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Press Release of Irving H. Picard

**SETTLEMENT REACHED WITH TREMONT GROUP,
SECOND-LARGEST FEEDER FUND NETWORK IN MADOFF PONZI FRAUD**

**Cash Payments of more than \$1 Billion to be made to BLMIS Customer Fund;
Settlement Structure Facilitates Future Recovery Distributions to Feeder Fund Investors**

NEW YORK, NEW YORK – July 28, 2011 – Irving H. Picard, the Trustee for the SIPA liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”), today announced that he has reached a settlement with more than a dozen domestic and foreign investment funds, their affiliates and a former chief executive associated with Rye, New York-based Tremont Group Holdings, Inc. (“Tremont Group”), the multi-billion-dollar money management company and operator of the second-largest Madoff “feeder fund” group, the Rye Select and Tremont families of funds.

The settlement also includes three co-defendants named in the suit, filed on December 7, 2010: Oppenheimer Acquisition Corp., an affiliate of the Oppenheimer family of mutual funds which acquired Tremont Group in 2001, and Oppenheimer’s parent corporations, MassMutual Holding LLC and the Massachusetts Mutual Life Insurance Company.

As part of the settlement agreement, the Defendants will deliver cash payments into escrow totaling more than \$1 billion, which will ultimately be placed into the Customer Fund and distributed, pro rata, to BLMIS customers with allowed claims. The payments, combined with the approximately \$2.6 billion already in the Customer Fund and the \$5 billion settlement with the Picower estate (currently under appeal) brings the Trustee’s recoveries to more than \$8.6 billion, or nearly 50 percent of the approximately \$17.3 billion in principal that was lost in the Ponzi scheme by customers who filed claims.

According to the complaint, the Tremont Group and related entities were aware – through warnings in both internal communications and publicly available information – that BLMIS could be a fraud. “We believe this settlement – coupled with the Trustee’s recent settlements with the Fairfield Sentry, Greenwich Sentry and Greenwich Sentry Partners feeder funds – sends a strong message that the financial community cannot deliberately ignore indicia of fraud,” said David J. Sheehan, a partner at Baker & Hostetler LLP, the court-appointed counsel for the Trustee.

In the settlement agreement, both sides state their desire to avoid the risk, expense and delay associated with litigation. “While the Trustee believes that he would prevail at trial in recovering preferential transfers, fictitious profits and fraudulent transfers from BLMIS to the Rye Select Funds and the other Defendants settling with the Trustee, he also recognizes the benefits of avoiding protracted litigation,” said Marc D. Powers, a partner at Baker & Hostetler LLP. “We believe this settlement is in the best interests of the BLMIS customers with allowed claims.”

Upon the release of the settlement payments from escrow, the Trustee will allow customer claims related to the Rye Select and Tremont funds against the BLMIS estate of more than \$3 billion, with four of the funds each receiving \$500,000 in SIPC advances – a total of \$2 million – which will be available for distribution to these feeder fund investors. “We have structured this settlement with the view that any future pro-rata distributions to Rye Select and Tremont funds will flow through to the investors and not the funds’ management,” said Thomas L. Long, counsel to Baker & Hostetler LLP.

A motion for approval of the settlement will be filed with the United States Bankruptcy Court for the Southern District of New York. The Bankruptcy Court hearing for approval of the settlement motion is scheduled for September 13, 2011 at 10:00 a.m.

In addition to Messrs. Sheehan, Powers, and Long, the Trustee acknowledges the contributions of the Baker & Hostetler attorneys who worked on the matter: Eric Fish, Dean Hunt, Marie Carlisle, Geraldine Ponto, Mark Kornfeld, and Marc Hirschfield.

A copy of the motion to settle will be available on the Trustee's website (www.madofftrustee.com) or via the Bankruptcy Court docket found on the Court website (www.nysb.uscourts.gov); Case No.10-05310 (BRL).

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