Delaware corporation with its corporate headquarters located at 555 Theodore Fremd Avenue, Rye, NY 10580. Tremont Group Holdings, Inc. is an investment management firm formed in 1987, and is currently a wholly-owned subsidiary of Oppenheimer Acquisition Corporation, which is a subsidiary of Oppenheimer Funds, Inc. Tremont Group Holdings, Inc. and Oppenheimer Funds, Inc. are owned by Massachusetts Mutual Life Insurance. Originally known as Lynch Asset Management Corporation, Tremont Group Holdings, Inc. changed its name several times: to Tremont Advisers, Inc. in 1991, to Tremont Capital Management, Inc. in 2003, and finally to Tremont Group Holdings, Inc. in 2006.

63. Non-party TPI is a Connecticut corporation with its headquarters located at 555 Theodore Fremd Avenue, Rye, NY 10580 and is a part of Tremont Group Holdings, Inc. TPI is

the General Partner and investment manager of Broad Market and Prime Fund, both having maintained one or more accounts at BLMIS. TPI is an investment adviser registered under the Investment Advisers Act of 1940. Numerous investors, both individual and institutional, invested in the dozens of funds managed by Tremont Partners. Rye LP, Rye Portfolio, Prime Fund, Broad Market, Broad Market Portfolio, Tremont Partners and Tremont Group Holdings, Inc. are collectively referred to herein as “Tremont.”

VI. FORTIS WAS ON INQUIRY NOTICE OF RED FLAGS OF POSSIBLE FRAUD AT BLMIS

64. Well before Fortis supplied hundreds of millions of dollars of leverage to the Tremont XL Funds, Fortis was already a large supplier of leverage to other investors with indirect or direct exposure to BLMIS and the SSC Strategy.

A. Fortis’s Multiple Contacts With The Madoff Feeder Fund World

65. In the Fall of 2006, Tremont and Fortis began exploring the possibility of entering into a financing relationship, including discussing the possibility of entering into a total return swap with the reference funds being Tremont-managed funds with accounts at BLMIS. By that time, however, Fortis was already very familiar with Madoff, BLMIS and various other Madoff Feeder Funds.

Fairfield Sentry

66. As early as 2002, various “Fortis” entities invested in and redeemed hundreds of millions of dollars worth of shares from one of the largest Madoff feeder fund, Fairfield Sentry Limited (“Sentry”). For example, between 2003 and 2006, one particular “Fortis” entity, ABN AMRO Bank N.V. (f/k/a Fortis Bank (Nederland) N.V.) (“Fortis Bank”), redeemed over \$65 million from Sentry. Other “Fortis” entities redeemed in excess of \$200 million of Sentry shares even before Fortis began its discussions with Tremont in 2006.

Harley

67. Fortis was intimately involved with Harley International (Cayman) Limited (“Harley”), a significant Madoff feeder fund. Harley invested approximately \$1.8 billion with BLMIS and withdrew approximately \$1.1 billion from its BLMIS account. Harley invested approximately 100% of its assets under management with BLMIS. Anthony L.M. Inder Rieden and Dawn Davies, former executives of Fortis Fund Services, ran Harley’s management company. Upon information and belief, the Irish Bank, and/or another “Fortis” entity also provided certain banking and other financing services to Harley.

68. Fortis’s relationship with Harley provided Fortis access to considerable non-public information about Madoff and the BLMIS IA Business. Upon information and belief, another Fortis entity, Fortis Prime Fund Solutions Ltd., was Harley’s administrator. Administrators typically provide certain accounting and back-office services to hedge funds, such as NAV calculation and redemption/subscription processing. In that capacity, administrators typically receive substantial information and documents relating to the underlying investment. As the administrator, Fortis Prime Fund Solutions Ltd., would have had visibility into Harley’s account at BLMIS. For example, Fortis received copies of Harley’s monthly BLMIS brokerage account statements, which, on their face, revealed numerous red flags of potential fraudulent trading activity.

69. In a July 2004 internal Fortis e-mail, discussing a Fortis Compliance Committee meeting concerning whether to continue providing certain services to Harley, and whether to increase the financing limits available for Harley investments, the following red flags were expressly memorialized:

- As stated in earlier correspondence it appears that Madoff who acts as the Broker Dealers as well as the Custodian for Harley effectively is the

investment manager of the Harley Fund. The formal investment manager [REDACTED] in practice only acts as a nominee director. *Madoff's double role implies that there is no guarantee that the trades and positions provided by Madoff to Fortis as Administrator are objective and it is not possible to obtain independent confirmations on trades and positions.*

- Compliance/Legal Fortis Curacao has recommended negatively on the requested due to the Madoff issues, in particularly given the size of the increase (emphasis added)

Striker

70. Striker Fund (“Striker”), an open-ended investment company incorporated under the laws of the British Virgin Islands in November 2007, served as another Madoff connection for Fortis. Striker invested 100% of its assets in Defender Limited (“Defender”), an open-ended investment company formed under the laws of the British Virgin Islands in April 2007. Defender, in turn, invested 100% of its assets in a BLMIS account. A Fortis entity provided leveraged financing for Striker’s investment in Defender. Other Fortis entities provided administration services to Striker, including Fortis Services.

Tremont

71. In 1997, Fortis Bank acquired MeesPierson from ABN AMRO. In May 2003, MeesPierson representatives met with Madoff and senior Tremont management, including Robert Schulman, President and Chief Executive Officer, and Cynthia Nicoll, Tremont’s Chief Investment Officer. During their meeting with Madoff and Tremont management, the MeesPierson representatives received critical information concerning Madoff and BLMIS. A MeesPierson attendee prepared a summary of the meeting, which, upon information and belief, was circulated within Fortis.

72. Some of the key red flags of Madoff’s possible fraud discussed during the

meeting and subsequently memorialized by a MeesPierson/Fortis attendee included:

- BLMIS was “controversial because: the amount of money under advisory is undisclosed: Sandra Manzke suggests USD 20bn, Bob Schulman sticks to ‘well in excess of USD 10bn’) Madoff leaves all investor relations to the likes of Tremont and Fairfield and hardly grants direct meetings with end investors Madoff does not earn a fee apart from the commissions on trades (4 ct per trade would imply about 1.5% p.a.) The annual reports will only show T-bills at the end of each year; zero transparency Madoff is self clearing (custody with Madoff Sec) Returns are exceptionally stable with only 7 negative months since 1990”; and
- “Apart from Bernard, his brother Peter and sons Andrew and Mark hold senior management positions: see www.madoff.com.”

73. During the 2003 meeting, Fortis also learned other non-public information about Madoff and BLMIS evidencing possible fraud at BLMIS, including the massive size of the BLMIS IA Business and the trading strategy allegedly employed by Madoff:

- “Madoff is also investment advisor to Tremont's Broad Market Fund and Broad Market Prime Fund (together about USD 1bn), Fairfield Sentry (ca USD 3.5bn), Kingate (ca USD 2bn) and others.”;
- “The [trading] strategy has essentially been the same for 20 years running with a risk free T-bill position as a neutral point and only when the strategy generates a signal the following trades are executed: S&P replication. At the same time buy ATM OEX puts With some delay sell OTM OEX calls. When the market rises following the purchase of the index and the puts, Madoff can earn as much premium for the OTM calls as has been paid for the puts. This way he is able to create a zero cost, fully protected position with limited upward potential in a short period of time. Should the market decline before the calls are written, the maximum loss is the put premium.”;
- “Madoff is a self clearing broker. All transactions and custody are in-house. The strategy uses the Madoff clearing facilities.”;
- “Madoff has a limited discretion mandate for the Broad Market Fund which limits him to ca 45 stocks and options with at least 95% correlation to the index”;
- “All trades as [sic] date stamped and sent to Tremont (Sue Hammond) with a 3 days delay”; and
- “Tremont sets the fee independently; Bernard does not know or even want to know to avoid any conflict of interest. He just earns money by market making

which makes Madoff Securities far more important to him than anything that has to do with the strategy.”

74. Accordingly, before Fortis concluded even its first total return swap transaction with the Tremont XL Funds, and made its significant investments in Broad Market to hedge its exposure resulting from the swap, Fortis already knew fully about significant red flags of potential Madoff fraud. Fortis failed to undertake an independent, reasonable investigation after it was on inquiry notice of possible Madoff fraud, choosing instead to disregard clear warning signs of wrongdoing while trying to exploit Madoff’s returns.

B. Fortis Begins Discussions With Tremont To Supply Leverage

75. In late May 2006, Fortis executed a non-disclosure agreement with Tremont in order to share information and discuss doing business together. According to an internal Tremont “weekly update” e-mail from Darren Johnston, Vice President of the “Rye Select Funds,” Fortis revealed to Tremont that it was already providing leverage to certain other BLMIS accountholders in an approximate aggregate amount of \$750 million. The same internal Tremont e-mail stated, “they [Fortis] need to be administrator and custodian of entity in order to lend.” On information and belief, Fortis wanted to safeguard its loaned funds by being closely involved in their borrower’s investment activities.

76. On September 19, 2006, Tremont’s Johnston sent documents to Mark Geene of Alternative Investments, Fortis Multi Management in The Netherlands, for a proposed investment by Fortis in Tremont’s Rye LP fund. Johnston informed Geene that Rye LP was projected to have \$140 million in assets under management in the coming months, excluding Fortis’s proposed investment.

77. On September 26, 2006, a London-based Fortis Client Relationship Manager sent an e-mail to Tremont’s Johnston indicating that Fortis had additional due diligence to perform to

finalize the proposed transaction with Tremont. Attached to the e-mail were two documents called “Due Diligence Checklist Rye Select Broad Market XL Portfolio Limited” and “Due Diligence Checklist Rye Select Broad Market Portfolio Limited.” According to Johnston, Fortis had yet to receive from Tremont the majority of documents it had requested in the due diligence checklists.

78. In the same e-mail, Geene also said that Fortis required the “Account Opening Pack for the Madoff account that the Master Fund will invest in. This should include the Trading Authorization Directive which provides the investment parameters, and any other useful information.”

79. On November 9, 2006, Johnston e-mailed Robert Shulman, “Thoughts? Fortis has now said it is a ‘non-negotiable’ item that they must see our newly executed confidential ‘Trading Authorization Directive’ between us and Madoff that describes the strategy and trading in detail, in order to move forward on the credit approval.” In a reply e-mail, Schulman wrote, “I spoke to Bernie there is proprietary [sic] info they can look but not copy.”

80. Upon information and belief, Fortis’s due diligence was superficial and Fortis repeatedly backed down from its demands when Madoff or Tremont refused to provide information. Moreover, Fortis chose to ignore multiple red flags of potential Madoff fraud that should have caused Fortis to undertake further independent and reasonable investigation.

81. Upon information and belief, in the Fall of 2006, the discussion between Fortis and Tremont shifted away from Fortis making a direct investment in or traditional loan to Rye LP to an alternative investment product, whereby Fortis and the Tremont XL Funds would enter into a swap transaction to enable the Tremont XL Funds to make synthetic investments in related Tremont Madoff Feeder Funds – *i.e.*, Broad Market and Broad Market Portfolio.

82. In November 2006, Fortis was busy working on seeking internal approval for a total return swap between the Irish Bank and a Tremont entity (presumably Rye LP), with the Irish Bank promising the three times (3x) leveraged return of another Tremont fund (presumably Broad Market). The internal Fortis financing limit sought for approval was \$375 million, and it was contemplated that Tremont would provide cash collateral of 33% of the value of the swap. According to internal Fortis documents, the “main issue here however is whether the chosen Total Return Swap, as an instrument to achieve the requested level of borrowing for purposes of purchasing securities violates US law.” The same set of internal Fortis documents noted that the “CCC opines that concentration on Madoff is too high. The Business is requested to present a TOO proposal on Madoff in the course of January.” By this time, and even before the Rye LP transaction was concluded, Fortis was already very exposed to Madoff through multiple relationships with different Madoff Feeder Funds.

83. A November 2006 internal Fortis credit proposal application (the “Credit Proposal Application”) discussed at length the proposed swap transaction with Rye LP, Madoff, the BLMIS IA Business and the SSC Strategy. The Credit Proposal Application states that it “is understood that Madoff trade[s] multiple portfolios (approximately USD 20bn in aggregate) of S&P 100 securities using this Strategy.” Although the memorandum identified certain “weaknesses” with the proposed \$375 million swap with Rye LP, other “opportunities” were highlighted, including that “[t]his transaction will enable PFS to develop a relationship with a leading global fund of funds operation. If properly nurtured this relationship should present PFS with opportunities to provide services and finance to other [Tremont] offerings.”

84. In the same Credit Proposal Application, a “threat” was identified of “becoming increasingly exposed to activities of a single broker, Madoff.” “To our opinion, PFS must

present proposals (as soon as possible) to sell down, invite risk participants or securitize some of this exposure (particularly the 4x (75%) exposure which is nearing its USD 500mio capacity and growing rapidly).” Notwithstanding the Fortis Credit Committee underscoring the “threat” of overconcentration in Madoff-exposed transactions, the Fortis business people continued to propose new highly leveraged transactions increasing Fortis’s exposure to Madoff, but also increasing Fortis’s fees from such transactions.

85. The Credit Proposal Application further noted that the Tremont fund underlying the proposed swap transaction, Broad Market, which was almost entirely invested with Madoff, had an average annual rate of return of 11.75% since 1994, and in over twelve (12) years, the fund had only seven (7) down months, only three (3) of which were greater than 0.1%. The Fortis document also noted that Broad Market’s performance had been entirely dependent upon Madoff. Such performance was entirely too good to be true and Fortis knew or should have known better.

86. In the “Risk Assessment” portion of the November 2006 Credit Proposal Application for the Rye LP swap, Fortis noted the following:

A due diligence review carried out at Madoff Securities in June 2006 gave us a favorable impression of the firm’s execution capabilities and some insight into the source of their alpha generating capability in the context of the market timing strategy. There is a level of secrecy surrounding the scale of this activity and the number of clients involved and this is understandable. They do recognize that there is a limit on the scale at which it can continue to be feasible. However the risk of a leaking of the strategy, as far as PFS is concerned as a lender, is of a decline in the alpha over time rather than any immediate risk to collateral values.

87. To “provide Fortis with transparency and look-through to the underlying Madoff portfolio,” Fortis Risk Management in Ireland also initially demanded that it receive daily copies of trade tickets on the Madoff account. Madoff did not provide Tremont with daily trade tickets. Fortis Risk Management’s demand could not be honored by Tremont because Madoff only

provided Tremont with time-delayed, hardcopy trade confirmations.

88. Madoff's provision of delayed, hardcopy trade confirmations was another known a red flag to Fortis of possible Madoff fraud because the industry standard was to provide electronic notification and confirmation of trades.

89. Fortis repeatedly turned a blind eye to red flags of potential Madoff fraud in order to develop and nurture the lucrative Fortis-Tremont relationship. Fortis also repeatedly commented that monitoring the Madoff trading was not much work in relation to the substantial fees generated. Moreover, different "Fortis" entities were already so involved in the provision of services to funds invested through the BLMIS IA Business that Fortis was inclined to overlook suspicions of potential wrongful conduct. Upon information and belief, various "Fortis" entities, including the Irish Bank and Fortis Services, earned considerable fees and other income from their provision of services, including the supply of leverage, to Madoff Feeder Funds and other entities invested either directly or indirectly through BLMIS. Fortis did not conduct independent or reasonable due diligence, especially in light of the numerous red flags of potential Madoff fraud. Anything unfavorable or unusual that Fortis knew about Madoff and the BLMIS IA Business was not critically examined or considered with appropriate candor or skepticism.

90. By mid-January 2007, Fortis and Tremont had yet to complete a transaction. Fortis was, however, still working to obtain approval for a transaction involving the Tremont XL Funds. Internal Fortis documents – in January 2007 – concerning proposed transactions between Fortis and the Tremont XL Funds stated that Fortis had three other credit facilities not involving Tremont that extended to funds investing in Madoff portfolios totaling \$975 million. Accordingly, by 2007, in addition to serving as administrators and custodians of Madoff Feeder Funds, Fortis, as a leverage provider, was already a significant source of new money invested

into Madoff's Ponzi scheme, which enabled the fraud to continue, and even to grow substantially.

91. A January 18, 2007 internal memorandum written by Fortis's John Roche outlined a proposed limit for a total exposure to BLMIS's IA Business trading strategy across all Fortis customers. Roche's memorandum anticipated Fortis having an approximately \$1.5 billion exposure to Madoff by the end of 2007. In arguing for such a high Madoff-related limit, Roche set forth general information about the activities of BLMIS and summarized Fortis's 2006 due diligence "on the operation of the investment strategy the firm offers to clients." After describing generally the SSC Strategy and the BLMIS operations, Roche included a section in his memorandum purporting to explain the returns generated by Madoff over the years:

FPFS carried out a due diligence review at Madoff in June 2006. We obtained an explanation of the source of Madoff's expertise in running the split strike synthetic conversion option strategy. Three sources of competitive advantage could be identified as follows.

- Execution Platform Madoff has a substantial market making operation on the New York Stock Exchange and has the ability to trade very efficiently in large volumes over a 2-3 day period in the execution of its strategy.
- 'Ticker Plant' Database The market making operation has allowed the development of an archive of price data and vendors with a long history as well as a set of relationships with market participants that give a very detailed view of trading activity on the NYSE. This allows backtesting and real-time pricing of a range of possible portfolios that are devised to achieve the required 95% correlation with the S&P100 Index. These portfolios typically consist of 35-45 stock positions.
- Market Insight Madoff executes a significant proportion of the equity trades on the NYSE. It is clear that it has an insight into the views on the market being taken by a wide range of participants and that this insight informs the market timing strategy. The firm's traders also use the same range of technical tools that would be used by any market participant. The information on liquidity in particular is critical to the decision-making process.

It was clear from our discussions that proprietary IT development over a long period of time formed the basis for the market-making business and facilitated the trading relationships with a range of large institutions and mutual funds.

92. None of the reasons cited by Fortis's Roche for the supposed success of BLMIS in using the SSC Strategy were even remotely true. Moreover, Madoff's use of the options collar was inconsistent with market-timing, which Roche and others attributed as the key to Madoff's success.

93. Roche's memorandum attributes part of Madoff's success to the "market insight" Madoff gained through his market-making business. Madoff, however, regularly represented to Feeder Funds, lenders and prospective investors, including, upon information and belief, Fortis, that the market-making and investment advisory businesses were completely separate, as they had to be under the governing law and regulations. Fortis could not reasonably rely on Madoff's market-making insight and possible illegal front-running as a basis for concluding that the success of the BLMIS IA Business was legitimate.

94. According to the same Roche memorandum, Fortis learned even more information during its June 2006 due diligence review of Madoff, including:

- "accounts for all of the Madoff clients are operated according to the same trading mandate,"
- "[t]rades are executed for all of the clients simultaneously and each client is allocated a proportionate share of the trades at the achieved prices,"
- "[c]lients accept the implementation of the trading mandate by Madoff and have no ability to opt out of any element of the strategy,"
- "[t]he only fees charged are execution fees of a 4 cents per share of stock and 1 dollar per option contract," and
- "[t]he mandate requires Madoff to have put protection in place for the full value of the portfolio but allows them to exercise discretion in regard to the adoption of short call positions to offset the cost of the protection."

95. With the knowledge of Madoff's trading mandate and the allocation of trades to

customers, Fortis could easily look at public market data and have concluded there was possible fraud at BLMIS. As alleged below, the volumes necessary to execute Madoff's SSC Strategy were not available in the marketplace.

96. Fortis also ignored red flags showing that Madoff acted contrary to standard industry practice, with his highly unusual compensation system of charging fees of 4 cents per share of stock and 1 dollar per options contract. By doing so Madoff left hundreds of millions, if not billions, of dollars on the table and let the Feeder Funds "earn" the normal management fees based on assets under management and performance. Upon information and belief, Fortis performed no independent and reasonable due diligence into the highly unusual compensation structure utilized by Madoff.

97. In addition to all of these specific red flags known to Fortis, in making his recommendation that Fortis adopt the billion dollar plus Madoff trading limit, Roche stated that "[i]t would be unrealistic to expect one firm's strategy to achieve consistent outperformance over a long period of time" (emphasis added). Yet when it came to Madoff's investment strategy, Fortis knowingly and happily accepted this unrealistically consistent performance noting that Madoff's "**strategy has generated consistent returns on an unleveraged basis over the past 15 years that are similar to the returns on the S&P500 but with (obviously) much lower volatility.**" (emphasis added). The nearly impossible consistent returns over a significant amount of time was a known red flag of potential Madoff fraud upon which Fortis was clearly on notice.

98. In a January 24, 2007 internal Fortis memorandum responding to the Credit Committee request to present a proposal on total Fortis Madoff limits, Roche and his Fortis colleague, Rolf Mei, requested "approval to (synthetically) finance hedge fund clients that pursue

the ‘Madoff strategy’ up to 10% of FPFS [Fortis Prime Fund Solutions] Total Approved Limited” (emphasis in original). The memorandum includes a section on “risks” and includes discussions of “market risk,” “liquidity risk,” “execution risk,” “leverage risk,” “legal risk,” “collateral risk,” and “operational risk” associated with Madoff hedge fund alternative financing.

99. In discussing these various risks, Fortis noted that “BMS will only execute the strategy for their clients on an unleveraged basis,” and that “BMS may not be able, certainly given the size of their mandates, to simultaneously build up/build down the equity baskets along with the option overlay,”

100. Fortis also noted that “BMS only operates as a broker-dealer for their clients. After settlement of the executed trades, the assets are held in segregated accounts by the funds ... Segregated accounts are a condition [sic] sine qua non for financing. ” In fact, however, the managed accounts at BLMIS were not segregated. All of the cash deposited by BLMIS customers was commingled in a single JPMorgan Chase account belonging to BLMIS, and there were never any assets (securities) to segregate. Upon information and belief, Fortis did no other independent and reasonable due diligence on Madoff to verify that customer accounts were actually segregated.

101. In an Internal Tremont document that discusses Tremont’s status with several different leverage providers including Fortis, there is a section called “Fortis Onshore Amendment,” which includes the following “Items” for discussion with Fortis:

(a) Inclusion of a “group limit” of 500 million. Group refers to combined maximum onshore/ offshore. Offshore does not yet exist.

(b) Two year commitment in the event of a merger or acquisition

(c) ***Agreement to not contact Madoff with regard to this transaction. Waiver of any early termination fees in the event they do.***

(d) Waiver of early termination fees in the event Madoff stops accepting money or returns money.

(emphasis added)

102. If Fortis knew it was not to contact Madoff about the Tremont swaps and Tremont's investments with BLMIS and would suffer a financial penalty if it did, that too was a red flag of possible Madoff fraud.

103. Fortis belatedly advised Tremont that it was uncomfortable with BLMIS. In a September 2008 Internal Tremont "Counterparty Update," there is a section devoted to "Fortis." In part, it states: "Fortis is one of the largest Madoff lenders. Despite that it took 9 months to close the first transaction with them. The hold up was their internal legal concern of the reg t/ reg u safe harbor surrounding swaps." In the "Issues" section on "Fortis," it provides in part: "Once this facility is put in place we need to improve our collateral position. ***Fortis is not comfortable holding [Tremont fund] shares as collateral.***" (emphasis added). By the Fall of 2008, while Fortis continued to transact significant business involving Madoff exposure, upon information and belief, Fortis wanted cash, as opposed to Madoff Feeder Fund shares, as collateral for the hundreds of millions of dollars in leverage supplied by Fortis to direct, indirect and synthetic investors in the SSC Strategy through BLMIS.

C. Rye LP and Rye Portfolio Swaps

104. The first of the swaps between Rye LP and the Irish Bank was confirmed pursuant to a confirmation dated May 2, 2007 (the "2007 Rye LP Swap"), which supplemented the ISDA Master Agreement of the same date. Under the swap, Rye LP received the three times (3x) leveraged returns of the reference fund – Broad Market – in exchange for paying to the Irish Bank program structuring fees a monthly interest payment based LIBOR or plus 90 basis points LIBOR. At the outset of the swap, Rye LP was obligated to pay the Irish Bank \$10 million as

the Initial Collateral Amount. Under the swap, at the April 30, 2008 termination date of the trade, the Irish Bank agreed to return the \$10 million collateral amount plus an amount equal to the cumulative, positive total return of the shares of Broad Market, less any unpaid fees or charges.

105. Under the swap, the maximum notional amount of the trade was \$375 million, which was the amount for which Fortis had sought internal approval in connection with the proposed Rye LP swap transaction. Rye LP could increase or “upsized” the value of the swap transaction by providing additional collateral to the Irish Bank. Upon information and belief, Rye LP transferred additional amounts of money to the Irish Bank in 2007 and 2008 to increase the Equity Notional Value (or “ENV”) of the trade.

106. The 2007 Rye LP swap included a paragraph on “Hedging Activity:”

Party B [Rye LP] understands and acknowledges that Party A [the Irish Bank] may hedge its obligations hereunder by entering into a Hedge Position. Neither Party makes any representations or warranties regarding such hedging activity. Further, Party B has no right, claim or entitlement, direct or indirect, in or to any Hedge Position or any security, asset or other property related thereto. Party B acknowledges that Party A (or an affiliate of Party A) may (but is not required to) hedge the risk of Party A associated with this Transaction by investing in the Fund and Party A makes no representations or warranties regarding the level of such investment or the extent of hedging activities (if any) with respect to the Fund. Notwithstanding any other term or provisions hereof, where Party A (or an affiliate of Party A) hedges any part of the risks of Party A associated with this Transaction by investing in the Fund, the amount, form and timing of payments required to be made by Party A will be adjusted by the Calculation Agent in its reasonable discretion to reflect the amount, form and timing of payments received by Party A or its affiliate, as the case may be, from investing in the Fund. If and to the extent any such investment in the Fund is made by Party A, or any affiliate thereof, such investment will be on its own behalf only, Party B will have no interest or right, directly or indirectly, in respect of such investment (whether by way of third party beneficiary, security interest or otherwise) and Party B acknowledges that this Transaction will not create either a direct or indirect obligation of the Fund owing to Party B.

107. The Irish Bank entered into a letter agreement with Broad Market in connection

with its anticipated purchase of Broad Market shares to hedge its exposure to Rye LP under the swap. The letter agreement governed the Irish Bank's rights as a limited partner of Broad Market and included reporting obligations of Broad Market to the Irish Bank. Upon information and belief, the Irish Bank or Fortis Services on behalf of the Irish Bank purchased shares of Broad Market to hedge its exposure under the Rye LP swap in or about May or June 2007.

108. In 2006 or 2007, Fortis Risk Management had internally requested that Fortis lay off some of the Irish Bank's Madoff risk exposure to other parties. To deal with the huge Madoff exposure at Fortis that had ballooned to approximately \$1 billion, in September 2007, Fortis, upon information and belief, was in discussions with AIG for a credit default swap ("CDS") related to Fortis's Madoff exposure. In the course of doing its due diligence on Fortis and Madoff for the proposed CDS, AIG posed the question to Fortis whether Madoff trades only exchange-listed or both exchange-listed and OTC options. Once again, the lack of transparency surrounding Madoff's options trading, including the unidentified options counterparties and impossible volumes of options trading to be conducted on the CBOE, was placed squarely in front of Fortis. Although Fortis was presented with this red flag of potential Madoff fraud, Fortis did little, if anything, to inquire further. Upon information and belief, Fortis did not execute a CDS with AIG.

109. On or about January 30, 2008, Rye LP and the Irish Bank entered into a new swap that effectively amended the 2007 Rye LP swap transaction by extending the termination date of the swap to October 31, 2008 (the "2008 Rye LP Swap"). When a parallel swap transaction with Rye Portfolio (described below) is taken into consideration, the 2008 Rye LP swap also increased the "Maximum Equity Notional Amount" of the swap to \$750 million. Virtually all other terms and conditions of the 2008 Rye LP swap were identical to the 2007 Rye LP swap

terms.

110. At the same time that the Irish Bank entered into the 2008 Rye LP swap, it entered into another letter agreement with Broad Market in connection with the Irish Bank's anticipated purchase of additional Broad Market shares. Among other things, under the 2008 letter agreement Broad Market again promised to deliver to the Irish Bank monthly brokerage account statements and other documents provided to Broad Market by BLMIS.

111. Simultaneous with confirming the 2008 Rye LP swap, the Irish Bank entered into a swap with Rye Portfolio, effective February 1, 2008 (the "2008 Rye Portfolio Swap"). The reference fund for the 2008 Rye Portfolio swap was Broad Market Portfolio. The 2008 Rye Portfolio Swap had an initial \$2 million collateral payment from Rye Portfolio to the Irish Bank, with three times (3x) leverage provided by the Irish Bank resulting in an original equity notional amount of \$6 million. The termination date of the 2008 Rye Portfolio swap was January 31, 2009 and the leverage charge was one month LIBOR plus 100 basis points.

112. The 2008 Rye Portfolio swap was confirmed in a document dated January 30 2008. The "Hedging Activity" and "Claw-back Obligations" provisions in the 2008 Rye LP swap and the 2008 Rye Portfolio swap are essentially identical and the same as those included in the 2007 Rye LP swap.

113. At the same time the Irish Bank entered into the 2008 Rye Portfolio swap, it executed a letter agreement with Broad Market Portfolio, the reference fund for the 2008 Rye Portfolio swap. The terms and conditions of the Broad Market Portfolio letter agreement largely mirrored those included in the letter agreement between the Irish Bank and Broad Market in conjunction with 2008 Rye LP Swap.

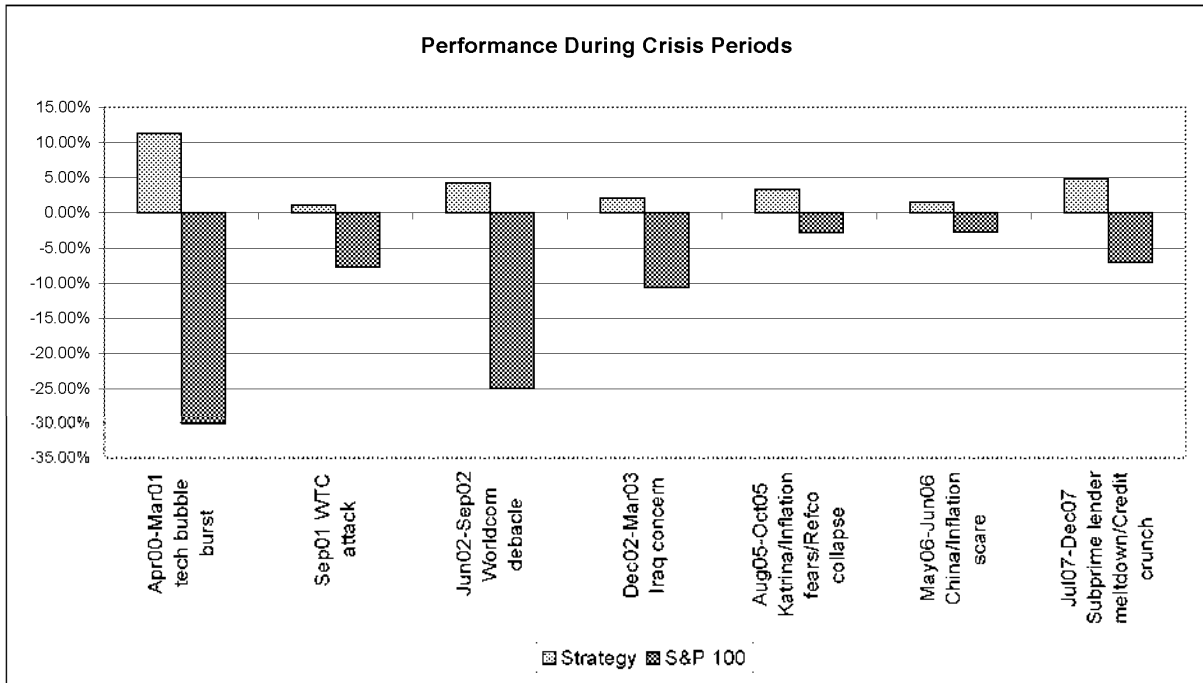
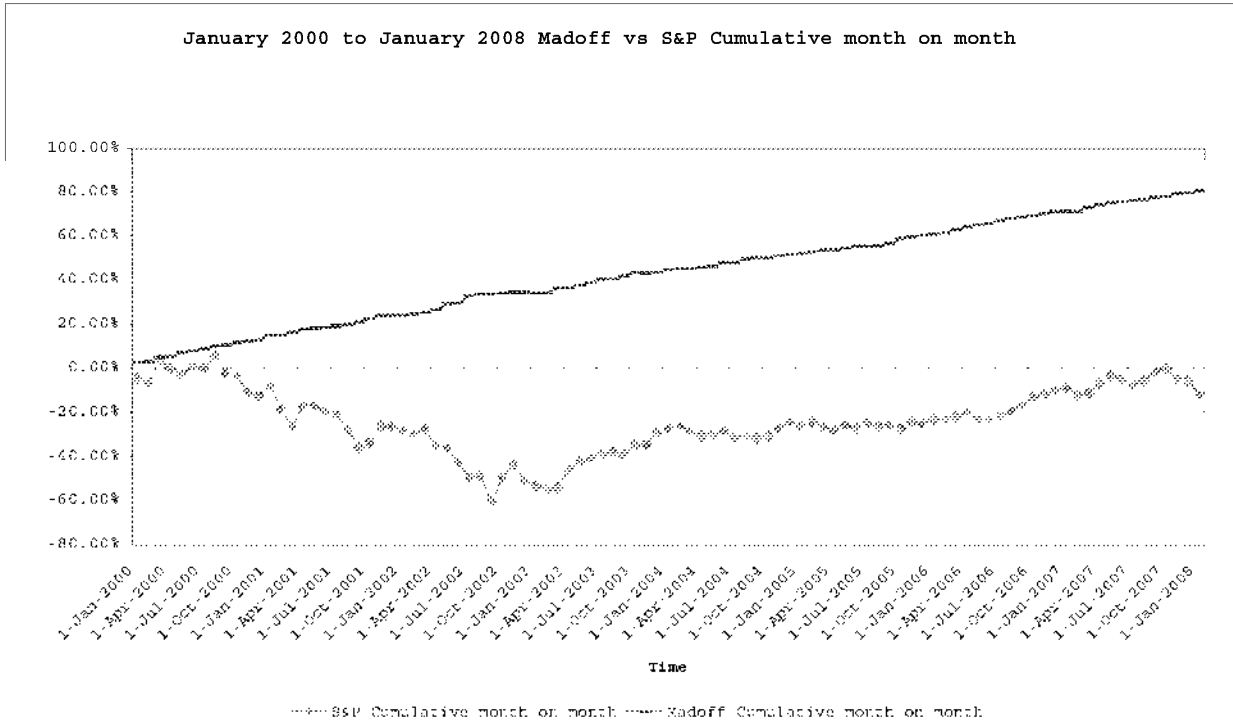
114. According to an internal Fortis document, the mechanics of the two Tremont XL

Funds swaps were as follows:

1. Each Fund provides separate cash collateral to The Irish Bank. This is held as security, and the Fund does not have access to this cash. The Fund then instructs the Irish Bank to increase the Equity Notional Value of the TRS up to a maximum of 3x the value of the cash collateral.
2. The Irish Bank then makes an investment via Fortis Custodial Ireland [Fortis Services] in the reference asset that is equal to the Equity Notional Value requested by the client. The Irish Bank is now fully hedged vs. its liability under the TRS to the Fund.
3. The Irish Bank (via Fortis Custodial Ireland) is the legal owner and receives the performance of the reference asset.
4. Each Feeder Fund pays interest on the whole equity notional value and receives interest on the Cash collateral. The same interest rates are applied to the cash and the ENV so each Feeder only pays on the net leverage amount used

115. Shortly after the 2008 Rye LP and 2008 Rye Portfolio swaps were executed, on February 28, 2008, internal Fortis documents show Fortis once again sought to increase its exposure to Madoff, principally at the request of Tremont. By virtue of the January 2007 request, a total Madoff exposure financing limit of \$1.5 billion had been approved for all Fortis clients that pursued the “Madoff strategy.” The \$1.5 billion was divided into three buckets of \$500 million each, one for 4, 3 and 2 times leverage. In February 2008, Fortis sought approval to increase the two times (2x) leverage bucket from \$500 million to \$900 million, increasing the total authorized exposure for Fortis to \$1.9 billion.

116. This February 28, 2008 internal Fortis memorandum essentially repeated the same discussion of Madoff and the risks set forth in the prior January 2007 Madoff-limit request memorandum. In addition, attached to the February 28, 2008 memorandum was a document showing Madoff’s returns and performance against the S&P.

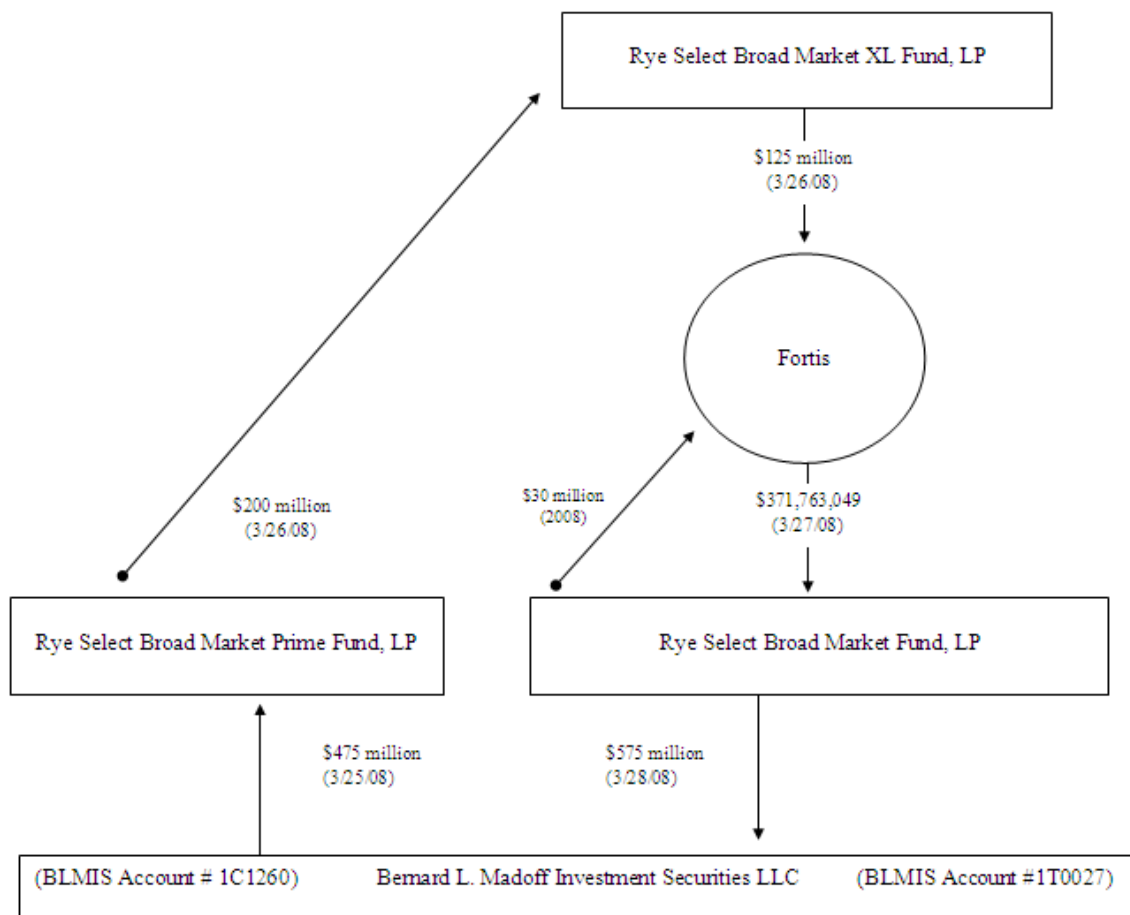


117. For example, during the burst of the dotcom “bubble” in 2000, the September 11, 2001 terrorist attack, and the recession and housing crisis of 2008, Sentry purported to produce positive returns, outperforming the S&P 100 by 20 to 40 percent in each instance where the S&P

100 suffered double-digit losses.

118. In a mid-March 2008 internal Fortis e-mail chain with the subject line “Negative advice from the funding team,” it was reported that the “funding team” had responded negatively to the requested increase in Madoff exposure for two times (2x) leveraged deals. In the same e-mail chain, it was also reported that the options traded in Madoff’s SSC Strategy are “exchange traded listed options.” Upon information and belief, Fortis knew that Madoff told interested parties that the options trades were OTC. Upon information and belief, those seeking the increase in Madoff exposure at Fortis told the funding team that the options were exchange traded because they were less risky and did not involve the same levels of counterparty risk as was true with OTC options.

119. On or about March 26, 2008, Rye LP transferred \$125 million to the Irish Bank to increase the collateral for the 2008 Rye LP swap, thereby increasing the equity notional amount to over \$225 million. In response to Rye LP’s collateral increase of 2008 Rye LP swaps, although it was not obligated to do so, upon information and belief, on March 27, 2008, the Irish Bank invested \$372 million in Broad Market, which deposited the funds the next day in its BLMIS account. Upon information and belief, the \$125 million Rye LP paid to the Irish Bank came from funds from Prime Fund which had obtained the money to make the transfer to Rye LP by withdrawing \$475 million from its BLMIS account on March 25, 2008. A diagram showing the transfers is set forth below.



120. Upon information and belief, pursuant to the 2007 and 2008 Rye LP swap agreements Rye LP transferred to the Irish Bank: (1) \$19.5 million in the second quarter of 2007; (2) \$86 million in the third quarter of 2007; (3) \$125 million in the first quarter of 2008; and (4) \$5 million in the second quarter of 2008. Upon information and belief, the source of the money Rye LP transferred to Fortis under the 2007 and 2008 Rye LP swaps originated from other Tremont entities using funds withdrawn from their BLMIS accounts.

121. Upon information and belief, to hedge its exposure under the 2007 and 2008 Rye LP swaps, the Irish Bank or Fortis Services purchased Broad Market shares. Upon information and belief, the Irish Bank or Fortis Services invested hundreds of millions of dollars in Broad Market shares in 2007 and 2008.

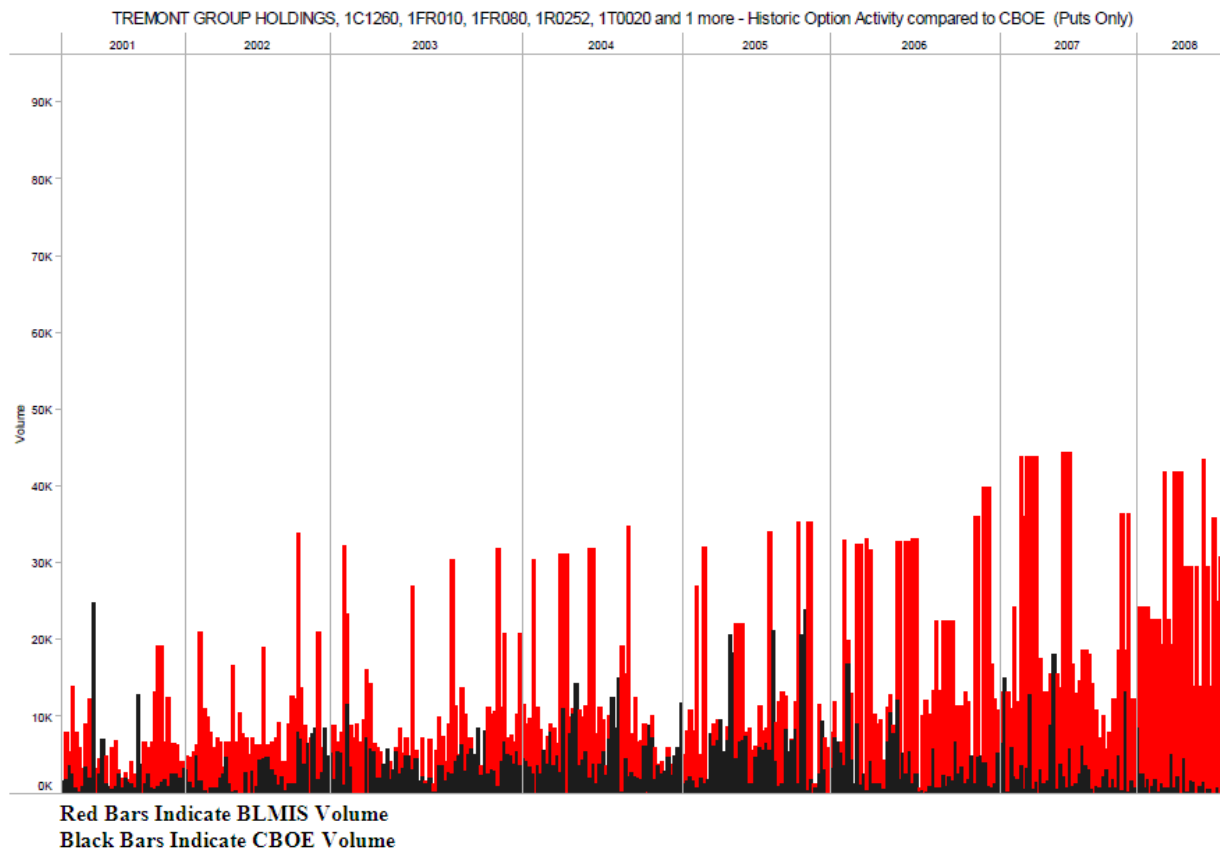
VII. FORTIS HAD OTHER KNOWLEDGE AND RED FLAG EVIDENCE OF POSSIBLE FRAUD AT BLMIS

122. As alleged, Fortis was aware of numerous red flags of possible fraud associated with Madoff, which were made specifically known to Fortis through the process of structuring these Tremont XL Funds swap transactions. Fortis received information that, either facially or upon basic, industry-standard quantitative, due diligence analysis, indicated possible fraud. Fortis, a sophisticated financial institution, should have been keenly aware of such anomalies.

123. **Options Trading Volumes:** Fortis knew or should have known that the options trading volumes reported by BLMIS were impossible if exchange-traded. To implement the SSC Strategy, BLMIS purportedly purchased OEX options, which are traded on the CBOE. If Fortis had performed minimal due diligence and checked the number of listed options in the BLMIS accounts for Tremont against the number of the same options actually traded on the CBOE, it would have been abundantly clear that Madoff's claimed trading strategy was impossible due to market volume alone.

124. The options volumes reported by BLMIS to have been traded for the Tremont accounts *alone* would have exceeded the total options available on the CBOE nearly all of the time.

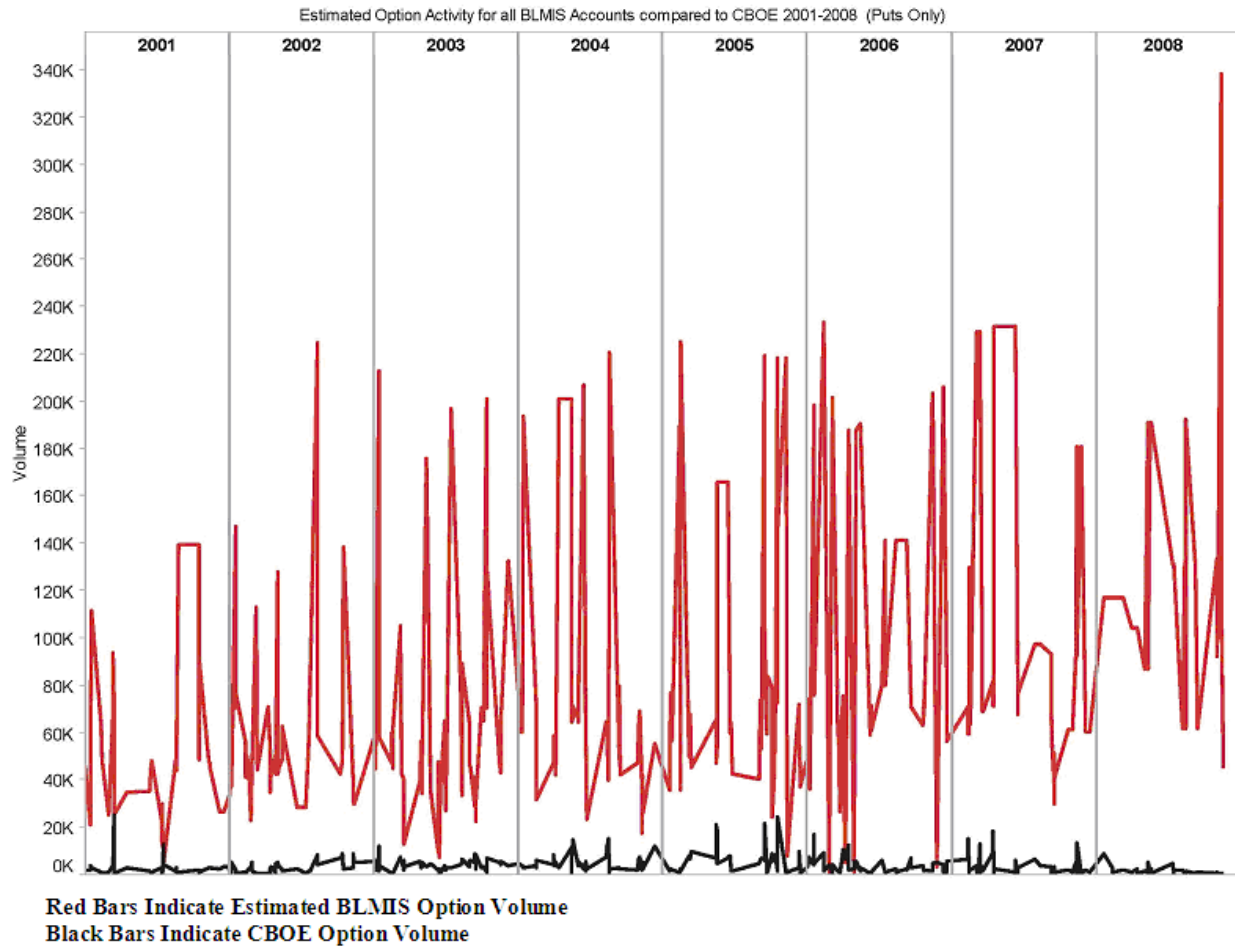
125. A graphical display of the options needed to hedge just Tremont's BLMIS investment is illuminating.



The volume of OEX put options BLMIS purported to trade on behalf of Tremont (the red line) completely dwarfs the volume of OEX put options traded on the entire CBOE (the black line).

126. Fortis knew, or should have known, that BLMIS purported to allocate trades to all BLMIS IA Business customers on a pro-rata basis, and that Tremont alone was a very significant percentage of the total IA Business (in terms of assets under management). Fortis also knew that Fairfield Sentry was another very large percentage of the BLMIS IA Business. Through an easy extrapolation, Fortis had a clear picture of BLMIS's options trading volumes for all customers based on its knowledge of Tremont's and Fairfield Sentry's trading volumes.

127. As shown below, the volumes of OEX put options BLMIS purportedly traded on behalf of all its customers (the red line) reveals there was rarely, if ever, a time when BLMIS traded fewer OEX put options than were actually traded on the CBOE (the black line).



128. As a sophisticated trader, Fortis also should have known that there is always less liquidity in OTC markets than on exchanges. Accordingly, if Madoff's reported options volumes exceeded the CBOE's capacity, there was virtually no chance that the OTC market could support the options trading volumes Madoff reported.

129. Fortis also knew or should have known that trading options in the OTC market would likely have been more expensive than trading on the CBOE. A simple review of Tremont's BLMIS account statements (or the Harley account statements) would have revealed that this alleged cost did not appear to be on the account statements. The absence of such costs, together with reported trading at impossible volumes of options in the OTC market, were clearly signs of possible fraudulent trading activity at BLMIS.

130. **Unidentified Options Counterparties:** Fortis also knew or should have known that fraud was a possibility due to the absence of any identification of Madoff's purported OTC option counterparties and the lack of any evidence in the marketplace of anyone trading options with Madoff.

131. In the OTC marketplace, where Fortis knew Madoff claimed he was trading options, each transaction requires a private contract between the two parties. Madoff refused, however, to identify the options counterparties, and the trade confirmations did not identify them. By not disclosing the alleged options counterparties, Madoff prevented his clients from dealing directly with their counterparties. However, Madoff sometimes stated that the counterparties supposedly were 8-12 large European financial institutions.

132. With the massive purported volume of BLMIS's options trades, there were only a limited number of institutions worldwide that could have satisfied Madoff's trading requirements. Upon information and belief, Fortis, operating in Europe, regularly communicated with many large European financial institutions – Madoff's alleged options trading counterparties. Despite its regular contacts with institutions that fit Madoff's options counterparty profile, upon information and belief, Fortis never asked any of these institutions if they were trading options with Madoff, and Fortis never saw any evidence of any trading by them.

133. Even if Madoff had actually transacted billions of dollars worth of OTC options trades with undisclosed European counterparties, those entities would have needed to hedge their risks by entering into other offsetting options or futures contracts. The most likely place to enter into such options contracts was the CBOE. Fortis, however, never saw any evidence of Madoff's alleged options counterparties laying off their exposure to BLMIS's customers by entering into

opposite and offsetting options contracts on the CBOE because no such trades ever occurred.

134. **No Market Impact**: Fortis also knew or should have known that Madoff's alleged trades could not be legitimately accomplished without any impact on the price of the securities bought and sold, without any market footprint, and without anyone in the industry knowing or even hearing about Madoff's alleged trading activity.

135. The SSC Strategy marketed by Madoff involved moving money into the market over the course of one or more days, and then selling off all of those securities over a similar time span. Therefore, throughout the years, tens of billions of dollars would have moved into and then out of the U.S. stock and options markets over the course of just a few days, six-to-ten times a year. Sales of tens of billions of dollars of stocks in a short period of time would have resulted in decreased prices of those stocks, cutting into the alleged profits from the sales of such stock. Further, when Madoff exited the market, he claimed to have placed his customers' assets in Treasuries or mutual funds invested in Treasuries. The movement of tens of billions of dollars in and out of the market should have materially affected the price of Treasuries. The lack of any impact on the markets by Madoff's purported trading was yet another red flag of possible fraud at BLMIS.

136. **Strip Mall Auditor**: Fortis also knew or should have known that Madoff's auditor was not legitimate and independent, nor reasonably capable of performing the required domestic and international auditing functions for Madoff. BLMIS, which had tens of billions of dollars under management, was audited not by one of the major audit firms, but by Friebling & Horowitz CPAs P.C. ("F&H"), an accounting "firm" of three employees, including a secretary and a (semi-retired) certified public accountant living in Florida. F&H's offices were located in a strip mall in suburban Rockland County, New York. The size and qualifications of F&H and

the nature of the services they provided were readily accessible to Fortis.

137. Fortis knew or should have known that all accounting firms that perform audit work must enroll in the American Institute of Certified Public Accountants' ("AICPA") peer review program. This program involves having experienced auditors assess a firm's audit quality each year. The results of these peer reviews are on public file with the AICPA. F&H never appeared on the public peer review list because Friehling had notified the AICPA he did not perform audits. F&H's absence on the list was another major red flag of possible fraud at BLMIS.

138. No experienced investment professional could have reasonably believed it possible for any firm such as F&H to have competently and independently audited an entity the size of BLMIS. Simple investigation would have confirmed F&H's inability to properly audit and certify BLMIS's accounting records.

139. Such a simple investigation is exactly what Aksia, LLC ("Aksia"), an independent hedge fund research and advisory firm, did when it sent an investigator to F&H's office. What Aksia discovered was a simple office with what appeared to be a few chairs, a reception desk, one office and a conference table. Further, F&H's neighbors told Aksia's investigator that the office did not have regular hours. Having determined that it was hardly a facility from which one would expect the auditor of a multi-billion dollar fund to operate, Aksia advised its clients against investing with BLMIS, Madoff or any of his feeder funds.

140. **Unusual Fee Structure:** Additionally, Fortis was on notice that the fee structure between Madoff and the Madoff Feeder Fund was atypical of the hedge fund industry and was a red flag of potential fraud at BLMIS. Unlike with most hedge fund managers – and for all practical purposes the BLMIS IA Business was run like a hedge fund – Madoff did not charge

investors any management or performance fees, which was standard in the hedge fund industry. Madoff purported to be satisfied with simply earning the trading commissions of 4¢ per share of stock and \$1 per option traded. By not charging the typical hedge fund management and performance fees, Madoff allowed his feeder funds to charge those fees to their investors. The Madoff Feeder Fund made hundreds of millions of dollars for essentially doing nothing more than bringing in new money to feed Madoff's Ponzi scheme.

141. Other industry professionals with less access to information on Madoff than Fortis realized that Madoff's highly unusual fee structure was a serious red flag of possible fraud. In fact, London due diligence firm Albourne Partners ("Albourne") recognized that by not charging management or performance fees for his services, Madoff left hundreds of millions of dollars of money on the table each year. Identifying this as a red flag of possible fraud, Albourne urged its clients to avoid Madoff-related funds. Fortis likewise should have been aware of this red flag of possible fraud at BLMIS.

142. **No Segregation of Assets**: Fortis also knew or should have known that accounts at BLMIS were not segregated, and therefore not subject to independent verification. Adequate segregation allows independent checks and balances throughout the trading cycle, the movement of cash and the custody process, and is a fundamental area of inquiry for those performing independent and reasonable due diligence on investment managers. The absence of such segregation was a red flag of potential fraud.

143. **Lack of Independent Verification That The Assets Existed**: Fortis knew that BLMIS functioned as investment advisor, prime broker and the "in-fact" custodian of the purported securities. This structure – unusual for the hedge-fund industry – eliminated a key check and balance in investment management by excluding an independent custodian of

securities from the process. This lack of independence over custody furthered BLMIS's lack of transparency.

144. By functioning in so many roles, BLMIS had no segregation between those who were responsible for trading and those who were responsible for recording trade activities, nor was there segregation of signing authority and authority over cash and securities transfers, deposits and withdrawals. This is a clear conflict of interest and the complete lack of segregation of duties was on its face a red flag of possible fraud identified by numerous other industry professionals who performed basic due diligence on Madoff.

145. **Improbable Returns**: As discussed, Fortis knew or should have known that BLMIS produced returns that were simply too good to be true, reflecting a pattern of abnormal profitability, both in terms of consistency and in amounts that were simply not credible. Returns this good could not be reproduced by other skilled hedge fund managers, and those managers who attempted to employ the split-strike conversion strategy purportedly used by BLMIS consistently failed even to approximate its results. Such returns would have required Madoff to perfectly time the market for over 20 years. Numerous industry professionals viewed Madoff's alleged perfect timing based on market flow as indicative of illegitimate and illegal trading activity.

146. Madoff's trading purportedly involved the purchase of a basket of 30 to 40 S&P 100 stocks, most correlated to the S&P 100 Index, the sale of out-of-the-money calls on the index and the purchase of out-of-the-money puts on the index. The sale of the calls was designed to increase the rate of return, while allowing upward movement of the stock portfolio to the strike price of the calls. The puts, funded in large part by the sale of the calls, limited the portfolio's downside. Among options traders, Madoff's alleged trading strategy was typically

known as a “split-strike conversion” strategy. The strategy, in effect, created a boundary on a stock, limiting its upside while at the same time protecting against a sharp decline in the share price. By design, Madoff’s returns should have been highly correlated to the performance of the S&P 100 Index, which it was not. Fortis had access to this data from multiple Madoff Feeder Funds.

147. For example, the Tremont Feeder Funds had the following rates of returns:

Year	Prime Fund Rate of Return	Broad Market Portfolio Rate of Return	Broad Market Rate of Return
1996			16.4%
1997	7.3%		17.7%
1998	15.9%		17.5%
1999	18.4%		18.3%
2000	14.3%		14.9%
2001	13.1%	2.4%	13.1%
2002	12.2%	12.2%	12.2%
2003	10.8%	10.5%	10.8%
2004	10.1%	9.9%	10.0%
2005	10.6%	10.5%	10.3%
2006	13.4%	13.1%	12.7%
2007	10.9%	10.9%	10.8%
2008 ⁴	9.0%	9.2%	9.5%

148. When reviewed side-by-side with returns for the S&P 100, the returns showed that Tremont was immune from any number of market catastrophes, enjoying steady rates of return at times when the rest of the market was experiencing financial crises. As shown below, Tremont and BLMIS maintained consistent and seemingly impossible positive rates of return during events that otherwise devastated the S&P 100 – the performance of which formed the core tenet of the SSC Strategy. In fact, between 1997 and 2008, Broad Market, Broad Market Portfolio, and Prime Fund, did not experience a single quarter of negative returns.

⁴ Through November 2008.

Year	Prime Fund Rate of Return	Broad Market Portfolio Rate of Return	Broad Market Rate of Return	S&P 100 Rate of Return
1996			16.4%	22.9%
1997	7.3%		17.7%	27.8%
1998	15.9%		17.5%	31.3%
1999	18.4%		18.3%	31.3%
2000	14.3%		14.9%	(13.4%)
2001	13.1%	2.4%	13.1%	(14.9%)
2002	12.2%	12.2%	12.2%	(23.9%)
2003	10.8%	10.5%	10.8%	23.8%
2004	10.1%	9.9%	10.0%	4.5%
2005	10.6%	10.5%	10.3%	(.9%)
2006	13.4%	13.1%	12.7%	15.9%
2007	10.9%	10.9%	10.8%	3.8%
2008 ⁵	9.0%	9.2%	9.5%	(36.9%)

149. Had Fortis performed any reasonable quantitative review of Madoff's purported utilization of the split-strike strategy, it would have revealed that Madoff's performance was simply impossible.

150. Additionally, BLMIS continued to generate a purported positive return on investments even during the last 14 months of BLMIS's existence. Namely, in November 2008, the S&P 100 was down yet Madoff showed positive returns. Upon information and belief, Fortis knew or should have known that these results were simply not credible.

151. **Paper Confirmations:** Fortis also blindly accepted Madoff's and the Feeder Funds' explanation for why Madoff issued paper trade confirmations mailed out days after trades purportedly occurred. It was well known in the securities industry that Madoff was purportedly a pioneer in electronic over-the-counter trading mechanisms, but in the BLMIS IA Business, Madoff provided his customers with only paper information. Madoff issued delayed paper tickets to hide the fact that he was backdating his trades (so that he could pretend that they were

⁵ Through November 2008.

always profitable). Madoff forged these phony confirmations already knowing the movements of the market.

* * *

152. Fortis failed to properly respond to these clear red flags of possible fraudulent activity at BLMIS. Additionally, the due diligence performed by Fortis both before and after its Madoff feeder fund investments was not reasonable, independent or adequate in light of the red flags concerning Madoff that Fortis had previously identified.

153. Fortis had the motive and opportunity to consciously or recklessly disregard possible fraud at BLMIS. Fortis's motivation to turn a blind eye to the numerous indicia of illegitimate trading activity and fraud included the receipt of substantial fees in relation to Madoff-related trades and services. Fortis was further motivated to disregard possible fraud at BLMIS and to enter into swaps underlying Madoff Feeder Fund, because of Madoff's high, consistent annual returns of 11-16%. In the aggregate, upon information and belief, Fortis made over \$1 billion in swap-related investments indirectly with BLMIS. Fortis knew, and was on notice of, numerous irregularities and problems concerning the trades reported by BLMIS, and strategically chose to ignore them.

154. Fortis had a unique opportunity to gain access to extensive information about the operations of BLMIS, by virtue of its relationships with various Madoff Feeder Funds. In this capacity, Fortis was an important and necessary investor to the feeder funds, which, in turn, enabled Fortis to obtain information about Madoff and his BLMIS IA Business that other investors were denied.

VIII. THE TRANSFERS

A. INITIAL TRANSFERS FROM BLMIS TO NON-PARTY FUNDS

155. Fortis Services, the Irish Bank, Rye LP and Rye Portfolio (the “Defendants”) received subsequent transfers from Madoff Feeder Funds that are not named as defendants herein, including Broad Market, Broad Market Portfolio, and Prime Fund (collectively, the “Non-Party Funds”)—each of which maintained one or more accounts with BLMIS.

156. The Trustee has filed an action against Broad Market, Broad Market Portfolio, and Prime Fund to avoid and recover the initial transfers of Customer Property. *See Picard v. Tremont Group Holdings, Inc., et al, (In re Bernard L. Madoff Inv. Sec. LLC)*, No. 10-05310 (Bankr. S.D.N.Y filed Dec. 7, 2010). The Trustee incorporates by reference the allegations contained in the Tremont Complaint as if fully rewritten herein.

157. During the six years preceding the Filing Date, BLMIS made transfers to Broad Market (account number 1T0027) of approximately \$252 million (the “Broad Market Six Year Initial Transfers”). The Broad Market Six Year Initial Transfers include approximately \$60 million that BLMIS transferred to Broad Market during the two years preceding the Filing Date (the “Broad Market Two Year Initial Transfers”). The Broad Market Six Year Initial Transfers and Broad Market Two Year Initial Transfers include approximately \$40 million that BLMIS transferred to Broad Market during the 90 days preceding the Filing Date (the “Broad Market Preference Period Initial Transfers”). The Broad Market Six Year Initial Transfers, the Broad Market Two Year Initial Transfers, and the Broad Market Preference Period Initial Transfers (collectively, the “Broad Market Initial Transfers”) are set forth more fully in Exhibits A and B.

158. During the six years preceding the Filing Date, BLMIS made transfers to Broad Market Portfolio (account number 1FR080) of approximately \$618 million (the “Broad Market Portfolio Six Year Initial Transfers”). The Broad Market Portfolio Six Year Initial Transfers

include approximately \$355 million that BLMIS transferred to Broad Market Portfolio during the two years preceding the Filing Date (the “Broad Market Portfolio Two Year Initial Transfers”). The Broad Market Portfolio Six Year Initial Transfers and Broad Market Portfolio Two Year Initial Transfers include approximately \$275 million that BLMIS transferred to Broad Market Portfolio during the 90 days preceding the Filing Date (the “Broad Market Portfolio Preference Period Initial Transfers”). The Broad Market Portfolio Six Year Initial Transfers, the Broad Market Portfolio Two Year Initial Transfers, and the Broad Market Portfolio Preference Period Initial Transfers (collectively, the “Broad Market Portfolio Initial Transfers”) are set forth more fully in Exhibits C and D.

159. During the six years preceding the Filing Date, BLMIS made transfers to Prime Fund (account number 1C1260) of approximately \$945 million (the “Prime Fund Six Year Initial Transfers”). The Prime Fund Six Year Initial Transfers include approximately \$495 million that BLMIS transferred to Prime Fund during the two years preceding the Filing Date (the “Prime Fund Two Year Initial Transfers”). The Prime Fund Six Year Initial Transfers and the Prime Fund Two Year Initial Transfers (collectively, the “Prime Fund Initial Transfers”) are set forth more fully in Exhibits E and F.

160. The Broad Market Initial Transfers, the Broad Market Portfolio Initial Transfers, and the Prime Fund Initial Transfers (collectively, the “Non-Party Initial Transfers”), were and continue to be Customer Property within the meaning of SIPA § 78III(4) and are avoidable, should be avoided, and are recoverable under sections 544, 547, 548(a), 550, and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly SIPA § 78fff-2(c)(3), and sections 273-279 of New York Debtor and Creditor Law.

B. SUBSEQUENT TRANSFERS FROM THE NON-PARTY FUNDS TO THE DEFENDANTS

161. A sizeable portion of the money transferred from BLMIS to the Non-Party Funds subsequently was transferred by the Non-Party Funds to the Defendants.

162. The Trustee has filed the Tremont Complaint against Broad Market, Broad Market Portfolio, and Prime Fund to avoid and recover the Broad Market Initial Transfers and the Broad Market Portfolio Initial Transfers pursuant to sections 544, 547, 548, 550 and 551 of the Bankruptcy Code and sections 273-279 of the New York Debtor and Creditor law.

163. A portion of the Broad Market Initial Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Broad Market Subsequent Transfers”).

164. A portion of the Broad Market Portfolio Initial Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Broad Market Portfolio Subsequent Transfers”).

165. A portion of the Prime Fund Initial Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Prime Fund Subsequent Transfers”).

166. The Broad Market Subsequent Transfers, the Broad Market Portfolio Subsequent Transfers, and the Prime Fund Subsequent Transfers (collectively, the “Non-Party Subsequent Transfers”) are recoverable from the Defendants pursuant to section 550 of the Bankruptcy Code.

C. SUBSEQUENT TRANSFERS BETWEEN THE DEFENDANTS

167. A sizeable portion of the money transferred from BLMIS to the Non-Party Funds subsequently was transferred by the Non-Party Funds to the Defendants, and subsequently among the Defendants themselves.

168. The Trustee has filed the Tremont Complaint against Broad Market, Broad Market Portfolio and Prime Fund to avoid and recover the Broad Market Initial Transfers and the Broad Market Portfolio Initial Transfers pursuant to sections 544, 547, 548, 550 and 551 of the Bankruptcy Code and sections 273-279 of the New York Debtor and Creditor law.

169. A portion of the Broad Market Subsequent Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Defendant Broad Market Subsequent Transfers”).

170. A portion of the Broad Market Portfolio Subsequent Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Defendant Broad Market Portfolio Subsequent Transfers”).

171. A portion of the Prime Fund Subsequent Transfers was subsequently transferred either directly or indirectly to, or for the benefit of, the Defendants (the “Defendant Prime Fund Subsequent Transfers”).

172. The Defendant Broad Market Subsequent Transfers, the Defendant Broad Market Portfolio Subsequent Transfers, and the Defendant Prime Fund Subsequent Transfers (collectively, the “Defendant Subsequent Transfers”) are recoverable from the Defendants pursuant to section 550 of the Bankruptcy Code.

COUNT ONE:
PREFERENTIAL TRANSFERS (SUBSEQUENT TRANSFEREE)
11 U.S.C. §§ 547(b), 550(a), AND 551

Against the Defendants

173. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

174. At the time of each of the Non-Party Initial Transfers, the Non-Party Funds were a “creditor” of BLMIS within the meaning of section 101(10) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

175. Each of the Broad Market Preference Period Initial Transfers, the Broad Market Portfolio Preference Period Initial Transfers and the Prime Fund Preference Period Initial Transfers (collectively, the “Non-Party Preference Period Initial Transfers”) constitutes a transfer of an interest of BLMIS in property within the meaning of section 101(54) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

176. Each of the Non-Party Preference Period Initial Transfers was to or for the benefit of the Non-Party Funds.

177. Each of the Non-Party Preference Period Initial Transfers was made for or on account of an antecedent debt owed by BLMIS to the Non-Party Funds before such transfer was made.

178. Each of the Non-Party Preference Period Initial Transfers was made while BLMIS was insolvent.

179. Each of the Non-Party Preference Period Initial Transfers was made during the 90-day preference period under section 547(b)(4) of the Bankruptcy Code.

180. Each of the Non-Party Preference Period Initial Transfers enabled the Non-Party Funds to receive more than they would receive if: (i) this case was a case under chapter 7 of the Bankruptcy Code; (ii) the transfers had not been made; and (iii) such transferee received payment of such debt to the extent provided by the provisions of the Bankruptcy Code.

181. Each of the Non-Party Preference Period Initial Transfers constitutes a preferential transfer avoidable by the Trustee pursuant to section 547(b) of the Bankruptcy Code.

182. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Preference Period Initial Transfers pursuant to section 547(b) of the Bankruptcy Code, and to recover the Non-Party Preference Period Initial Transfers, or the value thereof, from the Non-Party Defendants pursuant to section 550(a) of the Bankruptcy Code (the “Preference Period Subsequent Transfers”).

183. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Non-Party Preference Period Initial Transfers pursuant to section 550(a) of the Bankruptcy Code.

184. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Preference Period Subsequent Transfers by virtue of receiving some portion of the Preference Period Subsequent Transfers from other Defendants.

185. Each of the Preference Period Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

186. As a result of the foregoing, pursuant to sections 547(b), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3), the Trustee is entitled to a judgment recovering the

Preference Period Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT TWO:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREE)
11 U.S.C. §§ 548(a)(1)(A), 550(a), AND 551

Against the Defendants

187. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

188. Each of the Broad Market Two Year Initial Transfers, the Broad Market Portfolio Two Year Initial Transfers and the Prime Fund Two Year Initial Transfers (collectively, the “Non-Party Two Year Initial Transfers”) was made on or within two years before the Filing Date.

189. Each of the Non-Party Two Year Initial Transfers constituted a transfer of an interest of BLMIS in property within the meaning of sections 101(54) and 548(a) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

190. Each of the Non-Party Two Year Initial Transfers was made by BLMIS with the actual intent to hinder, delay or defraud some or all of BLMIS’ then existing or future creditors. BLMIS made the Non-Party Two Year Initial Transfers to or for the benefit of the Non-Party Funds in furtherance of a fraudulent investment scheme.

191. Each of the Non-Party Two Year Initial Transfers constitutes a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(A) of the Bankruptcy Code and recoverable from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-(2)(c)(3).

192. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Two Year Initial Transfers pursuant to section 548(a)(1)(A) of the Bankruptcy Code, and

to recover the Non-Party Two Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

193. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Non-Party Two Year Initial Transfers, or the value thereof (the “Two Year Subsequent Transfers”).

194. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Two Year Subsequent Transfers by virtue of receiving some portion of the Two Year Subsequent Transfers from other Defendants.

195. Each of the Two Year Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

196. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 550(a) and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) recovering the Two Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT THREE:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREE)
11 U.S.C. §§ 548(a)(1)(B), 550(a), AND 551

Against the Defendants

197. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

198. Each of the Non-Party Two Year Initial Transfers was made on or within two years before the Filing Date.

199. Each of the Non-Party Two Year Initial Transfers constitutes a transfer of an interest of BLMIS in property within the meaning of sections 101(54) and 548(a) of the Bankruptcy Code and pursuant to SIPA § 78fff-2(c)(3).

200. BLMIS received less than a reasonably equivalent value in exchange for each of the Non-Party Two Year Initial Transfers.

201. At the time of each of the Non-Party Two Year Initial Transfers, BLMIS was insolvent, or became insolvent as a result of each of the Non-Party Two Year Initial Transfers.

202. At the time of each of the Non-Party Two Year Initial Transfers, BLMIS was engaged in a business or a transaction, or was about to engage in a business or a transaction, for which any property remaining with BLMIS was an unreasonably small capital.

203. At the time of each of the Non-Party Two Year Initial Transfers, BLMIS intended to incur, or believed that it would incur, debts that would be beyond BLMIS's ability to pay as such debts matured.

204. Each of the Non-Party Two Year Initial Transfers constitute a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(B) of the Bankruptcy Code and recoverable from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-(2)(c)(3).

205. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Two Year Initial Transfers pursuant to section 548(a)(1)(B) of the Bankruptcy Code, and to recover the Non-Party Two Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

206. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Two Year Subsequent Transfers pursuant to section 550(a) of the Bankruptcy Code.

207. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Two Year Subsequent Transfers by virtue of receiving some portion of the Two Year Subsequent Transfers from other Defendants.

208. Each of the Two Year Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

209. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) recovering the Two Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT FOUR:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREE)
NEW YORK DEBTOR AND CREDITOR LAW §§ 276, 276-a, 278
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

Against the Defendants

210. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

211. At all times relevant to the Broad Market Six Year Initial Transfers, the Broad Market Portfolio Six Year Initial Transfers and the Prime Fund Six Year Initial Transfers (collectively, the “Non-Party Six Year Initial Transfers”), there have been one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were

and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

212. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

213. The Non-Party Six Year Initial Transfers was made by BLMIS with the actual intent to hinder, delay, or defraud the creditors of BLMIS. BLMIS made the Non-Party Six Year Initial Transfers to or for the benefit of the Non-Party Funds in furtherance of a fraudulent investment scheme.

214. Each of the Non-Party Six Year Initial Transfers were received by the Non-Party Funds with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Non-Party Six Year Initial Transfers, and/or future creditors of BLMIS.

215. Each of the Non-Party Funds received each of the Non-Party Six Year Initial Transfers with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Non-Party Six Year Initial Transfers, and/or future creditors of BLMIS.

216. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 276, 276-a, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover the Non-Party Six Year Initial Transfers, or the value thereof, and attorneys' fees from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

217. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Non-Party Initial Transfers pursuant to section 550(a) of the Bankruptcy Code (the "Six Year Subsequent Transfers").

218. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Six Year Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants.

219. Each of the Non-Party Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

220. Each of the Defendants received the Six Year Subsequent Transfers with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Six Year Subsequent Transfers, and/or future creditors of BLMIS.

221. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 276, 276-a, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers, or the value thereof, and attorneys' fees from the Defendants for the benefit of the estate.

COUNT FIVE:
FRAUDULENT TRANSFER (SUBSEQUENT TRANSFEREE)
NEW YORK DEBTOR AND CREDITOR LAW §§ 273 AND 278
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

Against the Defendants

222. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

223. At all times relevant to the Non-Party Six Year Initial Transfers, there have been one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

224. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

225. BLMIS did not receive fair consideration for the Non-Party Six Year Initial Transfers.

226. BLMIS was insolvent at the time it made each of the Non-Party Six Year Initial Transfers or, in the alternative, BLMIS became insolvent as a result of each of the Non-Party Six Year Initial Transfers.

227. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 273, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover the Non-Party Six Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

228. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Six Year Subsequent Transfers pursuant to section 550(a) of the Bankruptcy Code.

229. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Six Year Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants.

230. Each of the Six Year Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

231. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 273, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b),

550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT SIX:
FRAUDULENT TRANSFERS (SUBSEQUENT TRANSFEREE)
NEW YORK DEBTOR AND CREDITOR LAW §§ 274, 278,
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

Against the Defendants

232. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

233. At all times relevant to the Non-Party Six Year Initial Transfers, there have been one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

234. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

235. BLMIS did not receive fair consideration for the Non-Party Six Year Initial Transfers.

236. At the time BLMIS made each of the Non-Party Six Year Initial Transfers, BLMIS was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Non-Party Six Year Initial Transfers was an unreasonably small capital.

237. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 274, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover the Non-Party

Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

238. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Six Year Subsequent Transfers pursuant to section 550(a) of the Bankruptcy Code.

239. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Six Year Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants.

240. Each of the Six Year Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

241. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 274, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

COUNT SEVEN:
FRAUDULENT TRANSFERS (SUBSEQUENT TRANSFEREE)
NEW YORK DEBTOR AND CREDITOR LAW §§ 275, 278,
AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

Against the Defendants

242. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

243. At all times relevant to the Non-Party Six Year Initial Transfers, there have been one or more creditors who have held and still hold matured or unmatured unsecured claims

against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e).

244. Each of the Non-Party Six Year Initial Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

245. BLMIS did not receive fair consideration for the Non-Party Six Year Initial Transfers.

246. At the time BLMIS made each of the Non-Party Six Year Initial Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

247. The Trustee has filed a lawsuit against the Non-Party Funds to avoid the Non-Party Six Year Initial Transfers pursuant to section 544 of the Bankruptcy Code, and sections 275, 278, and/or 279 of the New York Debtor and Creditor Law, and to recover Non-Party Six Year Initial Transfers, or the value thereof, from the Non-Party Funds pursuant to section 550(a) of the Bankruptcy Code and SIPA § 78fff-2(c)(3).

248. Upon information and belief, the Defendants were immediate or mediate transferees of some portion of the Six Year Subsequent Transfers pursuant to section 550(a) of the Bankruptcy Code.

249. Upon information and belief, the Defendants were immediate or mediate transferees pursuant to section 550(a) of the Bankruptcy Code of some portion of the Six Year Subsequent Transfers by virtue of receiving some portion of the Six Year Subsequent Transfers from other Defendants.

250. Each of the Six Year Subsequent Transfers was made directly or indirectly to, or for the benefit of, the Defendants.

251. As a result of the foregoing, the Trustee is entitled to a judgment pursuant to sections 275, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate.

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in favor of the Trustee and against Fortis Servies, the Irish Bank, Rye LP and Rye Portfolio on counts one through seven as follows:

(a) On the First Claim for Relief, pursuant to sections 547(b), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3), the Trustee is entitled to a judgment recovering the Preference Period Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS;

(b) On the Second Claim for Relief, pursuant to sections 548(a)(1)(A), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Two Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(c) On the Third Claim for Relief, pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Two Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(d) On the Fourth Claim for Relief, pursuant to sections 276, 276-a, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544, 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, and attorneys' fees from the Defendants for the

benefit of the estate;

(e) On the Fifth Claim for Relief, pursuant to sections 273, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544, 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(f) On the Sixth Claim for Relief, pursuant to sections 274, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544, 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(g) On the Seventh Claim for Relief, pursuant to sections 275, 278, and/or 279 of the New York Debtor and Creditor Law, sections 544, 550(a), and 551 of the Bankruptcy Code, and SIPA § 78fff-2(c)(3) the Trustee is entitled to a judgment recovering the Six Year Subsequent Transfers, or the value thereof, from the Defendants for the benefit of the estate;

(h) Awarding the Trustee all applicable attorneys' fees, interest, costs, and disbursements of this action; and

(i) Granting the Trustee such other, further and different relief as the Court deems just, proper and equitable.

Dated: New York, New York
December 8, 2010

Of Counsel:

Deborah H. Renner
Oren J. Warshavsky
Gonzalo S. Zeballos
Timothy S. Pfeifer
Seanna R. Brown
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111

/s/ David J. Sheehan
/s/ Keith R. Murphy
/s/ Marc Skapof
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Ryan P. Farley
Mark A. Kornfeld
Keith R. Murphy
Marc Skapof

Thomas L. Long
Catherine E. Woltering
Baker & Hostetler LLP
65 East State Street, Suite 2100
Columbus, Ohio 43215
Telephone: (614) 228-1541
Facsimile: (614) 462-2616

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

INITIAL TRANSFERS - RYE SELECT BROAD MKT FUND LP C/O TREMONT PARTNERS

Account Number	Date	Description	Withdrawal Amount
1T0027	2/8/1995	CHECK WIRE	\$ 590,000.00
1T0027	10/6/1995	CHECK WIRE	\$ 1,350,000.00
1T0027	3/29/1996	CHECK WIRE	\$ 1,000,000.00
1T0027	4/29/1996	CHECK WIRE	\$ 2,200,000.00
1T0027	11/7/1996	CHECK WIRE	\$ 500,000.00
1T0027	3/31/1997	CHECK WIRE	\$ 3,000,000.00
1T0027	12/31/1997	CHECK WIRE	\$ 15,000,000.00
1T0027	3/5/1998	CHECK WIRE	\$ 1,000,000.00
1T0027	4/1/1998	CHECK WIRE	\$ 1,500,000.00
1T0027	7/8/1999	CHECK WIRE	\$ 3,000,000.00
1T0027	10/2/2000	CHECK WIRE	\$ 32,000,000.00
1T0027	11/1/2000	CHECK WIRE	\$ 20,000,000.00
1T0027	12/1/2000	CHECK WIRE	\$ 8,000,000.00
1T0027	3/30/2001	CHECK WIRE	\$ 20,000,000.00
1T0027	7/2/2001	CHECK WIRE	\$ 3,000,000.00
1T0027	1/2/2002	CHECK WIRE	\$ 20,000,000.00
1T0027	6/30/2003	CHECK WIRE	\$ 12,000,000.00
1T0027	1/2/2004	CHECK WIRE	\$ 21,000,000.00
1T0027	5/27/2004	CHECK WIRE	\$ 10,000,000.00
1T0027	12/31/2004	CHECK WIRE	\$ 36,000,000.00
1T0027	7/29/2005	CHECK WIRE	\$ 25,000,000.00
1T0027	9/29/2005	CHECK WIRE	\$ 25,000,000.00
1T0027	12/28/2005	CHECK WIRE	\$ 20,000,000.00
1T0027	1/30/2006	CHECK WIRE	\$ 28,000,000.00
1T0027	8/28/2006	CHECK WIRE	\$ 15,000,000.00
1T0027	1/30/2007	CHECK WIRE	\$ 20,000,000.00
1T0027	9/25/2008	CHECK WIRE	\$ 40,000,000.00
TOTAL:			\$ 384,140,000.00

SUMMARY SCHEDULE

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
<u>Account Number</u>	<u>Account Name</u>	<u>Preferential Transfers</u>	<u>Two Year Fictitious Profit Transfers</u>	<u>Two Year Principal Transfers</u>	<u>Six Year Fictitious Profit Transfers</u>	<u>Six Year Principal Transfers</u>	<u>Full History Fictitious Profit Transfers</u>	<u>Full History Principal Transfers</u>
1T0027	RYE SELECT BROAD MKT FUND LP C/O TREMONT PARTNERS ATTN: HARRY HODGES SUITE C300	40,000,000	-	60,000,000	-	252,000,000	-	384,140,000
Total:		\$40,000,000	-	\$60,000,000	-	\$252,000,000	-	\$384,140,000

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	10/15/2001	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 32.97
1FR080	11/19/2001	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 5.84
1FR080	12/31/2001	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.12
1FR080	1/7/2002	W/H TAX DIV WMT	\$ 375.14
1FR080	1/10/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.74
1FR080	1/25/2002	W/H TAX DIV MWD	\$ 225.15
1FR080	2/1/2002	W/H TAX DIV SBC	\$ 758.30
1FR080	2/1/2002	W/H TAX DIV PHA	\$ 152.48
1FR080	2/1/2002	W/H TAX DIV VZ	\$ 916.03
1FR080	2/11/2002	W/H TAX DIV TXN	\$ 227.56
1FR080	2/15/2002	W/H TAX DIV PG	\$ 3,045.51
1FR080	2/21/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 14.28
1FR080	2/22/2002	W/H TAX DIV C	\$ 5,119.58
1FR080	3/1/2002	W/H TAX DIV WFC	\$ 2,778.36
1FR080	3/1/2002	W/H TAX DIV INTC	\$ 863.90
1FR080	3/6/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.18
1FR080	3/7/2002	W/H TAX DIV PFE	\$ 5,131.19
1FR080	3/11/2002	W/H TAX DIV BUD	\$ 1,103.98
1FR080	3/11/2002	W/H TAX DIV XOM	\$ 9,926.34
1FR080	3/11/2002	W/H TAX DIV IBM	\$ 1,496.04
1FR080	3/12/2002	W/H TAX DIV JNJ	\$ 2,144.12
1FR080	3/14/2002	W/H TAX DIV DD	\$ 2,244.06
1FR080	3/15/2002	W/H TAX DIV AIG	\$ 441.50
1FR080	3/22/2002	W/H TAX DIV BAC	\$ 3,854.52
1FR080	3/28/2002	W/H TAX DIV HD	\$ 1,081.20
1FR080	4/1/2002	W/H TAX DIV KO	\$ 4,694.52
1FR080	4/1/2002	W/H TAX DIV ONE	\$ 1,264.54
1FR080	4/1/2002	W/H TAX DIV MRK	\$ 7,526.19
1FR080	4/1/2002	W/H TAX DIV PEP	\$ 2,347.26
1FR080	4/10/2002	W/H TAX DIV MO	\$ 11,736.30
1FR080	4/18/2002	W/H TAX DIV WMT	\$ 3,139.43
1FR080	4/23/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.94
1FR080	4/25/2002	W/H TAX DIV GE	\$ 7,337.41
1FR080	4/26/2002	W/H TAX DIV MWD	\$ 2,366.42
1FR080	4/26/2002	W/H TAX DIV MDT	\$ 651.57
1FR080	4/30/2002	W/H TAX DIV JPM	\$ 6,329.51
1FR080	5/1/2002	W/H TAX DIV BMY	\$ 5,115.43
1FR080	5/1/2002	W/H TAX DIV TYC	\$ 237.03
1FR080	5/1/2002	W/H TAX DIV T	\$ 1,244.45
1FR080	5/1/2002	W/H TAX DIV SBC	\$ 8,554.57
1FR080	5/1/2002	W/H TAX DIV PHA	\$ 1,639.04
1FR080	5/1/2002	W/H TAX DIV VZ	\$ 9,883.34
1FR080	5/10/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.82
1FR080	5/15/2002	W/H TAX DIV PG	\$ 2,437.78
1FR080	5/24/2002	W/H TAX DIV C	\$ 5,313.44
1FR080	6/3/2002	W/H TAX DIV INTC	\$ 753.62
1FR080	6/3/2002	W/H TAX DIV WFC	\$ 5,493.60
1FR080	6/6/2002	W/H TAX DIV PFE	\$ 9,566.23
1FR080	6/10/2002	W/H TAX DIV XOM	\$ 18,276.03
1FR080	6/10/2002	W/H TAX DIV BUD	\$ 1,348.00
1FR080	6/10/2002	W/H TAX DIV IBM	\$ 3,056.58
1FR080	6/11/2002	W/H TAX DIV JNJ	\$ 2,624.15
1FR080	6/12/2002	W/H TAX DIV DD	\$ 3,044.16
1FR080	6/25/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.12

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	7/10/2002	W/H TAX DIV MO	\$ 2,351.09
1FR080	7/15/2002	W/H TAX DIV USB	\$ 757.52
1FR080	7/19/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.68
1FR080	7/25/2002	W/H TAX DIV GE	\$ 3,617.84
1FR080	7/26/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.73
1FR080	7/26/2002	W/H TAX DIV MWD	\$ 505.01
1FR080	7/26/2002	W/H TAX DIV MDT	\$ 147.79
1FR080	7/31/2002	W/H TAX DIV JPM	\$ 1,378.22
1FR080	8/1/2002	W/H TAX DIV VZ	\$ 2,080.85
1FR080	8/1/2002	W/H TAX DIV PHA	\$ 342.02
1FR080	8/1/2002	W/H TAX DIV T	\$ 285.02
1FR080	8/1/2002	W/H TAX DIV BMY	\$ 1,087.72
1FR080	8/1/2002	W/H TAX DIV SBC	\$ 1,778.52
1FR080	8/9/2002	W/H TAX DIV AXP	\$ 202.68
1FR080	8/19/2002	W/H TAX DIV MON	\$ 3.19
1FR080	8/19/2002	W/H TAX DIV TXN	\$ 624.62
1FR080	8/23/2002	W/H TAX DIV C	\$ 16,278.89
1FR080	8/26/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.01
1FR080	9/3/2002	W/H TAX DIV WFC	\$ 8,230.32
1FR080	9/3/2002	W/H TAX DIV INTC	\$ 2,289.56
1FR080	9/5/2002	W/H TAX DIV PFE	\$ 14,018.47
1FR080	9/5/2002	W/H TAX DIV G	\$ 2,865.92
1FR080	9/6/2002	W/H TAX DIV BA	\$ 2,407.46
1FR080	9/9/2002	W/H TAX DIV BUD	\$ 2,865.92
1FR080	9/10/2002	W/H TAX DIV JNJ	\$ 3,421.61
1FR080	9/10/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 13.58
1FR080	9/10/2002	W/H TAX DIV XOM	\$ 26,489.58
1FR080	9/10/2002	W/H TAX DIV IBM	\$ 4,328.78
1FR080	9/12/2002	W/H TAX DIV DD	\$ 5,849.55
1FR080	10/1/2002	CHECK WIRE	\$ 10,000,000.00
1FR080	10/17/2002	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 45.26
1FR080	11/15/2002	W/H TAX DIV PG	\$ 3,388.90
1FR080	11/15/2002	W/H TAX DIV CL	\$ 976.86
1FR080	11/18/2002	W/H TAX DIV TXN	\$ 346.74
1FR080	11/22/2002	W/H TAX DIV C	\$ 8,642.21
1FR080	11/25/2002	W/H TAX DIV GS	\$ 542.70
1FR080	11/27/2002	W/H TAX DIV MER	\$ 1,352.74
1FR080	1/6/2003	W/H TAX DIV IBM	\$ 2,447.55
1FR080	1/6/2003	W/H TAX DIV XOM	\$ 14,970.24
1FR080	1/6/2003	W/H TAX DIV JNJ	\$ 1,584.98
1FR080	1/6/2003	W/H TAX DIV DD	\$ 2,403.35
1FR080	1/6/2003	W/H TAX DIV INTC	\$ 1,291.39
1FR080	1/6/2003	W/H TAX DIV WFC	\$ 4,636.55
1FR080	1/6/2003	W/H TAX DIV PFE	\$ 5,510.23
1FR080	1/6/2003	W/H TAX DIV BA	\$ 982.57
1FR080	1/6/2003	W/H TAX DIV BUD	\$ 1,641.63
1FR080	1/6/2003	W/H TAX DIV UTX	\$ 786.74
1FR080	1/6/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.55
1FR080	1/6/2003	W/H TAX DIV HCA	\$ 108.54
1FR080	1/6/2003	W/H TAX DIV G	\$ 1,661.99
1FR080	1/10/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.94
1FR080	1/31/2003	W/H TAX DIV MWD	\$ 2,103.95
1FR080	2/3/2003	W/H TAX DIV SBC	\$ 7,616.11
1FR080	2/3/2003	W/H TAX DIV VZ	\$ 8,951.83

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	2/3/2003	W/H TAX DIV PHA	\$ 2,630.31
1FR080	2/10/2003	W/H TAX DIV TXN	\$ 553.83
1FR080	2/14/2003	W/H TAX DIV CL	\$ 1,503.04
1FR080	2/14/2003	W/H TAX DIV PFE	\$ 13,973.04
1FR080	2/14/2003	W/H TAX DIV PG	\$ 7,988.36
1FR080	2/27/2003	W/H TAX DIV GS	\$ 835.02
1FR080	2/28/2003	W/H TAX DIV C	\$ 15,663.54
1FR080	2/28/2003	W/H TAX DIV MER	\$ 2,065.25
1FR080	3/3/2003	W/H TAX DIV INTC	\$ 2,016.64
1FR080	3/3/2003	W/H TAX DIV WFC	\$ 7,717.59
1FR080	3/5/2003	W/H 1/31/03G	\$ 2,597.30
1FR080	3/7/2003	W/H TAX DIV BA	\$ 2,129.30
1FR080	3/7/2003	W/H TAX DIV MSFT	\$ 10,157.57
1FR080	3/10/2003	W/H TAX DIV UTX	\$ 1,704.83
1FR080	3/10/2003	W/H TAX DIV BUD	\$ 2,442.44
1FR080	3/10/2003	W/H TAX DIV XOM	\$ 23,434.47
1FR080	3/10/2003	W/H TAX DIV IBM	\$ 3,814.56
1FR080	3/11/2003	W/H TAX DIV JNJ	\$ 9,189.45
1FR080	3/12/2003	W/H TAX DIV MMM	\$ 2,865.85
1FR080	3/14/2003	W/H TAX DIV DD	\$ 5,358.05
1FR080	3/17/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 44.30
1FR080	4/7/2003	W/H TAX DIV WMT	\$ 6,904.52
1FR080	4/9/2003	W/H TAX DIV HPQ	\$ 4,353.91
1FR080	4/15/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 40.42
1FR080	5/9/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.33
1FR080	5/19/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.08
1FR080	5/28/2003	W/H TAX DIV MER	\$ 1,700.35
1FR080	5/30/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.67
1FR080	6/2/2003	W/H TAX DIV WFC	\$ 6,376.32
1FR080	6/2/2003	W/H TAX DIV INTC	\$ 920.16
1FR080	6/5/2003	W/H TAX DIV PFE	\$ 15,266.57
1FR080	6/9/2003	W/H TAX DIV BUD	\$ 2,072.30
1FR080	6/10/2003	W/H TAX DIV XOM	\$ 21,389.85
1FR080	6/10/2003	W/H TAX DIV JNJ	\$ 9,068.54
1FR080	6/10/2003	W/H TAX DIV UTX	\$ 1,594.08
1FR080	6/10/2003	W/H TAX DIV IBM	\$ 3,400.70
1FR080	6/12/2003	W/H TAX DIV DD	\$ 4,546.08
1FR080	6/12/2003	W/H TAX DIV MMM	\$ 3,117.31
1FR080	6/20/2003	W/H TAX DIV AIG	\$ 1,913.67
1FR080	6/25/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 5.15
1FR080	6/26/2003	W/H TAX DIV HD	\$ 2,185.99
1FR080	6/27/2003	W/H TAX DIV BAC	\$ 14,935.68
1FR080	6/30/2003	W/H TAX DIV PEP	\$ 4,319.52
1FR080	7/1/2003	W/H TAX DIV ALL	\$ 2,172.67
1FR080	7/1/2003	W/H TAX DIV KO	\$ 8,589.17
1FR080	7/1/2003	W/H TAX DIV ONE	\$ 3,870.47
1FR080	7/1/2003	W/H TAX DIV MRK	\$ 12,513.10
1FR080	7/3/2003	W/H TAX DIV SLB	\$ 1,328.40
1FR080	7/7/2003	W/H TAX DIV WMT	\$ 2,896.21
1FR080	7/8/2003	W/H TAX DIV MO	\$ 20,722.18
1FR080	7/9/2003	W/H TAX DIV HPQ	\$ 3,828.38
1FR080	7/10/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.94
1FR080	7/21/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.85
1FR080	7/31/2003	W/H TAX DIV MWD	\$ 3,845.23

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	8/1/2003	W/H TAX DIV VZ	\$ 16,091.46
1FR080	8/1/2003	W/H TAX DIV SBC	\$ 19,184.36
1FR080	8/15/2003	W/H TAX DIV CL	\$ 2,006.21
1FR080	8/15/2003	W/H TAX DIV PG	\$ 8,874.68
1FR080	8/18/2003	W/H TAX DIV TXN	\$ 553.82
1FR080	8/22/2003	W/H TAX DIV C	\$ 27,467.16
1FR080	8/27/2003	W/H TAX DIV MER	\$ 2,229.12
1FR080	8/28/2003	W/H TAX DIV GS	\$ 1,741.50
1FR080	9/2/2003	W/H TAX DIV WFC	\$ 11,284.92
1FR080	9/2/2003	W/H TAX DIV INTC	\$ 1,986.10
1FR080	9/4/2003	W/H TAX DIV PFE	\$ 11,073.42
1FR080	9/5/2003	W/H TAX DIV G	\$ 2,490.35
1FR080	9/5/2003	W/H TAX DIV BA	\$ 1,321.61
1FR080	9/5/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.47
1FR080	9/9/2003	W/H TAX DIV BUD	\$ 2,758.54
1FR080	9/10/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.19
1FR080	9/10/2003	W/H TAX DIV XOM	\$ 25,341.45
1FR080	9/10/2003	W/H TAX DIV IBM	\$ 4,235.33
1FR080	9/12/2003	W/H TAX DIV DD	\$ 3,325.67
1FR080	9/19/2003	W/H TAX DIV AIG	\$ 911.02
1FR080	9/23/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 6.74
1FR080	9/26/2003	W/H TAX DIV BAC	\$ 6,572.88
1FR080	9/30/2003	W/H TAX DIV PEP	\$ 3,558.62
1FR080	10/1/2003	W/H TAX DIV KO	\$ 7,059.69
1FR080	10/1/2003	W/H TAX DIV ONE	\$ 3,804.45
1FR080	10/1/2003	W/H TAX DIV MRK	\$ 4,470.53
1FR080	10/1/2003	W/H TAX DIV VIA.B	\$ 984.73
1FR080	10/8/2003	W/H TAX DIV HPQ	\$ 3,184.03
1FR080	10/9/2003	W/H TAX DIV MO	\$ 18,308.18
1FR080	10/14/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.48
1FR080	10/31/2003	W/H TAX DIV MWD	\$ 2,960.93
1FR080	11/3/2003	W/H TAX DIV VZ	\$ 12,803.87
1FR080	11/3/2003	W/H TAX DIV SBC	\$ 11,213.44
1FR080	11/3/2003	W/H TAX DIV SBC	\$ 3,969.36
1FR080	11/7/2003	W/H TAX DIV MSFT	\$ 32,151.26
1FR080	11/14/2003	W/H TAX DIV PG	\$ 10,825.95
1FR080	11/17/2003	W/H TAX DIV TXN	\$ 693.35
1FR080	11/24/2003	W/H TAX DIV GS	\$ 2,076.00
1FR080	11/25/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.36
1FR080	11/26/2003	W/H TAX DIV C	\$ 33,528.50
1FR080	11/26/2003	W/H TAX DIV MER	\$ 2,828.93
1FR080	12/1/2003	W/H TAX DIV MCD	\$ 9,300.48
1FR080	12/1/2003	W/H TAX DIV WFC	\$ 14,199.84
1FR080	12/1/2003	W/H TAX DIV INTC	\$ 2,466.31
1FR080	12/4/2003	W/H TAX DIV PFE	\$ 21,593.84
1FR080	12/5/2003	W/H TAX DIV G	\$ 2,968.68
1FR080	12/9/2003	W/H TAX DIV JNJ	\$ 13,153.54
1FR080	12/9/2003	W/H TAX DIV BUD	\$ 3,288.38
1FR080	12/10/2003	W/H TAX DIV XOM	\$ 30,860.33
1FR080	12/10/2003	W/H TAX DIV IBM	\$ 5,048.83
1FR080	12/10/2003	W/H TAX DIV UTX	\$ 2,906.40
1FR080	12/12/2003	W/H TAX DIV MMM	\$ 2,620.73
1FR080	12/15/2003	W/H TAX DIV DD	\$ 6,394.08
1FR080	12/16/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.60

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	12/31/2003	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.42
1FR080	1/2/2004	W/H TAX DIV ONE	\$ 1,107.90
1FR080	1/2/2004	W/H TAX DIV PEP	\$ 1,122.67
1FR080	1/5/2004	W/H TAX DIV WMT	\$ 1,595.38
1FR080	1/6/2004	W/H TAX DIV DIS	\$ 1,783.72
1FR080	1/7/2004	W/H TAX DIV HPQ	\$ 1,004.50
1FR080	1/8/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.25
1FR080	1/9/2004	W/H TAX DIV MO	\$ 5,775.85
1FR080	1/15/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.78
1FR080	1/30/2004	W/H TAX DIV MWD	\$ 1,879.20
1FR080	2/2/2004	W/H TAX DIV VZ	\$ 7,476.08
1FR080	2/2/2004	W/H TAX DIV SBC	\$ 7,242.75
1FR080	2/17/2004	W/H TAX DIV PG	\$ 11,898.02
1FR080	2/26/2004	W/H TAX DIV GS	\$ 2,179.13
1FR080	2/27/2004	W/H TAX DIV MER	\$ 3,068.21
1FR080	2/27/2004	W/H TAX DIV C	\$ 40,444.56
1FR080	3/1/2004	W/H TAX DIV WFC	\$ 14,905.22
1FR080	3/1/2004	W/H TAX DIV INTC	\$ 5,069.77
1FR080	3/5/2004	W/H TAX DIV G	\$ 3,116.15
1FR080	3/5/2004	W/H TAX DIV PFE	\$ 25,278.51
1FR080	3/5/2004	W/H TAX DIV BA	\$ 2,667.25
1FR080	3/9/2004	W/H TAX DIV JNJ	\$ 13,951.01
1FR080	3/9/2004	W/H TAX DIV BUD	\$ 3,451.73
1FR080	3/10/2004	W/H TAX DIV UTX	\$ 1,922.03
1FR080	3/10/2004	W/H TAX DIV IBM	\$ 5,299.63
1FR080	3/10/2004	W/H TAX DIV XOM	\$ 32,380.20
1FR080	3/12/2004	W/H TAX DIV MMM	\$ 3,558.49
1FR080	3/15/2004	W/H TAX DIV DD	\$ 6,711.71
1FR080	3/22/2004	CHECK WIRE	\$ 13,000,000.00
1FR080	4/6/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 60.11
1FR080	4/8/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.05
1FR080	4/30/2004	W/H TAX DIV MWD	\$ 4,294.80
1FR080	4/30/2004	W/H TAX DIV JPM	\$ 3,298.48
1FR080	5/3/2004	W/H TAX DIV VZ	\$ 16,534.98
1FR080	5/3/2004	W/H TAX DIV SBC	\$ 16,268.63
1FR080	5/14/2004	W/H TAX DIV PG	\$ 12,646.20
1FR080	5/17/2004	W/H TAX DIV TXN	\$ 737.39
1FR080	5/26/2004	W/H TAX DIV MER	\$ 3,179.62
1FR080	5/27/2004	W/H TAX DIV GS	\$ 2,258.25
1FR080	5/28/2004	W/H TAX DIV C	\$ 41,190.48
1FR080	6/1/2004	W/H TAX DIV INTC	\$ 5,145.74
1FR080	6/1/2004	W/H TAX DIV WFC	\$ 15,446.43
1FR080	6/4/2004	W/H TAX DIV G	\$ 3,229.30
1FR080	6/4/2004	W/H TAX DIV PFE	\$ 25,726.54
1FR080	6/7/2004	W/H TAX DIV WMT	\$ 7,585.38
1FR080	6/7/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.73
1FR080	6/8/2004	W/H TAX DIV JNJ	\$ 16,870.86
1FR080	6/9/2004	W/H TAX DIV BUD	\$ 3,577.07
1FR080	6/10/2004	W/H TAX DIV UTX	\$ 2,579.85
1FR080	6/10/2004	W/H TAX DIV XOM	\$ 35,120.30
1FR080	6/10/2004	W/H TAX DIV IBM	\$ 6,178.57
1FR080	6/11/2004	W/H TAX DIV BA	\$ 2,211.30
1FR080	6/14/2004	W/H TAX DIV DD	\$ 6,955.41
1FR080	6/14/2004	W/H TAX DIV MMM	\$ 3,980.34

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	6/18/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.86
1FR080	6/24/2004	W/H TAX DIV HD	\$ 4,044.30
1FR080	6/30/2004	W/H TAX DIV PEP	\$ 8,316.98
1FR080	7/1/2004	W/H TAX DIV KO	\$ 12,846.60
1FR080	7/7/2004	W/H TAX DIV HPQ	\$ 5,176.70
1FR080	7/9/2004	W/H TAX DIV MO	\$ 29,313.17
1FR080	7/26/2004	W/H TAX DIV GE	\$ 4,751.82
1FR080	8/18/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 73.98
1FR080	8/23/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.54
1FR080	9/7/2004	W/H TAX DIV WMT	\$ 10,374.62
1FR080	9/10/2004	W/H TAX DIV UTX	\$ 3,491.46
1FR080	9/13/2004	W/H TAX DIV MMM	\$ 5,386.82
1FR080	9/14/2004	W/H TAX DIV MSFT	\$ 21,761.78
1FR080	9/16/2004	W/H TAX DIV HD	\$ 4,839.26
1FR080	9/17/2004	W/H TAX DIV AIG	\$ 4,953.13
1FR080	9/24/2004	W/H TAX DIV BAC	\$ 47,140.11
1FR080	9/30/2004	W/H TAX DIV PEP	\$ 9,951.80
1FR080	10/1/2004	W/H TAX DIV KO	\$ 15,371.78
1FR080	10/1/2004	W/H TAX DIV VIA.B	\$ 2,671.34
1FR080	10/1/2004	W/H TAX DIV MRK	\$ 21,634.35
1FR080	10/6/2004	W/H TAX DIV HPQ	\$ 6,194.26
1FR080	10/12/2004	W/H TAX DIV MO	\$ 38,235.87
1FR080	11/3/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 84.74
1FR080	11/4/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.14
1FR080	11/9/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.00
1FR080	11/24/2004	W/H TAX DIV MER	\$ 1,995.84
1FR080	12/1/2004	W/H TAX DIV INTC	\$ 3,285.30
1FR080	12/1/2004	W/H TAX DIV WFC	\$ 10,342.08
1FR080	12/3/2004	W/H TAX DIV BA	\$ 3,336.12
1FR080	12/3/2004	W/H TAX DIV PFE	\$ 26,607.52
1FR080	12/7/2004	W/H TAX DIV JNJ	\$ 6,711.24
1FR080	12/10/2004	W/H TAX DIV IBM	\$ 6,338.63
1FR080	12/10/2004	W/H TAX DIV XOM	\$ 36,530.51
1FR080	12/13/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 57.42
1FR080	12/14/2004	W/H TAX DIV DD	\$ 7,135.59
1FR080	12/16/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.29
1FR080	12/31/2004	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 8.93
1FR080	1/3/2005	W/H TAX DIV WMT	\$ 3,609.22
1FR080	2/14/2005	W/H TAX DIV TXN	\$ 1,162.52
1FR080	2/24/2005	W/H TAX DIV GS	\$ 484.50
1FR080	2/25/2005	W/H TAX DIV C	\$ 61,380.79
1FR080	2/28/2005	W/H TAX DIV MER	\$ 3,915.84
1FR080	3/1/2005	W/H TAX DIV INTC	\$ 13,656.29
1FR080	3/1/2005	W/H TAX DIV WFC	\$ 22,320.29
1FR080	3/4/2005	W/H TAX DIV G	\$ 4,374.73
1FR080	3/4/2005	W/H TAX DIV BA	\$ 5,506.65
1FR080	3/7/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 81.46
1FR080	3/8/2005	W/H TAX DIV PFE	\$ 38,595.50
1FR080	3/8/2005	W/H TAX DIV JNJ	\$ 22,842.69
1FR080	3/9/2005	W/H TAX DIV BUD	\$ 5,396.52
1FR080	3/10/2005	W/H TAX DIV IBM	\$ 7,929.58
1FR080	3/10/2005	W/H TAX DIV UTX	\$ 6,461.14
1FR080	3/10/2005	W/H TAX DIV MSFT	\$ 23,396.83
1FR080	3/10/2005	W/H TAX DIV XOM	\$ 46,916.66

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/14/2005	W/H TAX DIV MMM	\$ 9,251.17
1FR080	3/14/2005	W/H TAX DIV DD	\$ 9,422.49
1FR080	3/18/2005	W/H TAX DIV AIG	\$ 8,871.83
1FR080	3/24/2005	W/H TAX DIV HD	\$ 5,873.76
1FR080	3/28/2005	W/H TAX DIV BAC	\$ 49,007.43
1FR080	3/31/2005	W/H TAX DIV PEP	\$ 10,695.14
1FR080	4/1/2005	W/H TAX DIV MRK	\$ 22,320.29
1FR080	4/1/2005	W/H TAX DIV KO	\$ 14,431.87
1FR080	4/1/2005	W/H TAX DIV VIA.B	\$ 3,255.04
1FR080	4/7/2005	W/H TAX DIV HPQ	\$ 3,225.41
1FR080	4/11/2005	W/H TAX DIV MO	\$ 32,051.75
1FR080	4/13/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 38.55
1FR080	4/25/2005	W/H TAX DIV GE	\$ 62,590.84
1FR080	5/23/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 45.47
1FR080	6/6/2005	W/H TAX DIV WMT	\$ 4,042.62
1FR080	6/10/2005	W/H TAX DIV UTX	\$ 1,922.98
1FR080	6/13/2005	W/H TAX DIV MMM	\$ 2,753.35
1FR080	6/17/2005	W/H TAX DIV AIG	\$ 6,709.88
1FR080	6/20/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 32.61
1FR080	6/23/2005	W/H TAX DIV HD	\$ 4,494.78
1FR080	6/24/2005	W/H TAX DIV BAC	\$ 37,482.75
1FR080	6/30/2005	W/H TAX DIV PEP	\$ 9,143.94
1FR080	7/1/2005	W/H TAX DIV MRK	\$ 16,881.12
1FR080	7/1/2005	W/H TAX DIV VIA.B	\$ 2,461.83
1FR080	7/1/2005	W/H TAX DIV ALL	\$ 4,546.94
1FR080	7/1/2005	W/H TAX DIV KO	\$ 12,957.00
1FR080	7/6/2005	W/H TAX DIV HPQ	\$ 4,838.74
1FR080	7/8/2005	W/H TAX DIV SLB	\$ 2,720.97
1FR080	7/11/2005	W/H TAX DIV MO	\$ 31,078.29
1FR080	7/25/2005	W/H TAX DIV GE	\$ 47,920.22
1FR080	7/29/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 83.41
1FR080	7/29/2005	CHECK WIRE	\$ 30,000,000.00
1FR080	9/8/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 46.33
1FR080	9/12/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.46
1FR080	9/30/2005	W/H TAX DIV S	\$ 1,037.03
1FR080	9/30/2005	W/H TAX DIV PEP	\$ 6,209.58
1FR080	10/3/2005	W/H TAX DIV KO	\$ 17,443.27
1FR080	10/5/2005	W/H TAX DIV HPQ	\$ 6,322.78
1FR080	10/11/2005	W/H TAX DIV MO	\$ 44,976.96
1FR080	10/12/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 116.30
1FR080	10/13/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.41
1FR080	10/14/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.01
1FR080	10/19/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.15
1FR080	10/25/2005	W/H TAX DIV GE	\$ 46,775.92
1FR080	10/31/2005	W/H TAX DIV MWD	\$ 5,524.85
1FR080	11/4/2005	CHECK WIRE	\$ 50,000,000.00
1FR080	11/15/2005	W/H TAX DIV PG	\$ 27,898.42
1FR080	11/15/2005	W/H TAX DIV ABT	\$ 8,440.74
1FR080	11/17/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 42.91
1FR080	11/21/2005	W/H TAX DIV GS	\$ 3,193.50
1FR080	11/21/2005	W/H TAX DIV TXN	\$ 1,432.60
1FR080	11/23/2005	W/H TAX DIV MER	\$ 5,109.60
1FR080	11/23/2005	W/H TAX DIV C	\$ 65,198.50
1FR080	11/30/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.07

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	12/1/2005	W/H TAX DIV WFC	\$ 25,241.42
1FR080	12/1/2005	W/H TAX DIV INTC	\$ 13,971.50
1FR080	12/2/2005	W/H TAX DIV BA	\$ 5,748.30
1FR080	12/6/2005	W/H TAX DIV PFE	\$ 40,613.18
1FR080	12/8/2005	W/H TAX DIV MSFT	\$ 18,009.79
1FR080	12/9/2005	W/H TAX DIV XOM	\$ 52,788.03
1FR080	12/12/2005	W/H TAX DIV CVX	\$ 25,106.22
1FR080	12/12/2005	W/H TAX DIV MMM	\$ 8,208.65
1FR080	12/12/2005	W/H TAX DIV UTX	\$ 5,574.10
1FR080	12/12/2005	W/H TAX DIV IBM	\$ 9,197.28
1FR080	12/13/2005	W/H TAX DIV JNJ	\$ 24,286.48
1FR080	12/15/2005	W/H TAX DIV HD	\$ 5,211.81
1FR080	12/15/2005	W/H TAX DIV TWX	\$ 5,718.59
1FR080	12/15/2005	W/H TAX DIV KO	\$ 14,051.77
1FR080	12/16/2005	W/H TAX DIV AIG	\$ 9,446.40
1FR080	12/16/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.23
1FR080	12/22/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.55
1FR080	12/23/2005	W/H TAX DIV BAC	\$ 48,860.55
1FR080	12/28/2005	CHECK WIRE	\$ 15,000,000.00
1FR080	12/30/2005	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.33
1FR080	12/30/2005	W/H TAX DIV S	\$ 1,791.56
1FR080	1/3/2006	W/H TAX DIV MRK	\$ 20,630.01
1FR080	1/3/2006	W/H TAX DIV VIA.B	\$ 2,736.20
1FR080	1/3/2006	W/H TAX DIV WMT	\$ 6,019.65
1FR080	1/3/2006	W/H TAX DIV PEP	\$ 10,727.65
1FR080	1/4/2006	W/H TAX DIV HPQ	\$ 5,621.64
1FR080	1/6/2006	W/H TAX DIV DIS	\$ 13,485.53
1FR080	1/13/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 19.02
1FR080	1/31/2006	W/H TAX DIV MS	\$ 7,047.97
1FR080	1/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 21.27
1FR080	2/1/2006	W/H TAX DIV T	\$ 7,323.25
1FR080	2/1/2006	CHECK WIRE	\$ 6,000,000.00
1FR080	2/1/2006	W/H TAX DIV VZ	\$ 6,371.46
1FR080	2/13/2006	W/H TAX DIV TXN	\$ 1,150.97
1FR080	2/15/2006	W/H TAX DIV PG	\$ 22,536.11
1FR080	2/15/2006	W/H TAX DIV ABT	\$ 10,169.53
1FR080	2/21/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 31.03
1FR080	2/23/2006	W/H TAX DIV GS	\$ 2,719.13
1FR080	2/24/2006	W/H TAX DIV C	\$ 59,046.23
1FR080	2/28/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.37
1FR080	2/28/2006	W/H TAX DIV MER	\$ 5,438.25
1FR080	2/28/2006	CHECK WIRE	\$ 40,000,000.00
1FR080	3/1/2006	W/H TAX DIV INTC	\$ 14,311.65
1FR080	3/1/2006	W/H TAX DIV WFC	\$ 20,360.81
1FR080	3/3/2006	W/H TAX DIV BA	\$ 5,873.31
1FR080	3/7/2006	W/H TAX DIV UPS	\$ 9,919.37
1FR080	3/7/2006	W/H TAX DIV PFE	\$ 42,179.04
1FR080	3/9/2006	W/H TAX DIV MSFT	\$ 19,726.28
1FR080	3/10/2006	W/H TAX DIV IBM	\$ 7,481.40
1FR080	3/10/2006	W/H TAX DIV XOM	\$ 47,218.37
1FR080	3/10/2006	W/H TAX DIV TGT	\$ 2,175.30
1FR080	3/10/2006	W/H TAX DIV CVX	\$ 24,116.67
1FR080	3/10/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.41
1FR080	3/10/2006	W/H TAX DIV UTX	\$ 5,264.23

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/13/2006	W/H TAX DIV MMM	\$ 8,005.10
1FR080	3/14/2006	W/H TAX DIV JNJ	\$ 21,320.15
1FR080	3/15/2006	W/H TAX DIV TWX	\$ 5,011.53
1FR080	3/16/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.97
1FR080	3/17/2006	W/H TAX DIV AIG	\$ 8,280.27
1FR080	3/23/2006	W/H TAX DIV HD	\$ 6,754.32
1FR080	3/24/2006	W/H TAX DIV BAC	\$ 49,923.15
1FR080	3/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 25.16
1FR080	3/31/2006	W/H TAX DIV PEP	\$ 9,241.52
1FR080	3/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.72
1FR080	3/31/2006	W/H TAX DIV S	\$ 1,610.84
1FR080	4/3/2006	W/H TAX DIV MRK	\$ 18,006.07
1FR080	4/3/2006	W/H TAX DIV KO	\$ 13,854.58
1FR080	4/3/2006	W/H TAX DIV WMT	\$ 9,192.94
1FR080	4/5/2006	W/H TAX DIV HPQ	\$ 4,959.38
1FR080	4/5/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.38
1FR080	4/7/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.37
1FR080	4/10/2006	W/H TAX DIV MO	\$ 36,328.80
1FR080	4/21/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.44
1FR080	4/25/2006	W/H TAX DIV GE	\$ 62,992.95
1FR080	4/28/2006	W/H TAX DIV MDT	\$ 2,488.53
1FR080	4/28/2006	W/H TAX DIV MS	\$ 6,313.14
1FR080	4/28/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 5.18
1FR080	5/1/2006	W/H TAX DIV JPM	\$ 18,883.57
1FR080	5/1/2006	W/H TAX DIV T	\$ 27,858.68
1FR080	5/1/2006	W/H TAX DIV VZ	\$ 25,773.07
1FR080	5/5/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.99
1FR080	5/10/2006	W/H TAX DIV AXP	\$ 3,273.48
1FR080	5/10/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.99
1FR080	5/15/2006	W/H TAX DIV ABT	\$ 9,771.73
1FR080	5/15/2006	W/H TAX DIV PG	\$ 22,349.30
1FR080	5/22/2006	W/H TAX DIV TXN	\$ 1,052.19
1FR080	5/22/2006	W/H TAX DIV CAT	\$ 3,731.18
1FR080	5/24/2006	W/H TAX DIV MER	\$ 4,938.00
1FR080	5/25/2006	W/H TAX DIV GS	\$ 3,409.88
1FR080	5/26/2006	W/H TAX DIV C	\$ 53,466.84
1FR080	5/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 24.50
1FR080	5/31/2006	CHECK WIRE	\$ 30,000,000.00
1FR080	5/31/2006	W/H TAX DIV UPS	\$ 9,006.91
1FR080	6/1/2006	W/H TAX DIV INTC	\$ 12,838.80
1FR080	6/1/2006	W/H TAX DIV WFC	\$ 19,514.98
1FR080	6/2/2006	W/H TAX DIV BA	\$ 5,333.04
1FR080	6/5/2006	W/H TAX DIV WMT	\$ 9,263.69
1FR080	6/6/2006	W/H TAX DIV BMY	\$ 12,002.76
1FR080	6/6/2006	W/H TAX DIV PFE	\$ 38,871.94
1FR080	6/8/2006	W/H TAX DIV MSFT	\$ 17,599.03
1FR080	6/9/2006	W/H TAX DIV XOM	\$ 43,148.16
1FR080	6/12/2006	W/H TAX DIV UTX	\$ 2,878.85
1FR080	6/12/2006	W/H TAX DIV IBM	\$ 10,309.77
1FR080	6/12/2006	W/H TAX DIV MMM	\$ 7,268.74
1FR080	6/13/2006	W/H TAX DIV JNJ	\$ 24,443.10
1FR080	6/15/2006	W/H TAX DIV TWX	\$ 4,445.42
1FR080	6/15/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 22.01
1FR080	6/22/2006	W/H TAX DIV HD	\$ 6,399.68

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	6/23/2006	W/H TAX DIV BAC	\$ 46,219.80
1FR080	6/30/2006	W/H TAX DIV S	\$ 1,629.54
1FR080	6/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 28.94
1FR080	6/30/2006	W/H TAX DIV PEP	\$ 9,606.69
1FR080	6/30/2006	CHECK WIRE	\$ 25,000,000.00
1FR080	7/3/2006	W/H TAX DIV MRK	\$ 16,212.51
1FR080	7/3/2006	W/H TAX DIV CVX	\$ 25,677.60
1FR080	7/3/2006	W/H TAX DIV AIG	\$ 7,732.94
1FR080	7/3/2006	W/H TAX DIV KO	\$ 8,745.72
1FR080	7/5/2006	W/H TAX DIV HPQ	\$ 4,513.10
1FR080	7/10/2006	W/H TAX DIV MO	\$ 22,569.60
1FR080	7/14/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.69
1FR080	7/21/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.01
1FR080	7/27/2006	CHECK WIRE	\$ 20,000,000.00
1FR080	7/31/2006	W/H TAX DIV MS	\$ 2,290.03
1FR080	7/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.09
1FR080	8/15/2006	W/H TAX DIV ABT	\$ 3,544.60
1FR080	8/15/2006	W/H TAX DIV PG	\$ 13,371.73
1FR080	8/17/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 25.18
1FR080	8/21/2006	W/H TAX DIV CAT	\$ 1,484.28
1FR080	8/21/2006	W/H TAX DIV TXN	\$ 608.33
1FR080	8/23/2006	W/H TAX DIV MER	\$ 2,914.50
1FR080	8/24/2006	W/H TAX DIV GS	\$ 2,040.15
1FR080	8/25/2006	W/H TAX DIV C	\$ 31,764.64
1FR080	9/1/2006	W/H TAX DIV INTC	\$ 7,623.60
1FR080	9/1/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 16.51
1FR080	9/1/2006	W/H TAX DIV WFC	\$ 12,404.11
1FR080	9/1/2006	W/H TAX DIV BA	\$ 3,147.66
1FR080	9/5/2006	W/H TAX DIV WMT	\$ 5,467.60
1FR080	9/5/2006	W/H TAX DIV PFE	\$ 23,002.42
1FR080	9/6/2006	W/H TAX DIV UPS	\$ 5,316.05
1FR080	9/11/2006	W/H TAX DIV UTX	\$ 3,398.31
1FR080	9/11/2006	W/H TAX DIV CVX	\$ 15,155.40
1FR080	9/11/2006	W/H TAX DIV XOM	\$ 25,141.63
1FR080	9/11/2006	W/H TAX DIV IBM	\$ 5,945.58
1FR080	9/12/2006	W/H TAX DIV MMM	\$ 4,290.14
1FR080	9/12/2006	W/H TAX DIV JNJ	\$ 14,426.78
1FR080	9/14/2006	W/H TAX DIV MSFT	\$ 10,345.97
1FR080	9/15/2006	W/H TAX DIV AIG	\$ 5,578.35
1FR080	9/15/2006	W/H TAX DIV TWX	\$ 3,116.59
1FR080	9/15/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 20.70
1FR080	9/21/2006	W/H TAX DIV HD	\$ 4,022.01
1FR080	9/22/2006	W/H TAX DIV BAC	\$ 33,295.25
1FR080	9/26/2006	CHECK WIRE	\$ 30,000,000.00
1FR080	9/27/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.82
1FR080	9/29/2006	W/H TAX DIV S	\$ 979.46
1FR080	9/29/2006	W/H TAX DIV PEP	\$ 6,433.02
1FR080	10/2/2006	W/H TAX DIV KO	\$ 8,312.15
1FR080	10/2/2006	W/H TAX DIV MRK	\$ 10,632.10
1FR080	10/4/2006	W/H TAX DIV HPQ	\$ 2,891.18
1FR080	10/10/2006	W/H TAX DIV MO	\$ 23,454.26
1FR080	10/17/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 26.21
1FR080	10/25/2006	W/H TAX DIV GE	\$ 33,984.90
1FR080	10/26/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.08

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	10/27/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.23
1FR080	10/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.42
1FR080	10/31/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.09
1FR080	11/20/2006	W/H TAX DIV TXN	\$ 1,433.71
1FR080	11/20/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 16.28
1FR080	11/22/2006	W/H TAX DIV C	\$ 54,755.15
1FR080	11/22/2006	W/H TAX DIV MER	\$ 5,271.00
1FR080	11/27/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.05
1FR080	11/30/2006	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.93
1FR080	1/2/2007	W/H TAX DIV WMT	\$ 12,906.92
1FR080	1/2/2007	W/H TAX DIV MRK	\$ 25,436.93
1FR080	1/2/2007	W/H TAX DIV PEP	\$ 15,563.34
1FR080	1/3/2007	W/H TAX DIV TGT	\$ 2,277.07
1FR080	1/3/2007	W/H TAX DIV MSFT	\$ 19,673.22
1FR080	1/3/2007	W/H TAX DIV MMM	\$ 7,758.91
1FR080	1/3/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 14.48
1FR080	1/3/2007	W/H TAX DIV HD	\$ 14,266.40
1FR080	1/3/2007	W/H TAX DIV WB	\$ 33,460.22
1FR080	1/3/2007	W/H TAX DIV INTC	\$ 13,137.18
1FR080	1/3/2007	W/H TAX DIV BA	\$ 5,692.68
1FR080	1/3/2007	W/H TAX DIV TWX	\$ 6,974.68
1FR080	1/3/2007	W/H TAX DIV IBM	\$ 10,315.62
1FR080	1/3/2007	W/H TAX DIV MCD	\$ 27,409.20
1FR080	1/3/2007	W/H TAX DIV PFE	\$ 40,157.78
1FR080	1/3/2007	W/H TAX DIV WFC	\$ 21,434.95
1FR080	1/3/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.66
1FR080	1/3/2007	W/H TAX DIV S	\$ 2,305.68
1FR080	1/3/2007	W/H TAX DIV AIG	\$ 13,315.30
1FR080	1/3/2007	W/H TAX DIV KO	\$ 19,655.92
1FR080	1/3/2007	W/H TAX DIV BAC	\$ 78,651.55
1FR080	1/3/2007	W/H TAX DIV XOM	\$ 43,388.35
1FR080	1/3/2007	W/H TAX DIV HPQ	\$ 6,799.39
1FR080	1/3/2007	W/H TAX DIV JNJ	\$ 25,300.80
1FR080	1/3/2007	W/H TAX DIV EXC	\$ 5,903.52
1FR080	1/3/2007	W/H TAX DIV CVX	\$ 26,312.83
1FR080	1/3/2007	W/H TAX DIV UTX	\$ 6,145.99
1FR080	1/4/2007	W/H TAX DIV UPS	\$ 9,614.30
1FR080	1/10/2007	W/H TAX DIV MO	\$ 15,206.52
1FR080	1/12/2007	W/H TAX DIV DIS	\$ 20,093.49
1FR080	1/25/2007	W/H TAX DIV GE	\$ 52,059.67
1FR080	1/29/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 56.05
1FR080	1/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.11
1FR080	2/6/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 6.26
1FR080	2/13/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.88
1FR080	2/16/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.25
1FR080	2/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.13
1FR080	2/22/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.89
1FR080	2/23/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.69
1FR080	2/27/2007	W/H TAX DIV CMCSA	\$ 4.14
1FR080	2/28/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.36
1FR080	3/1/2007	W/H TAX DIV COP	\$ 14,300.35
1FR080	3/6/2007	W/H TAX DIV UPS	\$ 9,478.85
1FR080	3/9/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.59
1FR080	3/12/2007	W/H TAX DIV MMM	\$ 11,736.58

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/12/2007	W/H TAX DIV UTX	\$ 3,259.26
1FR080	3/12/2007	W/H TAX DIV CVX	\$ 13,372.48
1FR080	3/12/2007	W/H TAX DIV TGT	\$ 2,215.84
1FR080	3/13/2007	W/H TAX DIV JNJ	\$ 35,530.65
1FR080	3/15/2007	W/H TAX DIV TWX	\$ 7,060.28
1FR080	3/15/2007	W/H TAX DIV WB	\$ 34,231.68
1FR080	3/16/2007	W/H TAX DIV AIG	\$ 13,616.26
1FR080	3/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 14.28
1FR080	3/22/2007	W/H TAX DIV HD	\$ 15,129.18
1FR080	3/23/2007	W/H TAX DIV BAC	\$ 80,444.45
1FR080	3/28/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.32
1FR080	3/30/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.37
1FR080	3/30/2007	W/H TAX DIV S	\$ 2,781.94
1FR080	3/30/2007	W/H TAX DIV PEP	\$ 18,975.06
1FR080	4/2/2007	W/H TAX DIV MRK	\$ 32,518.04
1FR080	4/2/2007	W/H TAX DIV KO	\$ 27,224.11
1FR080	4/2/2007	W/H TAX DIV WMT	\$ 21,060.80
1FR080	4/4/2007	W/H TAX DIV HPQ	\$ 8,631.79
1FR080	4/10/2007	W/H TAX DIV MO	\$ 70,393.75
1FR080	4/19/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 27.27
1FR080	4/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.26
1FR080	4/25/2007	W/H TAX DIV GE	\$ 93,281.33
1FR080	4/30/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.71
1FR080	5/4/2007	W/H TAX DIV CVS	\$ 2,512.57
1FR080	5/15/2007	W/H TAX DIV PG	\$ 44,521.47
1FR080	5/21/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.20
1FR080	5/23/2007	W/H TAX DIV MER	\$ 11,785.10
1FR080	5/24/2007	W/H TAX DIV GS	\$ 3,448.62
1FR080	5/25/2007	W/H TAX DIV C	\$ 105,055.70
1FR080	5/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.34
1FR080	6/1/2007	W/H TAX DIV COP	\$ 27,086.81
1FR080	6/1/2007	W/H TAX DIV BA	\$ 10,878.63
1FR080	6/1/2007	W/H TAX DIV INTC	\$ 26,095.57
1FR080	6/1/2007	W/H TAX DIV WFC	\$ 37,712.30
1FR080	6/4/2007	W/H TAX DIV WMT	\$ 21,400.24
1FR080	6/5/2007	W/H TAX DIV PFE	\$ 82,458.25
1FR080	6/5/2007	W/H TAX DIV UPS	\$ 17,284.81
1FR080	6/11/2007	W/H TAX DIV UTX	\$ 10,905.89
1FR080	6/11/2007	W/H TAX DIV XOM	\$ 79,429.46
1FR080	6/11/2007	W/H TAX DIV CVX	\$ 49,908.94
1FR080	6/11/2007	W/H TAX DIV IBM	\$ 23,944.32
1FR080	6/12/2007	W/H TAX DIV JNJ	\$ 47,654.00
1FR080	6/12/2007	W/H TAX DIV MMM	\$ 14,366.59
1FR080	6/14/2007	W/H TAX DIV MSFT	\$ 34,666.29
1FR080	6/15/2007	W/H TAX DIV AIG	\$ 17,284.81
1FR080	6/15/2007	W/H TAX DIV TWX	\$ 8,499.96
1FR080	6/15/2007	W/H TAX DIV WB	\$ 41,902.56
1FR080	6/15/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.75
1FR080	6/21/2007	W/H TAX DIV HD	\$ 18,519.44
1FR080	6/22/2007	W/H TAX DIV BAC	\$ 100,566.14
1FR080	6/29/2007	W/H TAX DIV PEP	\$ 24,774.53
1FR080	6/29/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.46
1FR080	6/29/2007	W/H TAX DIV S	\$ 2,899.51
1FR080	7/2/2007	W/H TAX DIV KO	\$ 27,158.93

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	7/2/2007	W/H TAX DIV MRK	\$ 32,698.96
1FR080	7/5/2007	W/H TAX DIV HPQ	\$ 8,679.82
1FR080	7/10/2007	W/H TAX DIV MO	\$ 57,587.40
1FR080	7/17/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 27.79
1FR080	8/6/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.72
1FR080	8/24/2007	W/H TAX DIV C	\$ 43,470.92
1FR080	9/4/2007	W/H TAX DIV WFC	\$ 16,950.92
1FR080	9/4/2007	W/H TAX DIV WMT	\$ 8,688.11
1FR080	9/4/2007	W/H TAX DIV INTC	\$ 10,765.20
1FR080	9/5/2007	W/H TAX DIV PFE	\$ 33,476.56
1FR080	9/7/2007	W/H TAX DIV BA	\$ 4,252.92
1FR080	9/10/2007	W/H TAX DIV UTX	\$ 5,346.53
1FR080	9/10/2007	W/H TAX DIV IBM	\$ 9,113.40
1FR080	9/10/2007	W/H TAX DIV XOM	\$ 32,428.52
1FR080	9/10/2007	W/H TAX DIV CVX	\$ 20,262.13
1FR080	9/13/2007	W/H TAX DIV MSFT	\$ 13,821.99
1FR080	9/14/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 40.52
1FR080	9/18/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.67
1FR080	9/26/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 16.09
1FR080	10/1/2007	W/H TAX DIV KO	\$ 10,322.30
1FR080	10/10/2007	W/H TAX DIV MO	\$ 23,854.05
1FR080	10/25/2007	W/H TAX DIV GE	\$ 62,998.49
1FR080	10/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 39.41
1FR080	11/7/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 17.99
1FR080	11/13/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 12.89
1FR080	11/15/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 4.51
1FR080	11/21/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.21
1FR080	11/21/2007	W/H TAX DIV MER	\$ 3,448.20
1FR080	11/21/2007	W/H TAX DIV C	\$ 29,260.44
1FR080	11/30/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 7.49
1FR080	12/3/2007	W/H TAX DIV COP	\$ 7,270.78
1FR080	12/3/2007	W/H TAX DIV MCD	\$ 30,121.65
1FR080	12/10/2007	W/H TAX DIV CVX	\$ 20,606.30
1FR080	12/10/2007	W/H TAX DIV UTX	\$ 5,437.34
1FR080	12/10/2007	W/H TAX DIV EXC	\$ 4,757.68
1FR080	12/11/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 27.86
1FR080	12/11/2007	W/H TAX DIV JNJ	\$ 38,969.37
1FR080	12/12/2007	W/H TAX DIV MMM	\$ 11,631.74
1FR080	12/13/2007	W/H TAX DIV MSFT	\$ 14,952.70
1FR080	12/20/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.79
1FR080	12/31/2007	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 19.03
1FR080	1/2/2008	W/H TAX DIV HPQ	\$ 2,324.45
1FR080	1/2/2008	W/H TAX DIV WMT	\$ 5,935.64
1FR080	1/3/2008	W/H TAX DIV UPS	\$ 7,136.51
1FR080	1/28/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 40.58
1FR080	2/20/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 15.35
1FR080	2/22/2008	W/H TAX DIV C	\$ 36,101.38
1FR080	2/28/2008	W/H TAX DIV GS	\$ 2,924.88
1FR080	3/3/2008	W/H TAX DIV WFC	\$ 23,963.12
1FR080	3/3/2008	W/H TAX DIV INTC	\$ 16,781.50
1FR080	3/3/2008	W/H TAX DIV COP	\$ 16,692.71
1FR080	3/4/2008	W/H TAX DIV UPS	\$ 10,341.54
1FR080	3/4/2008	W/H TAX DIV PFE	\$ 48,135.17
1FR080	3/5/2008	W/H TAX DIV MER	\$ 6,580.98

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	3/7/2008	W/H TAX DIV BA	\$ 6,685.44
1FR080	3/10/2008	W/H TAX DIV XOM	\$ 43,873.20
1FR080	3/10/2008	W/H TAX DIV EXC	\$ 7,312.20
1FR080	3/10/2008	W/H TAX DIV CVX	\$ 27,869.93
1FR080	3/10/2008	W/H TAX DIV UTX	\$ 7,353.98
1FR080	3/10/2008	W/H TAX DIV IBM	\$ 12,535.20
1FR080	3/11/2008	W/H TAX DIV JNJ	\$ 26,877.56
1FR080	3/12/2008	W/H TAX DIV MMM	\$ 8,356.80
1FR080	3/13/2008	W/H TAX DIV MSFT	\$ 19,993.64
1FR080	3/17/2008	W/H TAX DIV MCD	\$ 10,184.85
1FR080	3/17/2008	W/H TAX DIV TWX	\$ 5,092.43
1FR080	3/17/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 10.30
1FR080	3/17/2008	W/H TAX DIV WB	\$ 29,415.94
1FR080	3/19/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.58
1FR080	3/24/2008	W/H TAX DIV AIG	\$ 11,699.52
1FR080	3/27/2008	W/H TAX DIV HD	\$ 8,461.26
1FR080	3/28/2008	W/H TAX DIV BAC	\$ 64,180.22
1FR080	3/31/2008	W/H TAX DIV PEP	\$ 13,318.65
1FR080	4/1/2008	W/H TAX DIV MRK	\$ 19,053.50
1FR080	4/1/2008	W/H TAX DIV KO	\$ 17,465.71
1FR080	4/2/2008	W/H TAX DIV HPQ	\$ 4,679.81
1FR080	4/4/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 2.84
1FR080	4/4/2008	W/H TAX DIV KFT	\$ 9,589.43
1FR080	4/7/2008	W/H TAX DIV WMT	\$ 12,404.63
1FR080	4/23/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.30
1FR080	4/25/2008	W/H TAX DIV GE	\$ 70,594.07
1FR080	4/25/2008	W/H TAX DIV MDT	\$ 2,916.90
1FR080	4/30/2008	W/H TAX DIV MS	\$ 5,775.46
1FR080	4/30/2008	W/H TAX DIV JPM	\$ 26,602.13
1FR080	5/1/2008	W/H TAX DIV VZ	\$ 25,921.52
1FR080	5/1/2008	W/H TAX DIV T	\$ 50,559.60
1FR080	5/2/2008	W/H TAX DIV CVS	\$ 1,866.82
1FR080	5/2/2008	W/H TAX DIV BK	\$ 5,600.45
1FR080	5/9/2008	W/H TAX DIV AXP	\$ 4,200.34
1FR080	5/15/2008	W/H TAX DIV PG	\$ 26,446.56
1FR080	5/15/2008	W/H TAX DIV ABT	\$ 11,900.95
1FR080	5/20/2008	W/H TAX DIV CAT	\$ 4,900.39
1FR080	5/23/2008	W/H TAX DIV C	\$ 33,602.69
1FR080	5/28/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 28.22
1FR080	5/29/2008	W/H TAX DIV GS	\$ 2,722.44
1FR080	6/2/2008	W/H TAX DIV INTC	\$ 17,151.37
1FR080	6/2/2008	W/H TAX DIV WFC	\$ 39,442.60
1FR080	6/2/2008	W/H TAX DIV WMT	\$ 22,157.75
1FR080	6/2/2008	W/H TAX DIV COP	\$ 9,748.04
1FR080	6/3/2008	W/H TAX DIV PFE	\$ 84,970.94
1FR080	6/3/2008	W/H TAX DIV UPS	\$ 17,762.09
1FR080	6/6/2008	W/H TAX DIV BA	\$ 11,482.56
1FR080	6/10/2008	W/H TAX DIV XOM	\$ 84,026.40
1FR080	6/10/2008	W/H TAX DIV UTX	\$ 12,630.82
1FR080	6/10/2008	W/H TAX DIV IBM	\$ 26,912.25
1FR080	6/10/2008	W/H TAX DIV EXC	\$ 12,559.05
1FR080	6/10/2008	W/H TAX DIV JNJ	\$ 17,397.52
1FR080	6/10/2008	W/H TAX DIV CVX	\$ 53,645.09
1FR080	6/12/2008	W/H TAX DIV MMM	\$ 14,353.20

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PORTFOLIO LIMITED

Account Number	Date	Description	Withdrawal Amount
1FR080	6/12/2008	W/H TAX DIV MSFT	\$ 34,340.03
1FR080	7/1/2008	CHECK WIRE	\$ 75,000,000.00
1FR080	7/1/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 10.05
1FR080	7/21/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.78
1FR080	7/23/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.50
1FR080	8/1/2008	W/H TAX DIV CVS	\$ 2,550.90
1FR080	8/8/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 3.57
1FR080	8/13/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.44
1FR080	8/20/2008	W/H TAX DIV CAT	\$ 6,793.16
1FR080	8/22/2008	W/H TAX DIV C	\$ 43,624.13
1FR080	8/28/2008	W/H TAX DIV GS	\$ 3,234.84
1FR080	10/1/2008	CHECK WIRE	\$ 65,000,000.00
1FR080	10/2/2008	W/H TAX DIV WFC	\$ 24,353.72
1FR080	10/2/2008	W/H TAX DIV QCOM	\$ 3,166.56
1FR080	10/2/2008	W/H TAX DIV BUD	\$ 6,839.38
1FR080	10/2/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 9.68
1FR080	10/2/2008	W/H TAX DIV HD	\$ 4,700.36
1FR080	10/2/2008	W/H TAX DIV MCD	\$ 15,757.76
1FR080	10/2/2008	W/H TAX DIV COP	\$ 18,461.69
1FR080	10/2/2008	W/H TAX DIV JNJ	\$ 48,122.26
1FR080	10/2/2008	W/H TAX DIV UPS	\$ 16,880.00
1FR080	10/2/2008	W/H TAX DIV EXC	\$ 11,935.35
1FR080	10/2/2008	W/H TAX DIV IBM	\$ 17,329.50
1FR080	10/2/2008	W/H TAX DIV WMT	\$ 20,247.47
1FR080	10/2/2008	W/H TAX DIV MSFT	\$ 32,888.82
1FR080	10/2/2008	W/H TAX DIV BAC	\$ 106,165.63
1FR080	10/2/2008	W/H TAX DIV INTC	\$ 20,056.01
1FR080	10/2/2008	W/H TAX DIV BA	\$ 7,393.92
1FR080	10/2/2008	W/H TAX DIV XOM	\$ 78,674.52
1FR080	10/2/2008	W/H TAX DIV TWX	\$ 8,449.56
1FR080	10/2/2008	W/H TAX DIV AIG	\$ 21,998.33
1FR080	10/2/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.83
1FR080	10/2/2008	W/H TAX DIV PEP	\$ 24,637.97
1FR080	10/2/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 11.65
1FR080	10/2/2008	W/H TAX DIV MMM	\$ 13,640.40
1FR080	10/2/2008	W/H TAX DIV CVX	\$ 50,266.32
1FR080	10/2/2008	W/H TAX DIV UTX	\$ 12,003.55
1FR080	10/2/2008	W/H TAX DIV PFE	\$ 54,715.01
1FR080	11/4/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.52
1FR080	11/4/2008	W/H TAX DIV KO	\$ 9,122.74
1FR080	11/4/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.08
1FR080	11/4/2008	W/H TAX DIV PM	\$ 13,553.24
1FR080	11/4/2008	W/H TAX DIV MRK	\$ 29,804.27
1FR080	11/4/2008	W/H TAX DIV BAX	\$ 5,191.88
1FR080	11/4/2008	W/H TAX DIV HPQ	\$ 7,277.86
1FR080	11/4/2008	W/H TAX DIV MO	\$ 5,441.95
1FR080	12/1/2008	CHECK WIRE	\$ 210,000,000.00
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.63
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.14
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 1.39
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.25
1FR080	12/3/2008	FIDELITY SPARTAN U S TREASURY MONEY MARKET	\$ 0.82
TOTAL:			\$ 628,231,909.12

SUMMARY SCHEDULE

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
<u>Account Number</u>	<u>Account Name</u>	<u>Preferential Transfers</u>	<u>Two Year Fictitious Profit Transfers</u>	<u>Two Year Principal Transfers</u>	<u>Six Year Fictitious Profit Transfers</u>	<u>Six Year Principal Transfers</u>	<u>Full History Fictitious Profit Transfers</u>	<u>Full History Principal Transfers</u>
1FR080	RYE SELECT BROAD MARKET PORTFOLIO LIMITED	275,689,103	-	354,571,757	-	617,944,432	-	628,231,909
Total:		<u>\$275,689,103</u>	<u>-</u>	<u>\$354,571,757</u>	<u>-</u>	<u>\$617,944,432</u>	<u>-</u>	<u>\$628,231,909</u>

INITIAL TRANSFERS - RYE SELECT BROAD MARKET PRIME FUND, L.P.

Account Number	Date	Description	Withdrawal Amount
1C1260	9/30/1998	CHECK WIRE	\$ 17,000,000.00
1C1260	3/30/2001	CHECK WIRE	\$ 22,000,000.00
1C1260	7/2/2001	CHECK WIRE	\$ 18,000,000.00
1C1260	1/2/2002	CHECK WIRE	\$ 8,000,000.00
1C1260	6/28/2004	CHECK WIRE	\$ 10,000,000.00
1C1260	10/1/2004	CHECK WIRE	\$ 110,000,000.00
1C1260	3/31/2005	CHECK WIRE	\$ 180,000,000.00
1C1260	12/28/2005	CHECK WIRE	\$ 15,000,000.00
1C1260	6/30/2006	CHECK WIRE	\$ 30,000,000.00
1C1260	8/28/2006	CHECK WIRE	\$ 35,000,000.00
1C1260	9/26/2006	CHECK WIRE	\$ 50,000,000.00
1C1260	11/8/2006	CHECK WIRE	\$ 20,000,000.00
1C1260	12/27/2006	CHECK WIRE	\$ 20,000,000.00
1C1260	3/25/2008	CHECK WIRE	\$ 475,000,000.00
TOTAL:			\$ 1,010,000,000.00

SUMMARY SCHEDULE

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
<u>Account Number</u>	<u>Account Name</u>	<u>Preferential Transfers</u>	<u>Two Year Fictitious Profit Transfers</u>	<u>Two Year Principal Transfers</u>	<u>Six Year Fictitious Profit Transfers</u>	<u>Six Year Principal Transfers</u>	<u>Full History Fictitious Profit Transfers</u>	<u>Full History Principal Transfers</u>
1C1260	RYE SELECT BROAD MARKET PRIME FUND, LP	-	210,955,000	284,045,000	210,955,000	734,045,000	210,955,000	799,045,000
Total:		-	\$210,955,000	\$284,045,000	\$210,955,000	\$734,045,000	\$210,955,000	\$799,045,000

EXHIBIT 2

UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK

```

-----X
AOZORA BANK LTD., :
: 11 Civ. 5683 (DLC)
Appellant, :
-----:
MEL ENTERPRISES LTD., :
: 11 Civ. 5805 (DLC)
Appellant, :
-----:
COLLACE SERVICES LIMITED, :
: 11 Civ. 6127 (DLC)
Appellant, :
-----:
FELKIRK LIMITED, :
: 11 Civ. 6128 (DLC)
Appellant, :
-----:
ANGELS PARK MANAGEMENT SA, :
: 11 Civ. 6129 (DLC)
Appellant, :
-----:
SAUCELLE INVESTMENT SA PANAMA, :
: 11 Civ. 6130 (DLC)
Appellant, :
-----:
BRIGHT COLORS DESIGN CENTER INC. PANAMA, :
: 11 Civ. 6131 (DLC)
Appellant, :
-----:
US TRUST CO UD PETER M. LEHRER, et al. :
: 11 Civ. 6273 (DLC)
Appellants, :
-----:
MILTON FINE REVOCABLE TRUST and MILTON :
FINE 1997 CHARITABLE REMAINDER UNITRUST, : 11 Civ. 6274 (DLC)
:
Appellants, :
-----:
AXA PRIVATE MANAGEMENT, :
: 11 Civ. 6275 (DLC)
Appellant, :
-----:
    
```


-----:
NEVA ROSAMILIA AND NICHOLAS ROSAMILIA, :
: 11 Civ. 6553 (DLC)
Appellants, :

-----:
JOHN E. GUINNESS REVOCABLE TRUST, :
: 11 Civ. 6554 (DLC)
Appellant, :

-----:
NBK BANQUE PRIVEE (SUISSE) S.A. AND :
NATIONAL BANK OF KUWAIT S.A.K, : 11 Civ. 6565 (DLC)
:
Appellants, :

-----:
STICHTING SHELL PENSIOENFONDS, :
: 11 Civ. 6996 (DLC)
Appellant, :

-----:
THE TRUSTEES OF TUFTS COLLEGE, :
: 11 Civ. 6997 (DLC)
Appellant, :

-----:
CARTENSEN, et al., :
: 11 Civ. 6998 (DLC)
Appellants, :

-----:
SEGEL, :
:
Appellant, :
:
v. : 11 Civ. 6999 (DLC)
:

SECURITIES INVESTOR PROTECTION :
CORPORATION and IRVING H. PICARD, :
:
Appellees. :

-----X
IN RE BERNARD L. MADOFF INVESTMENT :
SECURITIIES, LLC, : OPINION & ORDER
:
Debtor. :
-----X

DENISE COTE, District Judge:

Investors in various "feeder funds" that invested in Bernard L. Madoff Investment Securities, LLC ("BLMIS") appeal from a Decision of the Honorable Burton R. Lifland, Bankruptcy Judge, in the BLMIS liquidation proceedings (the "Decision") denying their claims. Sec. Investor Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC, 454 B.R. 285 (Bankr. S.D.N.Y. 2011). Because these investors do not qualify as "customers" under the plain language of the Securities Investor Protection Act ("SIPA"), 15 U.S.C. § 78aaa et seq., the Decision is affirmed.

BACKGROUND

The appellants are investors in one or more of sixteen so-called "feeder funds," which consist of limited partnerships organized in Delaware or New York, a limited liability company organized in New York, and companies organized in the Cayman Islands and the British Virgin Islands ("BVI") (collectively, the "Feeder Funds").¹ These Feeder Funds, in turn, invested a significant portion of their assets with BLMIS. The appellants believed that BLMIS would invest the Feeder Funds' assets. Instead, Bernard L. Madoff ("Madoff"), the sole member and principal of BLMIS, stole them.

¹ The claims at issue in this appeal were filed by 1,771 investors.

Madoff was arrested and charged with securities fraud on December 11, 2008. On December 15, 2008, the United States District Court for the Southern District of New York entered an order placing BLMIS's customers under the protections of SIPA. SIPA provides certain benefits to customers of failed brokerage firms. In re Bernard L. Madoff Inv. Sec. LLC, 654 F.3d 229, 233 (2d Cir. 2011). During a SIPA liquidation, customers share in the recovery of "customer property," which generally consists of the cash and securities held by the liquidating broker-dealer for customers, on the basis of their respective "net equities" and to the exclusion of the brokerage firm's general creditors. 15 U.S.C. §§ 78fff-2(b) and (c)(1); In re New Times Sec. Servs., Inc., 463 F.3d 125, 128-29 (2d Cir. 2006). Where customer property is insufficient to satisfy the claims of customers, SIPA permits the Securities Investor Protection Corporation ("SIPC") to make advances to the SIPC trustee ("Trustee"), within the statutory limits of protection from the SIPC Fund. For customers with securities accounts, SIPC may advance not more than \$500,000 per customer. 15 U.S.C. §§ 78ddd, 78fff-3(a); In re Bernard L. Madoff Inv. Sec. LLC, 654 F.3d at 233.

The appellants filed timely claims in order to recoup losses based on their investments in the Feeder Funds. The Trustee denied the appellants' claims, determining that although the Feeder Funds themselves qualified as "customers" of BLMIS

under SIPA, the appellants did not. The appellants contested this determination. On June 11, 2010, the Trustee filed a motion before the Bankruptcy Court requesting, inter alia, an order upholding his denial of appellants' claims. The Trustee has determined that the Feeder Funds themselves qualify as customers of BLMIS and the appellants do not take issue with that determination.

In its Decision of June 28, 2011, the Bankruptcy Court granted the Trustee's motion. The Bankruptcy Court found that the Feeder Funds share the following five characteristics:

(1) they were created as investment vehicles and are legal entities that are capable of owning property and suing or being sued; (2) they sold ownership interests in themselves, either directly or indirectly, to the [appellants] and others, and used monies obtained from such sales for investment purposes; (3) their managers and administrators were responsible for managing and directing the Feeder Funds' investments; (4) they invested directly with BLMIS and maintained BLMIS accounts according to the books and records of BLMIS; and (5) they do not include ERISA plans (and other entities whose property is treated as ERISA plan property), trusts, or pass-through, self-directed, or custodial vehicles such as banks, brokers or dealers.

Decision, 454 B.R. at 292. The Bankruptcy Court observed that the appellants were provided with prospectuses, private placement memoranda, and other explanatory material prior to investing in the Feeder Funds that expressly stated the following:

(i) the Feeder Funds were legal entities separate and apart both from BLMIS and from the [appellants]

themselves; (ii) each of the [appellants] purchased an ownership interest in at least one of the Feeder Funds, and not in the assets of the Feeder Fund, (iii) the [appellants] yielded the exclusive right to make all decisions concerning the investment and other disposition of Feeder Fund assets to managers of the Feeder Funds, including . . . whether to afford investment discretion to any third-party investment professional; and (iv) the Feeder Funds were not required to, nor did they, consult with any of the [appellants] prior to issuing transactional instructions regarding Feeder Fund assets held in the Feeder Funds' BLMIS accounts.

Id. at 293. The Bankruptcy Court found no evidence indicating that BLMIS intended to authorize the Feeder Funds to act on its behalf or that any of the Feeder Funds were agents of BLMIS.

Id. at 304-05. In light of these findings, the Bankruptcy Court concluded that appellants are not "customers" of BLMIS pursuant to the plain language of SIPA, the relevant case law, and principles of agency or equity.

Notices of appeal were filed at various dates from August to October 2011. The appellants contest the Bankruptcy Court's ruling on the grounds that it misconstrued the SIPA statute, that it misconstrued the case law applying SIPA, and that it erred by refusing to hold an evidentiary hearing on contested issues of fact. The Trustee, the Securities and Exchange Commission ("SEC"), and SIPC have each filed briefs taking the position that the appellants are not "customers" under SIPA.

DISCUSSION

The standard of review applicable to matters within core bankruptcy jurisdiction is governed by the Federal Rules of Bankruptcy Procedure. On appeal, the court "may affirm, modify, or reverse a bankruptcy judge's judgment, order, or decree or remand with instructions for further proceedings." Fed. R. Bankr. P. 8013.

"Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous." Id.; see Solow v. Kalikow (In re Kalikow), 602 F.3d 82, 91 (2d Cir. 2010) (noting that "[f]indings of fact are reviewed for clear error"). Legal conclusions of the Bankruptcy Court, however, are "reviewed de novo." Id.

The principal legal issue on appeal is the interpretation of SIPA's definition of the term "customer." Statutory interpretation must "begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose." Engine Mfrs. Ass'n v. S. Coast Air Quality Mgmt. Dist., 541 U.S. 246, 252 (2004) (citation omitted). If a statute's language is unambiguous, "the sole function of the courts is to enforce it according to its terms." Katzman v. Essex Waterfront Owners LLC, 660 F.3d 565, 568 (2d Cir. 2011) (citation omitted). In other words, "[w]hen a court determines that the language of a

statute is unambiguous, its inquiry is complete." United States v. Santos, 541 F.3d 63, 67 (2d Cir. 2008).

When construing the plain statutory text, courts are not to "construe each phrase literally or in isolation." Rather, a court must "attempt to ascertain how a reasonable reader would understand the statutory text, considered as a whole." Pettus v. Morgenthau, 554 F.3d 293, 297 (2d Cir. 2009). The plain language of a statute is considered in the context in which it is used and the "broader context of the statute as a whole." In re Ames Dept. Stores, Inc., 582 F.3d 422, 427 (2d Cir. 2009) (citation omitted). Thus, "the preferred meaning of a statutory provision is one that is consonant with the rest of the statute." Auburn Hous. Auth. v. Martinez, 277 F.3d 138, 144 (2d Cir. 2002).

The parties agree that the statutory definition of the term customer is unambiguous.² The appellants contend that that definition does not require a customer to have its own account with the "debtor," i.e., the broker/dealer. They argue that when the three statutory definitions of customer are parsed, they qualify as customers under each of the alternative definitions.

² The appellants urge that the statutory provision is unambiguous and, as a result, that it would be improper for the Court to examine the legislative history of the provision described by the SEC.

SIPA defines the term "customer" as follows:

any person (including any person with whom the debtor deals as principal or agent) who has a claim on account of securities received, acquired, or held by the debtor in the ordinary course of its business as a broker or dealer from or for the securities accounts of such person for safekeeping, with a view to sale, to cover consummated sales, pursuant to purchases, as collateral security, or for purposes of effecting transfer. The term 'customer' includes any person who has a claim against the debtor arising out of sales or conversions of such securities, and any person who has deposited cash with the debtor for the purpose of purchasing securities

15 U.S.C. § 78111(2) (emphasis supplied). The first of the three alternative definitions is contained in the first sentence; the remaining two definitions are contained in the second sentence of the definition, that is, the clarification that the term includes persons with claims arising out of sales of "such securities," and persons who have deposited cash with the debtor.

The Second Circuit has noted that "[j]udicial interpretations of 'customer' status support a narrow interpretation of SIPA's provisions." In re New Times Sec. Servs., Inc., 463 F.3d at 127 (citation omitted). Cf. S.E.C. v. F.O. Baroff Company, Inc., 497 F.2d 280, 282 (2d Cir. 1974) (declining to apply the "literal definition" of the term customer because SIPA "was not designed to protect a lender in appellant's class"). Under the plain language of SIPA, the appellants do not qualify as customers of BLMIS regardless of

the breadth of the interpretive lens. The appellants did not have accounts at BLMIS; only the Feeder Funds had accounts at BLMIS.

An ordinary reading of the first sentence of SIPA § 78111(2) contemplates two persons -- an investor and a debtor -- and imposes different requirements on each. The investor must have "a claim on account of" certain securities. The debtor must have "received, acquired, or held" these same securities "in the ordinary course of its business as a broker or dealer." The debtor also must have "received, acquired, or held" these same securities "from or for the securities accounts" of the investor. Nowhere in this definition is there any discussion of a third person or entity, wholly independent of the investor and the debtor.

Moreover, other provisions of SIPA indicate that when the statute discusses "customer's" accounts, it refers to accounts that are held with the debtor or that are discernible from a review of the debtor's records. For example, SIPA § 78fff-3(a)(2) provides that "a customer who holds accounts with the debtor in separate capacities shall be deemed to be a different customer in each capacity." 15 U.S.C. § 78fff-3(a)(2). Similarly, SIPA § 78fff-2(f) provides that the SIPC trustee may "transfer to another member of SIPC . . . all or any part of the account of a customer of the debtor." Id. § 78fff-2(f). In

addition, SIPA § 78fff-2(a)(1) directs that notice of the commencement of SIPA proceedings be "mailed to each person who, from the books and records of the debtor, appears to have been a customer of the debtor with an open account within the past twelve months." Id. § 78fff-2(a)(1). See also In re Bernard L. Madoff Inv. Sec. LLC, 654 F.3d at 237 (relying on the books and records of the debtor when calculating a customer's "net equity").

When Congress wished to extend SIPA's protections to investor accounts held at entities other than the "debtor" broker/dealer, SIPA did so explicitly. SIPA § 78fff-3(a)(5) provides an exception to the requirements for customer status articulated in § 78lll(2) by granting such status to customers of banks, brokers, or dealers. Pursuant to SIPA § 78fff-3(a)(5), when the net equity claim of a broker, dealer, or bank against the debtor arose out of transactions for customers of the broker, dealer, or bank, each customer of the broker, dealer, or bank "shall be deemed a separate customer of the debtor." 15 U.S.C. § 78fff-3(a)(5). The broker, dealer, or bank itself is not eligible to receive the benefits of "customer" status. Id. This provision would have been superfluous if the scope of the term "customer" in § 78lll(2) were broad enough to cover customers of third party entities.

Moreover, it is undisputed that the appellants' Feeder Funds do not qualify for this exception.³

The exclusion of entities like the Feeder Funds from SIPA § 78fff-3(a)(5) provides further evidence that the appellants are not "customers" under SIPA § 78lll(2). "When Congress provides exceptions in a statute, it does not follow that courts have authority to create others." United States v. Johnson, 529 U.S. 53, 58 (2000). Rather, "[t]he proper inference . . . is that Congress considered the issue of exceptions and, in the end, limited the statute to the ones set forth." Id.

In light of SIPA as a whole, then, the most natural reading of the "customer" definition excludes persons like the appellants who invest in separate third-party corporate entities like their Feeder Funds, that in turn invest their assets with the debtor. In such cases, it cannot be said that the debtor BLMIS has "received, acquired, or held" securities "from or for the securities accounts" of the appellants. Rather, any securities were "received, acquired, or held . . . from or for the securities accounts" of the Feeder Funds, and it is those entities that qualify as "customers" under SIPA.

³ It is worth noting as well that the appellants did not have accounts at the Feeder Funds. The appellants purchased ownership shares in the Feeder Funds; those Feeder Funds are independent corporate entities that conducted transactions with BLMIS on their own behalf. Because of this fact, the Feeder Funds are eligible for the benefits of "customer" status, and in fact have already been awarded such status by the Trustee.

Controlling precedent supports this reading a SIPA. In Sec. Investor Protection v. Morgan, Kennedy & Co., 533 F.2d 1314 (2d Cir. 1976) ("Morgan, Kennedy"), the Second Circuit held that a trust created under a profit-sharing plan, not the employee-beneficiaries of the trust, was a "customer" pursuant to SIPA. Id. The opinion discussed a number of factors that are indicative of "customer" status. These include:

- Making purchases with, transacting business with, having dealings with, and being known by the broker-dealer;
- Owning property held by the broker-dealer;
- Having "exclusive power" over investment decisions made with the broker-dealer;
- Having a legal capacity to have dealings with the broker-dealer;
- Having securities accounts in one's name at the broker-dealer; and
- Having a name that appears on the broker-dealer's books or records.

Id. at 1315, 1318. The appellants did or had none of these things; they are therefore not "customers" of BLMIS. See Sec. Investor Prot. Corp. v. Exec. Sec. Corp., 423 F. Supp. 94, 98 (S.D.N.Y. 1976) ("[A] 'customer' is clearly limited to persons who maintain accounts with broker-dealers and who trade or

invest through them."). Indeed, "[t]he argument that, notwithstanding their complete anonymity and total incapacity to have dealings with the broker-debtor, the [claimants] were 'customers' of [the debtor] stretches that term wholly beyond its limits." Morgan, Kennedy, 533 F.2d at 1318.

SIPA's additional definitions of "customer" do not provide alternative avenues of relief for the appellants. The second definition includes "any person who has a claim against the debtor arising out of sales or conversions of such securities." 15 U.S.C. § 78111(2) (emphasis supplied). The term "such securities" refers back to the first definition. Such securities are those that are "received, acquired, or held" by the debtor "from or for the securities accounts" of the investor. Id. The appellants do not fall within this provision for the same reason they do not fall within the provision discussed above: BLMIS has not "received, acquired, or held" securities "from or for the securities accounts" of any appellant. To the extent BLMIS held any securities for any securities account, it was for the securities accounts of the appellants' Feeder Funds. It is therefore impossible for BLMIS to have sold or converted securities in any account belonging to an appellant.

Lastly, the appellants do not fit within the final portion of SIPA's definition of customer. It defines customer to

include "any person who has deposited cash with the debtor for the purpose of purchasing securities." In this case, BLMIS did not receive, acquire, or possess any property of the appellants because the property at issue belonged solely to the Feeder Funds.

It is a well established legal principle that the assets of a corporation belong to the corporation itself, not to its shareholders. William Meade Fletcher, Fletcher Cyclopedia of the Law of Corporations § 31 (2010) ("[T]he capital or assets of the corporation are its property."); cf. Providence Bank v. Billings, 29 U.S. 514, 514 (1830) ("The great object of an incorporation is to bestow the character and properties of individuality on a collected and changing body of men."). Parallel principles of property ownership apply to all of the organizational forms of the Feeder Funds. See, e.g., N.Y. Ltd. Liab. Co. Law § 601 (McKinney 2011) ("[A] member has no interest in specific property of the limited liability company."); Newburger, Loeb & Co., Inc. v. Gross, 563 F.2d 1057, 1076 n.22 (2d Cir. 1977) ("[L]imited partners have no property right in the partnership assets."); Johnson v. Gore Wood & Co., [2002] 2 A.C. 1, 40 (Dec. 14, 2011), [2001] B.C.C. 820, 858 (H.L.) (Under common law of the U.K., applicable to Cayman Islands and the BVI, "[a] company's property belongs to the company and not to its shareholders."). Thus, at the moment each appellant used

assets to purchase an ownership interest in a Feeder Fund, those assets became property not of the appellants but of the Feeder Fund. Cf. In re J.P. Jeanneret Associates, Inc., 769 F. Supp. 2d 340, 369 (S.D.N.Y. 2011) (holding that plaintiffs that invested in Feeder Fund that, in turn, invested with Madoff do not have direct cause of action against defendant investment advisors because “[t]he Madoff losses . . . flowed directly to [the Feeder Fund], not to its limited partners”).

For each of these reasons, therefore, the appellants do not qualify as “customers” of BLMIS under § 78111(2) and do not have a SIPA claim. Their Feeder Funds were the BLMIS customers and the appellants cannot seek a separate recovery as additional SIPA claimants. As recently explicated by the Second Circuit, “the critical aspect of the ‘customer’ definition is the entrustment of cash or securities to the broker-dealer for the purposes of trading securities.” In re Bernard L. Madoff Inv. Sec. LLC, 654 F.3d at 236 (citation and emphasis omitted). It was the Feeder Funds who entrusted assets to BLMIS, and not the appellants.

The appellants make four principal arguments on appeal. With respect to the first two definitions of customer, they point out that the statutory definition does not explicitly limit securities accounts to accounts actually held at the debtor. With respect to the third definition of customer, which

relates to an investor's deposit of cash with the debtor, the appellants emphasize that they intended that any cash they gave to the Feeder Funds be deposited with and managed by BLMIS. Next, they take issue with the Decision's analysis of Morgan, Kennedy, and rely on two other circuit decisions for the proposition that their intention to have their investments deposited with BLMIS satisfies the statute's requirements. Finally, they contend that the Bankruptcy Court was required to hold an evidentiary hearing to determine whether BLMIS owed the appellants a fiduciary duty since their Feeder Funds were BLMIS agents. None of these arguments succeeds.

Appellants first argue that the Bankruptcy Court misconstrued SIPA by requiring that a "customer" have "its own direct account" with the debtor. The appellants point out that the statute does not explicitly limit the term "securities accounts" to those held at the insolvent broker/dealer. Therefore, appellants argue, they have a claim on account of securities held by BLMIS "from or for" the appellants' securities accounts, as well as a claim on account of "sales or conversions of such securities."

The appellants' reading of SIPA § 78111(2) ignores its plain meaning. It is true that the statute does not use the appellants' formulation to explicitly limit the term "securities accounts" to those held at the debtor. For the reasons

discussed above, however, the most natural reading of SIPA § 7811(2) limits the "securities accounts" of investors to those established at the debtor so that the debtor can perform its functions for the investor "in the ordinary course of its business as a broker or dealer." The definition thus excludes persons like the appellants who invest in separate third-party corporate entities like the Feeder Funds, that in turn invest their own assets with the debtor. This reading of the definition of the term customer is amply supported by the other provisions of SIPA, as described above.

Moreover, the appellants' reading of the statute is devoid of any limiting principle. Under appellants' reading, any investor who intentionally invests in a corporate entity that has a legal obligation to invest a significant portion of its assets with a third party would qualify as a "customer" of the third party. Presumably, if this third-party entity were required to invest its funds with a fourth party and the claimants intended that such investments take place, the claimants would be "customers" of this fourth party as well. Such a reading stretches the term customer "wholly beyond its limits." Morgan, Kennedy, 533 F.2d at 1318. Clearly, the drafters of SIPA did not intend such an absurd result. See United States v. Dauray, 215 F.3d 257, 264 (2d Cir. 2000) (courts must interpret statutes to prevent absurd results).

The appellants have not grappled with any of the other SIPA provisions which reinforce the conclusion that a customer's "securities account" must be one established at the debtor. Moreover, the appellants do not explain precisely how their reading of the first definition of the term customer actually assists them. The appellants do not have securities accounts at the Feeder Funds. The appellants purchased ownership interests in the Feeder Funds. It is the Feeder Funds themselves that hold the only securities accounts at issue here.

Next, the appellants rely on SIPA's third definition of customer. They argue that they have "deposited cash with" BLMIS "for the purpose of purchasing securities" because they intended that the money that they invested in the Feeder Funds would go to BLMIS, and the transmission of a portion of these funds occurred automatically and inevitably due to the Feeder Funds' legal obligations. Again, this argument ignores the legal realities of the appellants' investments. They purchased ownership interests in the Feeder Funds. The investment proceeds became the sole property of the Feeder Funds. Each of the Feeder Funds pooled the money it received and exercised exclusive control over those assets. Those assets were used to pay claims on the fund and pursuant to the terms of controlling documents permitted the fund to pay its managers or general partners. There was simply no direct deposit of appellants'

cash into any account at BLMIS. Thus, the appellants cannot be said to have "deposited cash with the debtor [BLMIS] for the purpose of purchasing securities." 15 U.S.C. § 78111(2).

Instead, the appellants purchased ownership interests in the Feeder Funds, which in turn deposited assets with BLMIS for the purchase of securities.⁴

The appellants further argue that the Decision misconstrued the case law applying SIPA. Unlike the claimants in Morgan, Kennedy, the appellants argue that they, not the Feeder Funds or their managers, had direct and controlling power to "entrust the assets to the debtor, to invest and reinvest, and to purchase and trade securities in the account as they saw fit." Morgan, Kennedy, 553 F.2d at 1318. The appellants claim that they could exercise such direct and controlling power by redeeming their shares or adding to their investments in the Feeder Funds.

A closer look at Morgan, Kennedy does not support appellants' assertions. Even assuming that the appellants possessed the kind of control described in Morgan, Kennedy, Morgan, Kennedy did not rest its holding solely on the issue of control. Rather, as discussed above, the opinion detailed a number of factors, such as making purchases with the debtor,

⁴ It is worth noting again that the appellants do not argue that their investments in the Feeder Funds qualify for the exception to the definition of customer available to customers of banks, brokers and dealers. SIPA § 78fff-3(a)(5).

transacting business with the debtor, having dealings with the debtor, being known by the debtor, owning cash or securities held by the debtor, having securities accounts in one's name with the debtor, having a capacity to have dealings with the broker-dealer, and having a name that appears on the debtor's books or records. Id. at 1315-19. The appellants had none of these qualities. Moreover, Morgan, Kennedy explicitly states that "exclusive power" to entrust the assets to the debtor, to invest and reinvest, and to purchase and trade securities in the account is a "required aspect[]" of customer status. Id. at 1318 (emphasis supplied). It does not state that "direct and controlling power," which is the most that the appellants can claim, is sufficient to achieve such status on its own.

Regardless, the appellants did not, in fact, have direct and controlling power over the Feeder Funds' investments in BLMIS. Rather, the offering memoranda for each Feeder Fund yields the exclusive right to make all decisions concerning the investment and other disposition of the Feeder Funds' assets to managers of the Feeder Funds. For example, the offering memorandum of Kingate Euro Fund provides that "[a]ll investment decisions with respect to the general management of the Fund are made by the Manager, who has complete authority and discretion in the management and control of the business of the Fund," and that "Shareholders will have no right or power to take part in

the management of the Fund." Appellants provide no facts that would support a claim that these offering memoranda are inaccurate in their descriptions of the Feeder Funds' operations.

The appellants also point to two opinions from other circuits, Ahmed v. SIPC (In re Primeline Sec. Corp.), 295 F.3d 1100 (10th Cir. 2002) and Focht v. Heebner (In re Old Naples Sec., Inc.), 223 F.3d 1296 (11th Cir. 2000), in which certain points of law are announced regarding claimants who did not hand their cash to or make their checks payable to the debtor. In these cases, persons were deemed to have deposited cash with a broker-dealer although those deposits were not made directly by them. Together, these opinions stand for the proposition that in cases where an insolvent broker-dealer (or someone that an investor reasonably believed to be an agent of such a broker-dealer) promised to open a brokerage account on the investor's behalf but failed to do so, the investor may still be entitled to customer protection under SIPA. See In re Primeline, 295 F.3d at 1107 ("If a claimant intended to have the brokerage purchase securities on the claimant's behalf and reasonably followed the broker's instructions regarding payment, the claimant is a 'customer' under SIPA even if the brokerage or its agents misappropriate the funds."); In re Old Naples, 223 F.3d at 1303 ("If an investor intended to have the brokerage purchase

securities on her behalf and reasonably followed the broker's instructions regarding payment, she can be considered a 'customer' under SIPA if the brokerage or its agents then misappropriate the funds.").

These two decisions do not assist the appellants. The appellants do not claim that any Feeder Fund failed to open a brokerage account at BLMIS in the name of the Feeder Fund, as promised. On the contrary, the appellants claim they were told that if they invested with the Feeder Funds, the Feeder Funds would invest a significant portion of the assets of the Feeder Funds with BLMIS. This was in fact exactly what took place. More significantly, as just discussed, with the transfer of cash or other valuable consideration to the Feeder Funds, the appellants acquired an ownership interest in their Feeder Funds. Again, they received precisely the interest that they intended to purchase.

The appellants' final argument is that the Bankruptcy Court erred by refusing to hold a hearing on contested facts. The appellants contend that the Trustee himself put certain facts directly at issue through filing an amended complaint (the "Amended Complaint") in Picard v. Fairfield Sentry Limited, et al., Adv. Pro. No. 09-1239 (Bankr. S.D.N.Y. filed May 18, 2009), a related adversary proceeding brought against certain Feeder Funds and their top executive officers. According to the

appellants, the Amended Complaint contains allegations that the Feeder Funds acted as BLMIS's partners and agents in the commission of securities fraud, and BLMIS owed the appellants a fiduciary duty.

Appellants have not shown that the Bankruptcy Court erred in failing to hold an evidentiary hearing before issuing its Decision on the Trustee's motion. Appellants never requested the Bankruptcy Judge to hold an evidentiary hearing. As such, the Bankruptcy Judge did not abuse his discretion in ruling on the motion based on the parties' submissions.

Regardless, even if the appellants' reading of the Amended Complaint is correct, the allegations in the Amended Complaint do not suggest that the appellants are "customers" of BLMIS under SIPA. While the Amended Complaint raises serious questions about the knowledge and intent of the Feeder Funds' executive officers as to BLMIS's fraud, it does not contain allegations that the appellants were misled as to the nature of the interests they purchased in the Feeder Funds. Nor do the appellants make such allegations elsewhere. On the contrary, the Feeder Funds' offering memoranda make the nature of the appellants' purchases abundantly clear: they were buying ownership shares of the Feeder Funds, and thus had no property interest in any of the Feeder Funds' assets. If, as the Second Circuit has noted, "the critical aspect of the 'customer'

definition is the entrustment of cash or securities to the broker-dealer for the purposes of trading securities," these offering memoranda show that the appellants could not "entrust[]" any cash or securities to BLMIS since the cash and securities at issue belonged to the Feeder Funds. In re New Times Sec. Servs., Inc., 463 F.3d at 128 (citation omitted). And the Feeder Funds did not "misappropriate" the assets in question because, as the appellants themselves point out, the Feeder Funds invested a portion of these assets with BLMIS as promised. In re Old Naples, 223 F.3d at 1303.

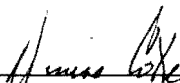
In sum, the existence of an agency or conspiratorial relationship between the Feeder Funds and BLMIS did not create any property interest for the appellants in the assets the Feeder Funds placed with BLMIS. The appellants purchased and received an ownership interest in the Feeder Funds; the Feeder Funds placed a portion of the Feeder Funds' own assets with BLMIS. SIPA simply "does not protect against all cases of alleged dishonesty and fraud." In re New Times Sec. Servs., Inc., 463 F.3d at 130 (citation omitted).

CONCLUSION

The June 28, 2011 Decision of the Bankruptcy Court is affirmed. These appeals are dismissed, and the Clerk of Court shall close the cases.

SO ORDERED:

Dated: New York, New York
January 4, 2011



DENISE COTE
United States District Judge