

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE BEACON ASSOCIATES LITIGATION This Document Relates to: CLASS ACTIONS	No. 09 Civ. 0777 (LBS)
IN RE J.P. JEANNERET ASSOCIATES, INC., <i>et al.</i> This Document Relates to: ALL ACTIONS	Case No. 09 Civ. 3907 (CM)
BOARD OF TRUSTEES OF THE BUFFALO LABORERS SECURITY FUND, WELFARE FUND AND WELFARE STAFF FUND, in their capacity as fiduciaries of the respective funds, individually and on behalf of all others similarly situated, <p style="text-align: right;">Plaintiffs,</p> <p style="text-align: center;">v.</p> J.P. JEANNERET ASSOCIATES, INC. <i>et al.</i> , <p style="text-align: right;">Defendants.</p>	No. 09 Civ. 8362 (LBS) (AJP)

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

DONNA M. McBRIDE, individually and derivatively on behalf of Beacon Associates LLC II, <p style="text-align: right;">Plaintiff,</p> <p style="text-align: center;">v.</p> KPMG INTERNATIONAL <i>et al.</i> , <p style="text-align: right;">Defendants,</p> <p style="text-align: center;">-and-</p> BEACON ASSOCIATES LLC II, <p style="text-align: right;">Nominal Defendant.</p>	Index No. 650632/2009E
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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

JOEL SACHER and SUSAN SACHER, derivatively on behalf of BEACON ASSOCIATES LLC II, <p style="text-align: right;">Plaintiffs,</p> <p style="text-align: center;">v.</p> BEACON ASSOCIATES MANAGEMENT CORP. <i>et al.</i> , <p style="text-align: right;">Defendants,</p> <p style="text-align: center;">-and-</p> BEACON ASSOCIATES LLC II, <p style="text-align: right;">Nominal Defendant.</p>	Index No. 005424/2009
CHARLES J. HECHT, derivatively on behalf of ANDOVER ASSOCIATES LLC I, <p style="text-align: right;">Plaintiff,</p> <p style="text-align: center;">v.</p> ANDOVER ASSOCIATES MANAGEMENT CORP. <i>et al.</i> , <p style="text-align: right;">Defendants,</p> <p style="text-align: center;">-and-</p> ANDOVER ASSOCIATES LLC I, <p style="text-align: right;">Nominal Defendant.</p>	Index No. 006110/2009
THE JORDAN GROUP LLC, derivatively on behalf of BEACON ASSOCIATES LLC I, <p style="text-align: right;">Plaintiff,</p> <p style="text-align: center;">v.</p> BEACON ASSOCIATES MANAGEMENT CORP. <i>et al.</i> , <p style="text-align: right;">Defendants,</p> <p style="text-align: center;">-and-</p> BEACON ASSOCIATES LLC I, <p style="text-align: right;">Nominal Defendant.</p>	Index No. 003757/2011

**NOTICE OF PRELIMINARY APPROVAL OF SETTLEMENT OF CLASS AND DERIVATIVE
ACTIONS AND NOTICE OF CERTIFICATION OF SETTLEMENT CLASSES
CLASS MEMBERS**

To:¹

- **Beacon Investor Class:** “All investors in the Beacon Funds² that had not fully redeemed their interests in the Beacon Funds as of December 11, 2008.”
- **Beacon Jeanneret Investor Subclass:** “All persons and entities who obtained the investment management services of J.P. Jeanneret Associates, Inc. (“JPJA”), John P. Jeanneret or Paul L. Perry, and who invested in the Beacon Funds, and had not fully redeemed their interests in the Beacon Funds as of December 11, 2008.”
- **Beacon Fiduciary Class:** “All trustees and named fiduciaries of any employee benefit plan covered by ERISA (acting in their fiduciary capacity on behalf of the plan and for the benefit of all participants and beneficiaries of the plans for which they serve as trustees) that invested in the Beacon Funds, and that had not fully redeemed its interests in the Beacon Funds as of December 11, 2008.”
- **Buffalo Laborers Class:** “All trustees and named fiduciaries of any employee benefit plan covered by ERISA (acting in their fiduciary capacity on behalf of the plan and for the benefit of all participants and beneficiaries of the plans for which they serve as trustees) that obtained the investment management services of JPJA and that invested with Bernard L. Madoff, either directly with Bernard L. Madoff Investment Securities LLC (“BLMIS”) or indirectly through the Income Plus Fund³ or the Andover Funds⁴, and that had not fully redeemed its interests in BLMIS, the Income Plus Fund or the Andover Funds as of December 11, 2008.”
- **Income Plus Investor Class:** “All investors in the Income Plus Fund that had not fully redeemed their interests in the Income Plus Fund as of December 11, 2008.”
- **Direct Investor Class:** “All investors who invested directly with Madoff pursuant to a Discretionary Investment Management Agreement with JPJA, and that had not fully redeemed their investments with BLMIS as of December 11, 2008.”⁵

INVESTOR MEMBERS OF DERIVATIVE FUND PLAINTIFFS

- **Beacon Investors:** Investors in the Beacon Funds that had not fully redeemed their interests as of December 11, 2008.
- **Income Plus Investors:** Investors in the Income Plus Fund that had not fully redeemed their interests as of December 11, 2008.
- **Andover Investors:** Investors in Andover Associates LLC I that had not fully redeemed their interests as of December 11, 2008.

PLEASE READ THIS NOTICE CAREFULLY.

A FEDERAL COURT AUTHORIZED THIS NOTICE.

IT ALSO WAS REVIEWED AND/OR APPROVED BY STATE COURT JUSTICES.

THIS IS NOT A SOLICITATION. YOU HAVE NOT BEEN SUED.

¹ The categories of individuals and entities to whom this Notice is addressed overlap (e.g. Beacon Investor Class identified under “Class Members” and Beacon Investors identified under “Investor Members of Derivative Fund Plaintiffs”). The purpose of this Notice is to provide information to investors whose rights may be impacted by this Settlement and therefore the recipients of the Notice are identified in various ways. It is expected that each impacted investor will receive one Notice and one Proof of Claim Form even if that investor is in multiple categories of recipients.

² The “Beacon Funds” are Beacon Associates LLC I and Beacon Associates LLC II, individually and collectively and each other of their predecessors, successors, parents, subsidiaries, segments, divisions, affiliates, operating units, committees, local, regional, national, international and executive offices.

³ The “Income Plus Fund” means the Income Plus Investment Fund and the Master Income-Plus Group Trust established by JPJA, individually and collectively, and each other of their predecessors, successors, trustees, parents, subsidiaries, segments, divisions, affiliates, operating units, committees, local, regional, national, international and executive offices.

⁴ The “Andover Funds” means Andover Associates (QP) LLC and Andover Associates LLC I, individually and collectively, and each other of their predecessors, successors, parents, subsidiaries, segments, divisions, affiliates, operating units, committees, local, regional, national, international and executive offices. The Beacon Funds, Income Plus Fund and Andover Funds are referred to as the “Settling Funds”.

⁵ The six listed Classes, along with several other classes in the consolidated cases, are collectively referred to as the “Settlement Class.” Investors in Andover Associates LLC I who did not redeem their interests in that fund as of December 11, 2008 are deemed to be Settlement Class Members for purposes of this Notice and for calculating their distributions from the proceeds of this Settlement, even though the case brought on their behalf was a shareholder derivative suit and not as a class action. “Settlement Class Member” means a person who falls within the definition of the Settlement Class. Excluded from the Settlement Class are: the Settling Defendants, spouses of the individual Settling Defendants, executive officers of the corporate Settling Defendants; corporate entities that control or are controlled by the corporate Settling Defendants and the legal representatives, heirs, successors and assigns of any excluded person in that role and not in their individual capacity (“Excluded Persons”). The Plaintiffs in *Hartman v. Ivy Asset Mgmt.*, No. 09-8278 (S.D.N.Y.), are excluded from the Buffalo Laborers Class. Also excluded from the Settlement Class are persons/entities who exclude themselves from the Settlement by timely following the instructions set forth below in Question 15.

**COVER PAGE SUMMARIZING IMPORTANT INFORMATION
REQUIRED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT**

The purpose of this Notice is to provide you with information on a proposed settlement (the "Settlement") of lawsuits brought by the Settling Plaintiffs (as defined below), including the United States Secretary of Labor ("Secretary") and the New York Attorney General ("NYAG"), against the Settling Defendants (again, as defined below) involving the *In re Beacon*, *In re Jeanneret* and *Buffalo Laborers* class actions as well as shareholder derivative suits on behalf of certain of the Settling Funds (referred to as the "Actions"). The United States District Court for the Southern District of New York (the "Court") has preliminarily approved the Settlement, and has scheduled a fairness hearing at which the Court will consider the Settling Plaintiffs' motion for final approval of the Settlement and for class certification, motion for approval of a proposed plan of allocation, and motion for an award of attorneys' fees and costs. That hearing, before the Honorable Colleen McMahon, has been scheduled for **March 15, 2013, at 10 a.m.** in Courtroom 14C, of the District Court, 500 Pearl Street, New York, New York. The Settlement will provide for payments to the Settlement Class Members who file a Proof of Claim, through a plan of allocation. You are receiving this Notice because Plaintiffs' Class Counsel believes you are a Settlement Class Member.

The terms of the Settlement are contained in a Stipulation of Settlement (the "Stipulation") and are summarized below. The Stipulation and all applicable documents are available for inspection at the offices of Plaintiffs' Class Counsel (contact information below) during regular business hours. You or your counsel also can call the Claims Administrator toll-free at 1-877-308-2283; send an e-mail to BeaconJeanneretMadoffSettlement@gcginc.com or visit the website at www.gcginc.com (enter "Beacon Jeanneret Madoff Litigation" in case search), where you will find the documents available for review and download and information about the Settlement.

Settlement Class Members and their counsel are invited to participate in a teleconference on **January 14, 2013 at 1:00 p.m. EST**. On that call, Plaintiffs' Class Counsel and their financial experts will address any questions Settlement Class Members may have about the Settlement and/or Plan of Allocation. To participate, you can visit the Claims Administrator's website at www.gcginc.com (enter "Beacon Jeanneret Madoff Litigation" in case search), where you will find a link that will allow you to register and receive details about the teleconference. If you do not have internet access, please call the Claims Administrator toll-free at 1-877-308-2283 and leave your contact information. A representative will then contact you to assist with the registration process.

In addition, this Notice describes (a) the Actions and their allegations, (b) the allocation and distribution of the proceeds of the Settlement, and (c) the **March 15, 2013 (10:00 a.m.)** Fairness Hearing, at which the Court will consider, among other matters, (i) whether the Settlement should be finally approved, (ii) whether the Plan of Allocation should be approved, and (iii) Plaintiffs' Counsels' Motion for Attorneys' Fees and Expenses.

This Notice describes important rights that you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class. Your legal rights may be affected whether or not you act.

Statement of Settlement Classes' Recovery: The "Settlement Amount" consists of (a) a cash settlement fund of \$216,500,000 (Two Hundred Sixteen Million Five Hundred Thousand Dollars), and (b) additional value of \$3,357,694 (Three Million Three Hundred Fifty Seven Thousand Six Hundred Ninety Four Dollars) based on waived claims to management fees by the Beacon Defendants (together, with interest, the "Gross Settlement Fund"), for a total settlement valued at **\$219,857,694 (Two Hundred Nineteen Million Eight Hundred Fifty Seven Thousand Six Hundred Ninety Four Dollars)**, plus interest that may accrue thereon. The recovery is explained in greater detail below.

The amount that will be distributed to Class Members, known as the "Net Settlement Fund" is that portion of the Settlement Amount, plus any interest that may accrue thereon, remaining after payment of \$7,000,000 (Seven Million Dollars) to the U.S. Department of Labor, \$5,000,000 (Five Million Dollars) to the New York Attorney General (for settlement of the government cases), attorneys' fees and expenses (subject to Court approval), notice and administration expenses, taxes and tax expenses, and any other expenses approved by the Court. Assuming that all of the Settlement Class Members participate in the settlement, Private Plaintiffs' Counsel has estimated that the average recovery will be approximately 70.6% of net dollars invested in a direct BLMIS account or the Settling Funds (assuming the Court approves the governmental payments and amounts being requested in attorneys' fees and expenses). For purposes of these calculations, SIPC advances pursuant to 15 U.S.C. § 78fff-3(a) (providing for advance payments of up to \$500,000 per investor) are deducted from investors' losses.⁶ A Settlement Class Member's actual recovery will be determined by the Plan of Allocation of the Net Settlement Fund, described below and in the attached Exhibit A, and will depend upon on a number factors. Please see pages 8-10 and Questions 4 and 10 for a more detailed statement and explanation of all considerations concerning the Settlement Classes' potential recoveries from the Settlement, and definitions of the various groups of Class Members.

Statement of Average Amount of Damages: The Settling Parties disagree whether Defendants are liable and do not agree on the amount of damages per net dollar invested (or per Settling Fund interest) that could be recovered if the Settling Plaintiffs were to prevail on each claim asserted against the Settling Defendants. The issues on which the Settling Parties disagree include: (a) whether the Plaintiffs could establish violations of the federal securities laws, New York statutes and common law by any or all of the Settling Defendants; (b) whether the Settling Defendants violated the Employee Retirement Income Security Act of 1974 ("ERISA"); and (c) the appropriate economic methodology for determining the amounts by which Settlement Class Members were damaged.

⁶ The estimated average recovery for each group of investors is as follows: Beacon (69.7%), Income Plus (74.1%), Andover (181.8%) and Direct Investors (68.7%). This estimate does not include any claims that Settlement Class Members might have for recovery from the Madoff Trustee or the BLMIS estate, whether directly or through a Settling Fund.

Statement of Attorneys' Fees and Expenses Sought: Private Plaintiffs' Counsel intend to seek an award of attorneys' fees in an amount not greater than 20% of the Gross Settlement Fund, after the Fund is reduced by \$16,000,000,⁷ plus interest earned at the same rate as the Settlement Fund. Certain of Private Plaintiffs' Counsel will also apply for reimbursement of out-of-pocket costs and expenses incurred in prosecuting the claims of up to \$2,000,000, plus the fees of accounting, and financial experts and consultants for notice, administration and allocation of the Net Settlement Fund, in the estimated total amount of \$250,000, plus interest earned at the same rate as the Settlement Fund.

In this type of litigation, it is customary for plaintiffs' counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

Plaintiffs' Class Counsel estimate that the requested attorneys' fees and expenses, if approved by the Court, will represent approximately 12% of net dollars invested in a direct BLMIS account or through the Settling Funds. This calculation is being provided solely to comply with the requirements of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). Class Counsel notes that the traditional measure for expressing fees and expenses in a class action notice is as a percentage of recovery, as set forth above.

Identification of Attorneys: Lead Plaintiffs and the Classes are represented by the Court appointed Co-Lead Counsel: Barbara Hart of Lowey Dannenberg Cohen & Hart, P.C., One North Broadway, White Plains, New York, 10601, (914) 997-0500 and Peter H. LeVan, Jr. of Kessler Topaz Meltzer & Check LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706. For a list of additional Private Plaintiffs' Counsel and Defendants' Counsel, and all contact information for them, see Question 18 below.

Reasons for Settlement: There has been no final resolution by a court of the cases in favor of either the Settling Plaintiffs or the Settling Defendants. Instead, they agreed to the Settlement. The Settling Plaintiffs, the Secretary, the NYAG and Plaintiffs' Class Counsel -- who, among them, have extensive experience litigating complex class-action, shareholder, ERISA and derivative litigations - agreed to the Settlement after considering, among other things: (a) the substantial cash benefits to Settlement Class Members and/or current members of the Settling Funds; (b) the Settling Defendants' likely positions, expressed during the pendency of the litigation, concerning the various liability, causation and damages issues; (c) the desirability of consummating the Settlement in order to provide relief to Settlement Class Members and Members of the Settling Funds at this juncture of the Actions and without further delay; and (d) the Plaintiffs' Class Counsels' belief that the Settlement is fair, reasonable and adequate and in the best interests of all Settlement Class Members.

ACTIONS YOU CAN TAKE IN THIS SETTLEMENT, AND THE DEADLINES FOR THEM:	
OBTAIN MORE INFORMATION	To permit you to better understand the Settlement, the process by which it was achieved and the Plan of Allocation you and/or your counsel are invited to participate in a teleconference on January 14, 2013 at 1:00 p.m. EST . In it Plaintiffs' Counsel will summarize the Settlement and its process, and answer questions from Class Members. To participate, visit www.gcginc.com (enter "Beacon Jeanneret Madoff Litigation" in case search), where you will find a link that will allow you to register and receive details about the teleconference. If you do not have internet access, please call the Claims Administrator toll-free at 1-877-308-2283 and leave your contact information. A representative will then contact you to assist with the registration process. You can also visit the Claims Administrator's website at www.gcginc.com (enter "Beacon Jeanneret Madoff Litigation" in case search), to obtain additional information about the proposed settlement.
SUBMIT A PROOF OF CLAIM FORM	DEADLINE: January 30, 2013 (must be postmarked (if mailed) or received (if sent by any other means) no later than this date.) This is the only way to get a payment from the Net Settlement Fund.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	DEADLINE: January 30, 2013 (must be postmarked (if mailed) or received (if sent by any other means) no later than this date.) This is the only option that allows you to ever be part of any other lawsuit against the Settling Defendants (defined below) concerning the Released Claims (also defined below).
OBJECT	DEADLINE: January 30, 2013 (must be postmarked (if mailed) or received (if sent by any other means) no later than this date). Write to the Court about why you do not like the Settlement. You may not object if you have excluded yourself from the Settlement.
GO TO THE FINAL FAIRNESS HEARING	The Hearing is on March 15, 2013, at 10 a.m. Plaintiffs' Counsel must file the motions for final approval of the Settlement, approval of the Plan of Allocation and an award of Attorneys' Fees and Expenses on or before December 21, 2012 . The deadline to ask to speak in Court about the Settlement is February 13, 2013 .
DO NOTHING	Receive no payment from the Net Settlement Fund. Give up your rights, except as explained below.

These rights and options – **and the deadlines to exercise them** – are explained in this Notice.

The Courts in charge of overseeing the Settlement still have to decide whether to approve it. Payments under the Settlement will be made to Settlement Class Members if the Courts approve the Settlement and those approvals are upheld if any appeals are filed. Please be patient.

[END OF COVER PAGE]

⁷ See Question 21 and footnote 15 for an explanation of this deduction.

WHAT THIS NOTICE CONTAINS

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SUMMARY OF THE SETTLEMENT

The Settling Plaintiffs,⁸ on behalf of themselves, the classes they represent and/or the Settling Funds, have entered into a proposed Settlement with the Settling Defendants⁹ that, if approved by the Court, will resolve the Actions and various other lawsuits in their entirety. The “Settlement Amount” consists of (a) a cash settlement fund of \$216,500,000 (Two Hundred Sixteen Million Five Hundred

⁸ The “Settling Plaintiffs” means the Secretary; the NYAG; the Settling Funds; The Plumbers & Steamfitters Local 267 Pension and Insurance Funds and Trustees (including Gregory Lancette, Bradley Ward, Bryan Allen, David Waby, Dominic Mancini, Donald A. Little, Donald Beckley, James Fredenburg, James Rood, James Rounds, Patrick Bonnell and Peter Lauze); Plumbers Local 112 Health Fund and Trustees (including James Rounds and Lyle Fassett); The Local 73 Retirement Fund and Trustees (Frederick J. Volkomer, Frederick J. Volkomer II, Patrick Carroll, Timothy Donovan and Timothy Rice); The U.A. of Journeymen & Apprentices Local 73 Fund and Trustees (including Daniel Hickey, Eric Saunders, James Donovan, Jason Lozier, L. James Culeton, Marc Stevens, Mark Maniccia, Timothy Donovan, Timothy Rice and Tom Metcalf, Jr.); Local 73 Annuity Fund; Local 73 Health & Welfare Fund; I.B.E.W. Local 43 and Electrical Contractors Welfare Fund and Trustees (including Carl Hibbard, Jr., Dennis J. McDermott, Donald H. Morgan, James Engler, John S. Kogut, Kevin J. Crawford, Marilyn M. Oppedisano and Patrick Costello); Oswego County Laborers’ Local 214 Pension Fund and Trustees (including David Henderson, Jr., Earl N. Hall, Michael Blasczienski, Paul A. Castaldo and William F. Shannon); Jay Raubvogel; M. Raubvogel Co. Trust; Grand Metro Builders of NY Corp. Defined Benefit Plan and Trustees (including John Cacoulidis and Phyllis Cacoulidis); Board of Trustees of The Buffalo Laborers Security Fund, Welfare Fund and Welfare Staff Fund; Gary Kubik as participant and beneficiary in the Buffalo Laborers Security and Welfare Fund; Ernest A. Hartman and Bruce Condie as Trustees of the IBEW Local 139 Pension Fund, Thomas E. Spicer and Matthew Labosky as Trustees of the IBEW Local 325 Pension, Annuity, and Joint Trust Funds; Michael Talarski and Bruce Condie as Trustees of the IBEW Local 241 Pension Fund; Elizabeth F. Cassada and James A. Williams as Trustees of the IBEW Local 910 Annuity and Pension Funds; Thomas R. LoStracco as Trustee of the 1199 SEIU Regional Pension Fund; George Kennedy as Trustee of the Service Employees Pension Fund of Upstate New York; Rodney Malarchik and Irving Wood as Trustees of the Upstate New York Bakery Drivers and Industry Pension Fund; James Rounds and Lyle D. Fassett as Trustees of the Plumbers and Pipefitters Local 112 Pension Fund; Rockne Burns as Trustee of the Engineers Joint Welfare Fund; Robert Brown as Trustee of the Rochester Laborers’ Annuity and Pension Funds; Michael Capelli and Alan Seidman as Trustees of the Empire State Carpenters Annuity, Pension, and Welfare Funds; David Fastenberg Trustee, Long Island Vitreo-Retinal; Jordan Group, LLC, derivatively on behalf of Beacon Associates LLC I; Charles J. Hecht, derivatively on behalf of Andover Associates LLC I; Donna M. McBride, individually and derivatively on behalf of Beacon Associates LLC II; Joel Sacher and Susan Sacher, derivatively on behalf of Beacon Associates LLC II; the Stephen C. Schott 1984 Trust; Alison Altman, Amanda Atlas, Howard Gelfer, Harvey Glicker, Joel T. Gluck (IRA), Levy Investment Partners, LP, Jackie Levy, Peter Levy, Ben Macklowe, Hillary Macklowe, Ben Macklowe as Trustee of the Macklowe Gallery Ltd. Profit Sharing Plan, Lloyd Macklowe, Barbara Macklowe, Barbara Macklowe (IRA), Laurence Matlick, Carl Mittler (IRA), Marvin Poster (IRA), Mustang Sportswear, Inc., Ken Siegel, Ken Siegel (IRA), Ken Siegel Defined Benefit Plan, and Gail Zarean.

Thousand Dollars), and (b) additional value of \$3,357,694 (Three Million Three Hundred Fifty Seven Thousand Six Hundred Ninety Four Dollars) based on waived claims to management fees by the Beacon Defendants (together, with interest, the "Gross Settlement Fund"). This fund is being established for the benefit of all class members in all the cases to resolve all claims of the Settling Plaintiffs.

- The Gross Settlement Fund is broken down among the Defendants as follows:
- Ivy Defendants: \$210,000,000 (Two Hundred Ten Million Dollars).
- Jeanneret Defendants: \$3,000,000 (Three Million Dollars).
- Beacon Defendants: \$6,857,694 (Six Million Eight Hundred Fifty Seven Thousand Six Hundred Ninety Four Dollars), made up of the following:
 - \$3,500,000 (Three Million Five Hundred Thousand Dollars) in cash as a return of management fees received by the Beacon Defendants prior to December 11, 2008.
 - In addition, the Beacon Defendants waive their claims to receive any management fees, expenses, indemnity, or reimbursement of any kind from the Beacon Funds and Andover Funds, in the current amount of \$3,357,694 (Three Million Three Hundred Fifty Seven Thousand Six Hundred Ninety Four Dollars). The Beacon management fees are \$2,842,270 and the Andover management fees are \$515,424. In accordance with the Plan of Allocation, these amounts will be distributed directly to Beacon and Andover investors by the Beacon and Andover Funds, respectively. The Beacon Defendants also are waiving any claims to be reimbursed for any legal fees from the Beacon or Andover Funds.¹⁰

The "Net Settlement Fund" is that portion of the Gross Settlement Fund remaining, plus any interest that may accrue thereon, after payment of \$7,000,000 (Seven Million Dollars) to the U.S. Department of Labor, \$5,000,000 (Five Million Dollars) to the New York Attorney General,¹¹ attorneys' fees and expenses (subject to Court approval), notice and administration expenses, and taxes and tax expenses.

The Net Settlement recoveries received from Ivy will be allocated to all investors covered by this Settlement. The Net Settlement Fund payments received from the Jeanneret Defendants will be allocated to all investors that obtained investment-related services from JPJA. The Net Settlement Fund payments received from the Beacon Defendants will be allocated to all investors in the Beacon Funds and Andover Funds.

Following many informal negotiations and multi-day mediation sessions with all private and governmental parties and two neutral mediators, held on February 28-29, April 19 and July 17, 2012, and continuing negotiations on the terms of the Stipulation through November 13, 2012, the global settlement reflected in this notice was achieved. In addition, on May 30, 2012, the Settling Plaintiffs, the Secretary and the NYAG engaged in a lengthy mediation to resolve the allocation of the Net Settlement Fund as among the classes for each of the Beacon, Income Plus and Andover Funds, and the Direct Investors,¹² and agreed on the following allocations:

Percentage of Net Settlement Fund¹³

Beacon	58.87%
Income Plus	15.08%
Andover	1.17%
Direct Investors	23.27%
Investors Receiving Only	1.61%
Opportunity Cost Payments	
Total	100.00%

A Settlement Class Member's actual recovery will be determined by the Plan of Allocation of the Net Settlement Fund, attached as Exhibit A, and will depend on a number factors. These factors include, among other things, the amounts and timing of each investment.

The Proof of Claim form accompanying this Notice includes your individual net investment information, as well as all Securities Investment Protection Corporation recoveries to date (if any). The Proof of Claim form also includes an **estimate** of your distribution for your investments, if any, in the Beacon, Income Plus and Andover Funds or in direct investments with Madoff. In class actions, quite often some number of the people who are entitled to submit claims do not do so and participation rates can vary widely; they usually are less than 100%. In this case, we anticipate a 100% claims submission rate because the parties who may be able to submit claims are a relatively discrete and discernible group. If some people do not submit claims, your recovery could be more than the estimate.

The Net Settlement Fund will be allocated as follows among the investors in the Beacon Funds (58.87%), Income-Plus Fund (15.08%), Andover Funds (1.17%), Direct Investors, (23.27%), and Investors Receiving Only Opportunity Cost Payments (1.61%). A Settlement Class Member's actual recovery will be determined by the Plan of Allocation of the Net Settlement Fund, described below and in the

⁹ The "Settling Defendants" means Ivy Asset Management LLC ("Ivy"), Lawrence Simon, Howard Wohl, Adam Geiger and Fred Sloan (collectively, the "Ivy Defendants"); JPJA, John Jeanneret and Paul Perry (collectively, the "Jeanneret Defendants"); and Beacon Associates Management Corp. ("BAMC"), Andover Associates Management Corp. ("AAMC"), Joel Danziger and Harris Markhoff (collectively, the "Beacon Defendants").

¹⁰ Litigation efforts forestalled the payment of conservatively hundreds of thousands of dollars in legal fees to counsel for Defendants Markhoff and Danziger, which is an additional benefit to Beacon and Andover Class Members, but on which benefit Plaintiffs' Counsel are not seeking legal fees.

¹¹ See Question 4 for information on the litigations filed by the Secretary and the NYAG.

¹² "Direct Investors" means persons or entities that obtained investment-related services from JPJA and invested directly with Madoff.

¹³ The Income Plus Fund made certain investments in Beacon. As set forth in the Plan of Allocation, the portion of the Beacon allocation held by Income Plus is claimed by Income Plus and becomes part of the total Income Plus recovery on a *pro rata* basis within the Fund.

attached Exhibit A, and will depend upon on a number factors. It is estimated that each Settlement Class Member will receive a substantial percentage of his/her/its net investments (*i.e.*, the amount by which the investor's investments in a Settling Fund or to a Direct Investment Account exceeded redemptions) after deduction of attorneys' fees and expenses (subject to Court approval). Due to the facts that (a) portions of the Settling Funds were invested in non-Madoff investment vehicles, and (b) the contributions and withdrawals into and out of BLMIS did not correlate dollar for dollar to contributions and withdrawals by investors into and out of the Settling Funds, the calculation of losses differs when considering all investors as a group as distinct from an investor by investor calculation.

Plaintiffs' Class Counsel's estimate of the amounts to be distributed to Class Members are set forth above -- approximately 70.6% of net dollars invested in a direct BLMIS account or the Settling Funds. For purposes of these calculations, SIPC advances pursuant to 15 U.S.C. § 78fff-3(a) (providing for advance payments of up to \$500,000 per investor) are deducted from investors' losses. These figures assume the Court approves the governmental payments and amounts being requested in attorneys' fees and expenses. The estimated settlement allocation as a percentage of net dollars invested for each group of investors is as follows: Beacon (69.7%); Income Plus (74.1 %); Andover (181.8 %); and Direct Investors (68.7%) Investors Receiving Only Opportunity Cost Payments received back the entirety of their Net Investments before the Madoff Ponzi Scheme was disclosed, and therefore the estimated settlement allocation as a percentage of net dollars invested cannot be calculated (as the denominator is zero).

The settlement allocation as a percentage of net dollars invested varies between the Beacon, Andover and Income Plus Funds due to the specific contributions and withdrawals into and out of those Funds. The Direct Investors received SIPC payments of up to \$500,000 per investor (\$8.4 million total), as compared to the SIPC recoveries by the Settling Funds of \$500,000 per Fund. Also, the Direct Investors lost 100% of their investments that were in accounts with Madoff, while the Settling Funds were partially exposed to Madoff on the date of the disclosure of the fraud, as follows: Beacon – 74% exposed to Madoff as of December 2008; Income Plus – 33.6% exposed to Madoff as of December 2008; and Andover – 20.6% exposed to Madoff as of December 2008. The investors in the Settling Funds have received and continue to receive distributions from the Funds of non-Madoff-related assets. The Andover Fund is substantially smaller than the Beacon and Income Plus Funds, and was exposed to Madoff in a smaller percentage as of December 2008. The amount of the Settlement allocated to Andover investors is slightly more than 1% of the Net Settlement Fund, and the Andover investors' recovery as a percentage of net loss is higher than the recoveries of the other investor groups because the SIPC recovery represent a higher percentage of dollars lost than for those other investors, and because the non-Madoff distributions to Andover investors represent a higher percentage relative to dollars lost than for investors in the other Funds.

In addition, investors are expected to receive substantial distributions from Irving Picard, Trustee for the BLMIS estate (the "Madoff Trustee"). As of June 1, 2012, the Madoff Trustee has reported that he has recovered or entered into agreements to recover more than \$9.1 billion, representing approximately 53% of the approximately \$17.3 billion in principal estimated to have been lost in the Madoff Ponzi scheme by BLMIS customers who filed claims. **This Settlement in no way diminishes any claims that Settlement Class Members might have for recovery from the Madoff Trustee or the BLMIS estate, whether directly or through a Settling Fund.**

BASIC INFORMATION

1. What Is A Class Action?

A class action is a lawsuit in which one or more persons sue on behalf of other persons who have similar claims. The members of this group are called the class. A class action may also include, as is the case here, subclasses, which are other groups whose members have asserted different and/or overlapping claims; they also may assert similar claims against different and/or overlapping defendants. The settlement of a class action determines the rights of the members of the classes and subclasses, except for those who choose to exclude themselves from the Settlement Class (*see* Question 15, below). For this reason, the Settlement must be approved by the Court. Those Settlement Class Members who do not exclude themselves from the Settlement may submit a claim (*see* Question 11, below) and, if they do, may receive payment of money. They may also object to the terms of the Settlement and still remain in the Settlement Class and receive payment of money (*see* Question 18, below).

The Settlement Class is comprised of the classes, subclasses and persons identified on page 2, above.

2. Why Do Certain Actions Allege Shareholder Derivative Claims?

Certain of the Actions allege shareholder derivative claims, either alone or in conjunction with class claims. In a derivative action, one or more people and/or entities who are shareholders in a corporation, or as here, purchasers of interests in or shares of an investment fund, sue on behalf of the fund, alleging that the fund was injured, and seek recovery on behalf of the fund. These are claims that belong to the respective funds and once released (as they will be by this Settlement), they cannot be maintained by the funds or anyone purporting to act on their behalf. The derivative claims are being settled as part of this global Settlement.

This Notice is being sent to all of the non-managing members of the Beacon Funds and Andover Associates LLC I on behalf of which derivative claims have been asserted. The Net Settlement Fund will be distributed to each of these investors in their capacities as members of their respective Settlement Class through the Court notwithstanding that there are derivative claims asserted in state courts. The shareholder derivative claims will continue to proceed in state courts against the auditors of the Settling Funds, who are not included in this Settlement. Any recovery from the auditors in this continued litigation is not a part of this Settlement. The distribution of any recovery from the auditors in this continued litigation will be handled as part of the liquidation of the Beacon Funds and Andover Associates LLC I, and the resolution of the remaining derivative claims against the auditors of the Settling Funds will be subject to the supervision of the New York State courts in which the derivative suits are pending.

3. Why Did I Receive This Notice Package?

By Order dated November 30, 2012, the Honorable Colleen McMahon of the United States District Court for the Southern District of New York directed that Notice of the proposed Settlement be distributed to the Settlement Class set forth above. The New York State courts in which certain derivative claims covered by this Settlement are pending have reviewed this Notice and/or approved the

distribution of this Notice to the non-managing members of the Settling Funds. The Court will be asked to approve the Settlement of those claims as part of the approval process.

The Court and the New York State courts authorized this Notice to be sent to you because you or someone in your family have been identified as a Settlement Class Member. You may elect to exclude yourself from the Settlement Class. See Question 15.

If you are a Settlement Class Member, you have a right to know about the proposed Settlement of the Actions, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator will distribute the payments that the Settlement permits, in accordance with the Plan of Allocation. The timing of any distributions depends on many factors, including whether appeals are filed and resolved, and, therefore, is unknown at this time.

This package explains the Actions, the Settlement, your legal rights and the benefits available under the Settlement.

4. What Are The Actions About?

4.1 In re Beacon

On January 27, 2009, investors in the Beacon Funds filed the first of several actions against all or some of the Settling Defendants, alleging claims under the federal securities laws, and certain state common law and statutory claims. Each of the Settling Defendants has been named as a defendant in one or more of the Actions. The cases brought claims based on the investments made by Settling Plaintiffs and Settlement Class Members in Beacon Funds, which were then invested with BLMIS. The Madoff Ponzi scheme and bankruptcy caused a loss in the investors' assets. The Complaints demanded that the Defendants be required to pay to all investors the amounts of their losses and other recoveries.

Plaintiffs filed two Amended Complaints and Judge Sand granted in part and denied in part the Defendants' motions to dismiss the case. Certain direct and all derivative common law claims were dismissed. Those claims are preserved for appeal in the *In re Beacon* litigation.

On September 15, 2011, Plaintiffs moved for class certification, asking the Court to allow the case to proceed for all class members together. After the various parties filed opposition and reply papers, and after oral argument, Judge Sand granted the motion for class certification, which is currently on a petition to appeal before the appellate court.

4.2 In re Jeanneret

On April 17, 2009, investors who received services from JPJA filed the first of several cases that alleged claims under the federal securities laws, the Investor Advisers Act, ERISA, and certain state claims. Several cases were consolidated by order of Judge McMahon.

Plaintiffs filed two Amended Complaints and Judge McMahon granted in part and denied in part the Defendants' motions to dismiss the case. Common law claims and federal claims were dismissed and are preserved for appeal. Plaintiffs then filed a Third Amended Complaint, and the Court ordered that the previous rulings on motions to dismiss would be applicable to the corresponding claims in the Third Amended Complaint.

On January 4, 2011, Judge McMahon entered an Order severing the ERISA claims, originally filed in *Board of Trustees of the Buffalo Laborers Security Plan et al. v. J.P. Jeanneret Associates, Inc.*, No. 09-cv-08362 and in the *Hartman, et al., v. Ivy Asset Management L.L.C., et al.*, No. 09 Civ. 8278 action, from the other claims in the *In re Jeanneret Associates, Inc. et al.* consolidated action, and transferred those claims to Judge Sand for coordination with the *In re Beacon Associates Litigation* consolidated action.

Plaintiffs moved for class certification on September 15, 2011. Defendants filed opposition papers and Plaintiffs filed reply papers. At the time of the Settlement was reached, Plaintiffs' motion had not yet been decided.

4.3 Buffalo Laborers Action

The Board of Trustees of the Buffalo Laborers Security Fund, Welfare Fund and Welfare Staff Fund filed a Complaint against certain of the Ivy Defendants and the Jeanneret Defendants in October 2009 in the United States District Court of the Southern District of New York, asserting ERISA claims on behalf of ERISA-covered plans that suffered losses in connection with investments made directly with Madoff pursuant to a Discretionary Investment Management Agreements with JPJA, or indirectly through investments in the Income Plus Fund or the Andover Funds. The Complaint demanded that the named Ivy Defendants and Jeanneret Defendants be required to restore to the Plans all losses that the Plans suffered as a result of their Madoff investments, and to disgorge all profits that the Defendants realized from their alleged fiduciary breaches.

Plaintiffs filed Amended Complaints and Judge McMahon granted in part and denied in part the named Ivy Defendants' motion to dismiss. Certain claims were dismissed and are preserved for appeal. Judge McMahon subsequently transferred the *Buffalo Laborers* action to Judge Sand for coordinated discovery with *In re Beacon* and the other coordinated cases that asserted similar claims against all or some of the Settling Defendants. The named Ivy Defendants also moved before Judge Sand for reconsideration of Judge McMahon's decision, which Judge Sand granted in part and denied in part.

On September 15, 2011, the Board of Trustees moved for class certification, asking the Court to allow the case to proceed for all class members together. After the parties filed opposition and reply papers, and after oral argument, Judge Sand granted the motion for class certification, which is currently on a petition to appeal before the appellate court. By Order of the Court dated March 19, 2012, the Plaintiffs in *Hartman v. Ivy Asset Management*, another litigation asserting the same claims, were excluded from the *Buffalo Laborers* class.

In connection with this Settlement, the named Ivy Defendants and the Jeanneret Defendants have stipulated to the addition of Gary Kubik, a participant and beneficiary in the Buffalo Laborers Security and Welfare Funds, as a named plaintiff and class representative in the *Buffalo Laborers* action.

4.4 State Derivative Claims

4.4.1 Sacher v. Beacon Associates Management Corp.

Plaintiffs commenced this action in the Supreme Court of the State of New York, Nassau County, asserting that they are and at all relevant times were members of Beacon Associates LLC II (“Beacon II”), and asserting the following claims: (i) breach of contract (two causes of action), negligence and aiding and abetting breach of fiduciary duty against Ivy Asset Management LLC; (ii) breach of contract, gross negligence and breach of fiduciary duty against Beacon Associates Management Corp.; (iii) aiding and abetting breach of fiduciary duty against Joel Danziger and Harris Markhoff, and (iv) professional negligence against Friedberg, Smith & Co., P.C., the auditors for the Beacon Funds.

The Court ruled on motions to dismiss, holding that Plaintiffs had standing under New York law to assert these claims derivatively on behalf of Beacon II and that they had adequately pled each claim except for the breach of contract claim against Ivy. That Order is currently on appeal. Later, the Court granted renewal of Defendants’ motions to dismiss, and upon renewal, dismissed Plaintiffs’ first and second causes of action against Ivy for breach of contract and Plaintiffs’ fourth cause of action against Ivy for negligence. That Order is also on appeal.

4.4.2 Hecht v. Andover Associates Management Corp.

Plaintiff in this case asserts that he is and at all relevant times was a member of the New York limited liability company Andover Associates LLC I (“Andover”), and brought the following claims: (i) breach of contract, negligence and aiding and abetting breach of fiduciary duty against Ivy; (ii) breach of contract, gross negligence and breach of fiduciary duty against Andover Associates Management Corp.; (iii) aiding and abetting breach of fiduciary duty against Mr. Danziger and Mr. Markhoff; and (iv) professional negligence against Citrin, Cooperman & Co., LLP, the auditors for the Andover Funds.

The Court ruled on motions to dismiss, holding that Plaintiff had standing under New York law to assert these claims derivatively on behalf of Andover and that he had adequately pled each claim except for the breach of contract claim against Ivy. That Order is currently on appeal.

4.4.3. Jordan Group LLC v. Beacon Associates Management Corp.

Plaintiff in this case asserts that it is and at all relevant times was a member of the New York limited liability company Beacon I, and brought the following claims: (i) breach of contract (two causes of action), negligence and aiding and abetting breach of fiduciary duty against Ivy; (ii) breach of contract, gross negligence and breach of fiduciary duty against BAMC; (iii) aiding and abetting breach of fiduciary duty against Mr. Danziger and Mr. Markhoff; and (iv) professional negligence against Friedberg, Smith & Co., P.C., the auditor for the Beacon Funds.

Because of the similarity of the claims asserted in *Jordan* to those previously asserted in *Sacher* and *Hecht*, the parties stipulated that the time for Defendants in *Jordan* to answer or otherwise move with respect to the complaint would be tolled pending a decision by the appellate court on the pending appeals in *Sacher* and *Hecht*.

4.4.4 McBride v. KPMG, International

Plaintiff in this case, a member of the limited liability company Beacon II, asserted claims on her own behalf and derivatively on behalf of Beacon II. The McBride complaint alleged the following derivative claims: (i) professional negligence against Ivy; (ii) fraud, breach of fiduciary duty, and professional negligence against BAMC; and (iii) breach of fiduciary duty and aiding and abetting fraud against Mr. Danziger and Mr. Markhoff. Plaintiff also alleged various claims against other defendants that are not part of this settlement. The Settling Defendants moved to dismiss the claims against them, which motion is currently pending before the court.

* * * *

With the approval of the federal Court and the New York State Courts, the litigation and settlement of the *In re Beacon*, *In re Jeanneret* and *Buffalo Laborers* class actions and the four state law derivative cases are being coordinated together with one another and with the settlement of numerous other federal and state actions, including the actions brought on behalf of the United States Secretary of Labor and the Attorney General of New York described below. These actions assert similar claims against all or some of the Settling Defendants. Counsel to the plaintiffs of each of the actions fully participated in the mediation with the Settling Defendants.

4.5 United States Secretary of Labor: Solis v. Beacon Associates Management Corp.

In October 2010, the Secretary filed *Solis v. Beacon Associates Management Corp. et al.*. This action was brought against Ivy, Lawrence Simon (Ivy’s former Chief Executive Officer), Howard Wohl (Ivy’s former Chief Investment Officer) and the Beacon and Jeanneret Defendants, alleging that those Defendants violated ERISA with respect to approximately 100 ERISA plans that were invested with Madoff. The Secretary asked that the Defendants be required to restore to the plans all losses that they suffered as a result of their Madoff investments, and to disgorge (or return) all profits that the Defendants realized from their alleged fiduciary breaches. The plans’ Madoff investments were (1) direct investments in brokerage accounts with BLMIS; (2) investments in the Income Plus Fund; and (3) investments in the Beacon and Andover Funds. The Secretary also asked the Court to permanently enjoin the Defendants from acting as fiduciaries or service providers with respect to any ERISA-covered plans.

4.6 New York Attorney General: Cuomo v. Ivy Asset Management L.L.C.

The Office of the New York Attorney General filed suit in May 2010 in an action styled *Cuomo v. Ivy Asset Management L.L.C. et al.*, against Ivy, Mr. Simon and Mr. Wohl, for allegedly misleading clients about investments tied to Madoff. The lawsuit charged Ivy, Mr. Simon and Mr. Wohl with violating New York’s Martin Act for alleged fraudulent conduct in connection with the sale of securities; allegedly violating Executive Law §63(12) for persistent fraud in the conduct of business and for persistent illegality; and allegedly breaching fiduciary duties in connection with the advice they gave to their clients. The Attorney General’s lawsuit sought payment of restitution, and damages from Ivy, Mr. Simon and Mr. Wohl, as well as the disgorgement of all fees that Ivy received. The lawsuit also sought to bar Messrs. Simon and Wohl from acting as investment advisors.

* * * *

All claims in all of these cases against the Settling Defendants, including those dismissed and preserved for appeal, will be settled and released as part of this Settlement.

5. How Did the Parties Reach The Settlement?

There has been no final resolution by a court of the cases in favor of either the Settling Plaintiffs or the Settling Defendants. Instead, they agreed to the Settlement. The Settling Parties disagree about liability issues and do not agree on the amount of damages per net dollar invested (or per Settling Fund interest) that could be recovered if the Settling Plaintiffs were to prevail on each claim asserted against the Settling Defendants.

Plaintiffs' Class Counsel believes that the Settlement confers substantial immediate and future benefits upon Settlement Class Members. Based on their evaluation, Plaintiffs' Class Counsel have concluded that the Settlement is in the best interests of the Settlement Class Members.

The Plaintiffs and Defendants have been litigating the Actions vigorously for nearly four years. The Parties' discovery efforts began in earnest shortly after the Court sustained the viability of various claims asserted by Plaintiffs. Over the course of discovery, the Parties exchanged numerous discovery requests; produced and reviewed more than 12,000,000 pages of documents produced by the Ivy Defendants, over 900,000 pages of documents produced by the Beacon Defendants, over 400,000 pages of documents produced by the Jeanneret Defendants, and over 215,000 pages documents produced by third parties pursuant to subpoenas. Between approximately June 2011 and January 2012, various plaintiffs produced over two million pages of documents with corresponding privilege logs. The Defendants also took the depositions of eight witnesses for class certification purposes.

Throughout the course of these actions, the Parties appeared before the federal and state courts on numerous occasions. In *In re Beacon* and *Buffalo Laborers*, Judge Sand held hearings on Defendants' motions to dismiss, Defendants' motion to reconsider the decision on their motions to dismiss, and Class Plaintiffs' Motions for Class Certification. In *In re Jeanneret*, Judge McMahon held a lengthy hearing on Defendants' motions to dismiss. In the coordinated proceedings, Magistrate Judge Andrew Peck presided over and resolved numerous discovery disputes that arose in connection with the parties' discovery efforts, document productions and deposition schedules, holding status conferences approximately once a month. The Parties also retained and engaged the services of former Magistrate Judge John Hughes to help resolve additional discovery and scheduling disputes. At the time of the settlement, Lead Counsel had noticed and were preparing for the depositions of over 20 former Ivy, JPJA and BAMC employees, and third parties. Class Plaintiffs were and continue to be committed to the Actions and have pursued them vigorously in the face of strong and dedicated opposition.

The settlement negotiations in the Actions were lengthy and at arm's-length. Defendants' position from the beginning was that any settlement must resolve not just the Actions, but all claims related to them, which entailed substantial coordination. Defendants further required that any settlement must also resolve portions of the SIPC trustee proceedings filed in the United States Bankruptcy Court, Southern District of New York, pending before Judge Lifland, captioned *Securities Investor Protection Corporation v. Bernard Madoff Investment Securities LLC* and *In re Bernard Madoff Investment Securities LLC, Debtor* (the "Madoff Trustee Proceedings").

After litigating the cases aggressively for several years, the Parties began settlement negotiations in earnest in February 2012. After exchanging mediation statements, the Parties to the Class Actions, Non-Class Actions, the Regulator Actions and Madoff Trustee Proceeding participated in a formal, two day mediation session on February 28-29, 2012 before JAMS mediators David Geronemus and Michael D. Young. The initial mediation sessions did not resolve the matters, but substantial progress was made. The Parties and mediators Geronemus and Young remained in contact and participated in innumerable conference calls. The Parties met again for another mediation session on April 19, 2012. Negotiations lasted throughout the night and, in the early morning hours of April 20, 2012, the Parties reached an agreement in principle to settle all claims in the Class Actions and Non-Class Actions. Over the course of the next several months, the Parties continued to negotiate additional terms of the Settlement, and to prepare a Plan of Allocation. After the agreement on total settlement amount was reached by the Parties, they began a second negotiation between counsel for differently-situated class members in order to start a process by which a Plan of Allocation could be agreed upon. Negotiation of the Plan of Allocation included an additional full day of mediation involving the New York Attorney General, the Secretary of Labor, and Private Plaintiffs' Counsel in the Class Actions and Non-Class actions on May 30, 2012. All parties then participated in an additional day of mediation (on July 17, 2012) to attempt to resolve additional terms of the agreement, such as the scope of the releases. On November 13, 2012, following ongoing additional communications and negotiations with mediators Geronemus and Young, the Parties fully executed the Stipulation.

WHO IS IN THE SETTLEMENT

6. How Do I Know If I Am Part Of The Settlement?

On April 14, 2012, the Court certified the Beacon Investor Class and Jeanneret Investor Subclass, as amended by its order dated March 14, 2012 for settlement purposes. On May 3, 2012, the Court certified the Buffalo Laborers Class, as amended by its order dated May 3, 2012 for settlement purposes. By Order dated November 30, 2012, the Court certified the Jeanneret classes (the Direct Class and the Income Plus Class) for settlement purposes. All of these orders are discussed in Question 4.

You have been identified as a Settlement Class Member and will remain one unless you elect to exclude yourself from the Settlement Class. See Question 15.

Investors in Beacon I, Beacon II, Income Plus or Andover Associates LLC I who did not redeem their interests in these funds as of December 11, 2008 are considered Settlement Class Members, as are Direct Investors who had not redeemed their investments with BLMIS as of December 11, 2008.

7. Are There Exceptions To Being Included?

Yes. All Excluded Persons, as defined in Footnote 5, page 2, are excluded from the Settlement Class. In addition, if you timely request exclusion in accordance with the requirements set forth in Question 15, you will be excluded from the Settlement Class.

8. Still Unsure About Whether You Are A Settlement Class Member?

If you are still not sure whether you are a Settlement Class Member, you may ask for free help. You may contact the Claims Administrator for more information by calling 1-877-308-2283 or writing to BeaconJeanneretMadoffSettlement@gcginc.com or the address listed below. Or you can fill out and return the Proof of Claim and Release form described in Question 11 to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE

9. What Does The Settlement Provide?

The Gross Settlement Fund is defined above, with the contributions that will be made by each set of Defendants. The Settlement Fund is being established for the benefit of the Settlement Class to resolve all class, direct and derivative claims of the Settling Plaintiffs. If the Settlement is approved, Releases of all claims, including Unknown Claims, will be provided among all Settling Parties.

HOW YOU RECEIVE PAYMENT – SUBMITTING A CLAIM FORM

10. How Much Will My Payment Be?

The Settlement Fund, after deduction of the attorneys’ fees and expenses approved by the Court, litigation expenses, administrative expenses and taxes, will be distributed to the Settlement Class Members using the Plan of Allocation approved by the Court. This is attached as Exhibit A, and it provides more details and information. Your share of the Net Settlement Fund will depend on many things, including, among others: (a) the amount you invested (and redeemed) in interests in or shares of the Settling Funds or directly with Madoff, (b) the specific investment vehicle through which you suffered Madoff-related investment losses (*i.e.* via direct investment with BLMIS or via a Settling Fund that was partially invested with BLMIS), (c) when you made your investments, (d) what distributions, if any, you have received from your Settling Fund or from the Madoff Trustee following the disclosure of the Madoff fraud; (e) the impact of the Madoff Bankruptcy Trustee’s clawback action against the Beacon Fund and the Andover Fund seeking return of all withdrawals from BLMIS by those funds during the six years prior to revelation of the fraud; and (f) distributions made to Investors by the Beacon, Income Plus and Andover Funds following disclosure of the Madoff fraud. The enclosed Proof of Claim Form contains information concerning your net investments in each of the investment vehicles (Beacon, Income Plus, Andover and Direct Investments) and an **estimate** of your likely share of the Settlement allocable to each investment vehicle. *See also* “Statement of Settlement Classes’ Recovery” on page 3 and Question 11.

Once all the claims are calculated, Plaintiffs’ Class Counsel, without further notice to Settlement Class Members, will apply to the Court for an order directing that the Net Settlement Fund be distributed in accordance with the Plan of Allocation approved by the Court. Plaintiffs’ Class Counsel will also ask the Court to approve payment from the Net Settlement Fund of the Claims Administrator’s fees and expenses incurred in connection with administering the Settlement that have not already been reimbursed.

The Settling Defendants do not have any responsibility or liability with respect to claims administration or the management, investment or distribution of the Gross Settlement Fund or the Net Settlement Fund. The Settling Defendants did not participate in, agree to or approve the Plan of Allocation and take no position as to its fairness, equity or propriety. The distribution of the Net Settlement Fund is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the distribution will not affect the validity or finality of the proposed Settlement if it is approved by the Court.¹³ Without further notice to you, the distribution of the Net Settlement Fund may be modified in connection with, among other things, a ruling by the Court, or an objection filed by a Settlement Class Member, which could affect the finality of the Settlement.

11. How Do I File A Claim?

Any Settlement Class Member who wishes to participate in the Settlement must sign and return a completed Proof of Claim Form in accordance with the instructions set forth in this Notice. All Proofs of Claim must be submitted so that it is postmarked (if mailed) or received (if sent by any other means) by **January 30, 2013**.

To qualify for payment, you must sign and return the enclosed Proof of Claim form, which has already been completed based on information known to the Settling Parties. It should include your net investments into and out of Beacon, Andover, Income Plus and Direct Madoff accounts. If you agree with the totals listed on the Proof of Claim form, you need only sign the form and return it to be eligible to participate in the Settlement. Should you disagree with any of the totals, you should, on a separate piece of paper, correct the transactions and provide supporting documentation for any additional transactions. The Proof of Claim form must be signed and postmarked (if mailed) or received (if sent by any other means) by **January 30, 2013**.

Your Claim Form must be addressed as follows: Beacon Jeanneret Madoff Settlement c/o GCG P.O. Box 9895 Dublin, Ohio 43017-5795	If sent by any method other than U.S. postal mail: Beacon Jeanneret Madoff Settlement c/o GCG 5151 Blazer Parkway, Ste A Dublin, OH 43017	Or BeaconJeanneretMadoffSettlement@gcginc.com
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IF YOU DO NOT PROPERLY FILE A PROOF OF CLAIM AND RELEASE FORM, YOU WILL NOT RECEIVE ANY PAYMENT PURSUANT TO THE SETTLEMENT BUT YOU WILL BE BOUND BY THE RELEASES AND THE FINAL JUDGMENT OF THE COURT DISMISSING THESE ACTIONS, UNLESS YOU PROPERLY EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS.

A Proof of Claim will be deemed to have been submitted when posted, if received with a postmark indicated on the envelope, and if mailed by first-class mail and addressed in accordance with the instructions. In all other cases, the Proof of Claim will be deemed to have been submitted when actually received by the Claims Administrator.

Copies of the blank Proof of Claim Form can be obtained at www.gcginc.com (enter “Beacon Jeanneret Madoff Litigation” in case search) but you are encouraged to use the Proof of Claim you have received with this Notice, because it has been completed with information concerning your individual net investments.

¹³ A Court-ordered reduction in the amount to be paid to certain plaintiffs who filed individual lawsuits could affect the finality of the Settlement. In addition, the Settling Defendants have the right to terminate the Settlement if members of the Settlement Class submit valid requests for exclusion in an amount that exceeds an amount agreed to by Settling Plaintiffs and Settling Defendants.

12. How Will My Claim Be Processed?

To qualify for a payment, you must be an eligible Settlement Class Member and you must submit a Proof of Claim. Each Proof of Claim form will be reviewed by the Claims Administrator, who will determine whether to approve the claim, in whole or in part, and the extent (if any) it will be paid, in accordance with the Stipulation and Plan of Allocation.

13. What If My Claim Is Denied?

If your Proof of Claim Form is deficient, the Claims Administrator will contact you to allow you to remedy any curable deficiencies within a specified time frame. The Claims Administrator will also notify you in writing if your Proof of Claim Form has been rejected, in whole or in part, and will give you the reasons for the rejection.

If your claim is rejected, in whole or in part, and you choose to contest the rejection, you must, within thirty (30) days after the date of mailing of the notice of rejection from the Administrator, serve a notice and statement of reasons indicating your grounds for contesting the rejection along with any supporting documentation. The Claims Administrator will provide a copy of your statement and supporting materials to counsel for the Settling Parties.

If your claim remains in dispute and cannot be resolved, Plaintiffs' Class Counsel will present it for review to the Court. There will be no discovery of any type permitted in connection with such a request, and the scope of the Court's review will be limited to a determination of whether the Proof of Claim was in compliance with the requirements of the Stipulation. You, and every claimant, expressly waives trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to these determinations.

14. What Am I Giving Up By Staying In The Class?

If you are a Settlement Class Member, and you do not exclude yourself from the Settlement Class, you will remain in the Settlement Class, which means that if the Court approves the proposed Settlement, you (on behalf of yourself, your heirs, executors, administrators, successors and assigns and any persons you represent) will be forever prohibited from bringing a lawsuit against the Settling Defendants and certain of their related entities (defined in the Stipulation as "Defendant Released Parties") based on allegations relating to the Released Claims, including any Unknown Claims (all of which are defined in the Stipulation). Among other things, you will not be able to sue the Settling Defendants or Defendant Released Parties for any claims concerning any Madoff investments (whether or not those investments are the ones that are the subject of these Actions) to the extent that the claim is based on any allegations of wrongdoing by the Settling Defendants.¹⁴

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

If you do not want a payment from the Settlement, but you want to keep the right to sue or continue to sue the Settling Defendants on your own about claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as "opting out" of the Settlement Class.

15. How Do I Exclude Myself From The Settlement?

Please note that excluding yourself is not the same as doing nothing in response to this Notice. Each Settlement Class Member will be bound by all determinations and judgments in the Actions concerning the Settlement, whether favorable or unfavorable, including the Releases, unless the Class Member files a written request for exclusion from the Settlement Class. It must be postmarked (if mailed) or received (if sent by any other means) by **January 30, 2013**, addressed to:

Beacon Jeanneret Madoff Settlement Exclusions c/o GCG P.O. Box 9895 Dublin, Ohio 43017-5795	If sent by any method other than U.S. postal mail: Beacon Jeanneret Madoff Settlement c/o GCG 5151 Blazer Parkway, Ste A Dublin, OH 43017	Or BeaconJeanneretMadoffSettlement@gcginc.com
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No Settlement Class Member may opt out of the Settlement Class after that date. Your Request for Exclusion must clearly indicate your name, address and telephone number that you request to be excluded from the Settlement Class, and you must sign it. Persons requesting exclusion are also required to state: the full name of the Settling Fund(s) purchased and/or information concerning any Direct Investment in Madoff; the number of shares or interests purchased and sold/redeemed and/or the amount of contributions and withdrawals as applicable; the date(s) on which purchases and redemptions and/or contributions and withdrawals, if any, were made; and the number of shares or the dollar value of the interests held as of December 10, 2008 and/or the value of the direct Madoff investment as of December 10, 2008. Your Request for Exclusion will not be effective unless it provides this required information and is made by the deadline stated above, or it is otherwise accepted by the Court. The Settling Defendants have the right to terminate the

¹⁴ "The complete definitions of the claims that will be released, and against what parties, are set forth in the enclosed Proof of Claim; when you sign and file it, and ultimately participate in the Settlement, you are agreeing to that release. The definitions also are set forth in the Stipulation at Paragraphs 1.9, 1.17, 1.34, 1.36, 1.56 and 1.73. As noted above, it is available at the dedicated website and from Plaintiffs' Class Counsel. You can contact them with any questions you have on this.

Settlement if valid requests for exclusion are received from Class Members in an amount that exceeds the amount agreed to by Settling Plaintiffs and Settling Defendants.

If you are excluded from the Settlement Class, you will not get any payment from the Settlement Fund, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Actions, except that, because there is no right to exclude yourself from the settlement of the derivative claims, final judgment entered by the Court will operate to preclude you from commencing or continuing to maintain any derivative Released Claims that were, could have been or could be asserted by or on behalf of the Settling Funds (the "Released Fund Claims"). You also may be able to sue (or continue to sue) the Settling Defendants or Released Parties in the future, although not with respect to any of the Released Fund Claims.

16. If I Do Not Exclude Myself From The Settlement Of The Actions, Can I Sue The Settling Defendants For The Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Settling Defendants or the Released Parties for the Released Claims. If you have a pending lawsuit relating to the Released Claims against any Settling Defendant or Released Party, speak to your lawyer in that case immediately. You must exclude yourself from this Settlement to continue your own lawsuit. Remember, the exclusion deadline is **January 30, 2013**.

17. If I Exclude Myself, Can I Receive A Payment From This Settlement?

No. If you opt out of the Settlement, you are excluding yourself from participating in the Net Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell The Court That I Do Not Like The Settlement?

If you are a Settlement Class Member, you have the right to object to any aspect of the proposed Settlement, including the relief provided to the Settlement Class Members, the Plan of Allocation and the Motion for Attorneys' Fees and Expenses. You may appear personally or through counsel at the Fairness Hearing to object to the approval of the Settlement.

Any objection to the settlement of the derivative claims pending in New York State Courts that are covered by this Settlement must be made before the federal Court in the same manner as any other objection to this Settlement.

To be valid and considered by the Court, any objections by you must be submitted in writing, must be filed with the Clerk of the Court and served by mail and/or email and/or any other method on Defendants' Counsel and Plaintiffs' Class Counsel so that it is postmarked (if mailed) or received (if sent by any other means) by **January 30, 2013**, and must include the following information: (1) a heading referring to the Action(s); (2) your name, address, telephone number, email address, and (if you hire an attorney in connection with the objection) the contact information for your attorney; (3) documentation showing the dates, purchases, contributions, sales and redemptions of interests and/or shares in the Settling Funds or of direct investments with Madoff; (4) a detailed statement of each objection you are making and the factual and legal basis for each objection, and the relief that you are requesting; and (5) a statement of whether you intend to appear, either in person or through counsel, at the Fairness Hearing. You do not need to hire an attorney or go to the Fairness Hearing to have your written objection considered by the Court. However, if you file and serve a timely, written objection in accordance with the instructions above, you may appear at the Fairness Hearing either in person or through counsel retained at your expense. If you or your attorney intends to appear at the Fairness Hearing, you must file a notice of intention to appear on or before **February 13, 2013**, and serve it on the lawyers listed below so that it is received by that date. It must set forth, among other things, your name, address, telephone number, and e-mail address. If you intend to appear through counsel, the notice must identify counsel's name, address, phone number, email address, and the state bar(s) to which the counsel is admitted. You must supply any Points and Authorities in support of your objections, which must contain any legal authority upon which you will rely, and you must provide a list of and copies of all exhibits that you may seek to use at the Fairness Hearing. If you are going to request that the Court allow you to call witnesses at the Fairness Hearing, you must provide a list of any such witnesses together with a brief summary of each witness' expected testimony. All of this information and these lists must be received by **February 13, 2013**, at least thirty (30) days prior to the Fairness Hearing. The failure to provide the list of witnesses will bar them from testifying at the hearing. However, submitting this list does not guarantee that the witnesses will be allowed to testify. The ability of any witness to testify is subject to any objections that may be raised by any party to the Actions and other cases and subject to the normal rules and discretion of the Court. Any objector who does not timely file and serve a notice of intention to appear in accordance with these instructions will not be permitted to appear at the Fairness Hearing, except for good cause shown.

Any counsel retained by you in connection with an objection must identify all objections they have filed to class action settlements from January 1, 2008 to present, and identify the results of each objection, including any Court opinions ruling on the objections. Objectors and their counsel must also identify if they have ever been sanctioned by a Court in connection with filing an objection in another class action.

If you file an objection, you must make yourself available for deposition upon ten days' written notice. The deposition must be taken within 40 miles of your residence, unless you agree to a different location.

Any objection to the Settlement must be served by first class mail, or email, or otherwise delivered to each of the Counsel listed below and filed with the Court so that it is postmarked (if mailed) or received (if sent by any other means) by **January 30, 2013**.

Notice of intention to appear at the Fairness Hearing must be served by first class mail, or email, or otherwise delivered to each of the Counsel listed below and filed with the Court so that it is postmarked (if mailed) or received (if sent by any other means) by **February 13, 2013**.

COURT	COUNSEL FOR SETTLEMENT CLASS MEMBERS AND DEFENDANTS	
<p>Clerk of the Court United States District Court Southern District of New York 500 Pearl Street New York, NY 10007-1312</p>	<p>PLAINTIFFS' CLASS AND DERIVATIVE COUNSEL</p> <p>LOWEY DANNENBERG COHEN & HART, P.C. Barbara J. Hart Thomas M. Skelton One North Broadway White Plains, NY 10601-2310 Telephone: 914-997-0500 Facsimile: 914-997-0035 bhart@lowey.com tskelton@lowey.com</p> <p>www.lowey.com</p> <p><i>Lead Class Counsel for the Beacon Classes and Lead Securities Counsel for the Direct and Income Plus Classes</i></p> <p>KESSLER TOPAZ MELTZER & CHECK LLP Peter H. LeVan, Jr. Peter A. Muhic Tyler S. Graden 280 King of Prussia Road Radnor, PA 19087 Telephone: 610-667-7706 Facsimile: 610-667-7056 jmeltzer@ktmc.com plevan@ktmc.com</p> <p>www.ktmc.com</p> <p><i>ERISA Class Counsel for Buffalo Laborers' Class and the Income Plus, Andover and Direct Investor Participant and Beneficiary Classes</i></p> <p>WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP Charles J. Hecht 270 Madison Avenue New York, NY 10016 Telephone: (212) 545-4600 Facsimile: (212) 545-4653 hecht@whafh.com tepper@whafh.com</p> <p><i>Plaintiffs' Counsel for Beacon Associates LLC I, Beacon Associates LLC II and Andover Associates LLC I Shareholder Derivative Suits Pending in Nassau County, New York</i></p> <p>COTCHETT, PITRE & McCARTHY, LLP Imtiaz Siddiqui One Liberty Plaza, 23rd Floor New York, NY 10006 Telephone: (212) 682-3198 Facsimile: (646) 219-6678 isiddiqui@cprmllegal.com</p> <p><i>Plaintiffs' Counsel for Beacon Associates LLC II Shareholder Derivative Suit Pending in New York County, New York</i></p>	<p>DEFENDANTS' COUNSEL</p> <p>CLEARY GOTTLIEB STEEN & HAMILTON LLP Lewis J. Liman Jeffrey A. Rosenthal One Liberty Plaza New York, New York 10006 Telephone: (212) 225-2000 Facsimile: (212) 225-3999 lliman@cgsh.com jrosenthal@cgsh.com</p> <p><i>Attorneys for the Ivy Defendants</i></p> <p>ROSENFELD & KAPLAN, L.L.P. Tab K. Rosenfeld 535 Fifth Avenue, Suite 1006 New York, New York 10017 Telephone: (212) 682-1400 tab@rosenfelddlaw.com</p> <p><i>Attorneys for Beacon Defendants</i></p> <p>HISCOCK & BARCLAY, LLP Brian E. Whiteley One International Place- 26th Floor Boston, Massachusetts 02110 Telephone: (617) 274-2900 Facsimile: (617) 722-6003 bwhiteley@hblaw.com</p> <p><i>Attorneys for Jeanneret Defendants</i></p>

19. What Is The Difference Between Objecting And Excluding Myself?

Objecting means telling the Court that you do not like something about the Settlement, the Plan of Allocation, or the Motion for Attorneys' Fees and Expenses, and/or you do not want the Court to approve the Settlement. You can object to the Settlement *only if* you stay in the Settlement Class. Excluding yourself ("opting out") is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object to the Settlement because the Actions no longer affect you.

THE LAWYERS REPRESENTING YOU

20. Do I Have A Lawyer In This Case?

The Court appointed the Plaintiffs' Class Counsel, listed above in Question 18, to represent you and the other Settlement Class Members.

You will not be individually charged for the services of these lawyers. Attorneys' fees and expenses for the Class and Derivative attorneys will be paid out of the Gross Settlement Fund as described below. If you want to be represented by your own lawyer, you may hire one at your own expense.

21. How Will The Lawyers Be Paid?

Private Plaintiffs' Counsel (including Class and Derivative Counsel, Counsel involved in the other consolidated cases, and Counsel in individual, direct-action cases) will jointly apply to the Court for an award of Attorneys' Fees and Expenses. This application will be filed by the counsel for the Private Plaintiffs, not counsel for the Secretary or NYAG. The application will seek, for fees, an amount not greater than 20% of the Settlement Fund, after it is reduced by \$16,000,000¹⁵ plus interest earned at the same rate as the Settlement Fund. The law firms that are seeking to participate in any attorneys' fees to be awarded by the Court have been working collaboratively with each other to prosecute the Actions and to negotiate the Settlement. Certain of the firms had at the outset of the various Actions negotiated retainer agreements with their clients providing for larger attorneys' fees (as a percentage of any recovery) than the amount that will be requested in the Attorneys' Fees and Expense Motion. Moreover, the collective lodestar (number of hours billed times billing rate) of these law firms exceeds the amount of fees sought.

Private Plaintiffs' Counsel will also apply for reimbursement of out-of-pocket costs and expenses incurred in prosecuting the claims of up to \$2,000,000, plus the fees of accounting and financial experts and consultants for notice, administration and allocation of the Net Settlement Fund, in the estimated total amount of \$250,000, plus interest earned at the same rate as the Settlement Fund. The expenses incurred by certain Counsel who represent investors that filed separate actions will be borne by those clients and will not be reimbursed out of the Settlement Fund, except that they will share in the \$250,000 fund for administration expenses. If there is an appeal of the Attorneys' Fees and Expenses Award, interest earned during the pendency of that appeal will also be paid to Private Plaintiffs' Counsel.

Private Plaintiffs' Counsel estimate that the requested attorneys' fees and expenses, if approved by the Court, will represent approximately 12% of net dollars invested in a direct BLMIS account or through the Settling Funds. This calculation is being provided solely to comply with the requirements of the PSLRA. Private Plaintiffs' Counsel notes that the traditional measure for expressing fees and expenses in a class action notice is as a percentage of recovery, as set forth above. Settlement Class Members are **not** personally liable for any attorneys' fees or expenses.

The attorneys' fees and expenses requested will be the only payments to Private Plaintiffs' Counsel for their efforts in prosecuting and settling these cases and for their risk in undertaking this representation on a wholly-contingent basis and advancing the money necessary to pursue the Actions. To date, Private Plaintiffs' Counsel have not been paid for their services, including their efforts on behalf of the Settling Plaintiffs and/or Settlement Class Members, or for their substantial litigation expenses. The fees requested will compensate Private Plaintiffs' Counsel for their work in achieving the Settlement and Private Plaintiffs' Counsel believe that the fees requested are within the range of fees awarded to counsel under similar circumstances in other cases of this type. The Court has discretion, however, to award less than the amount requested by Private Plaintiffs' Counsel.

THE COURT'S SETTLEMENT FAIRNESS HEARING

22. When And Where Will The Court Decide Whether To Approve the Settlement?

As noted above, the Court will hold a Fairness Hearing at 10 a.m., on **March 15, 2013**, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan Courthouse, 500 Pearl Street, New York, NY 10007-1312, Courtroom 14C. The New York State courts in which the derivative suits are pending will have the opportunity to participate in the hearing and/or may, at their discretion, schedule their own separate hearings. At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable and adequate and should be approved, and will also consider the proposed Plan of Allocation and the Motion for Attorneys' Fees and Expenses. The Court will take into consideration any written objections filed in accordance with the instructions set forth at Question 18. At or after the hearing, the Court will decide whether to approve the Settlement and will decide how much to award to Private Plaintiffs' Counsel in attorneys' fees and expenses. We do not know how long these decisions will take.

The Fairness Hearing may be adjourned from time to time without further written notice to the Settlement Class Members. If you intend to attend the Fairness Hearing, you should confirm the date and time with Plaintiffs' Class Counsel.

23. Do I Have To Come To The Fairness Hearing?

No. Plaintiffs' Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you serve and file an objection, you do not have to come to Court to talk about it. As long as you serve and file your written objection and otherwise comply with the requirements for submitting one (*see* Question 18) so that it is postmarked or received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 18.

¹⁵ This is the \$7,000,000 to be paid to the U.S. Department of Labor, the \$5,000,000 to be paid to the NYAG, and \$4,000,000 that will be paid to or for the benefit of Settlement Class Members but on which Private Plaintiffs' Counsel have agreed they will not seek a fee.

As noted, the date or time of the Fairness Hearing can be changed; please check with Plaintiffs' Class Counsel before coming to the courthouse to confirm the schedule.

Settlement Class Members do not need to appear at the Fairness Hearing or take any other action to indicate their approval of the matters being considered at the hearing.

24. May I Speak At The Fairness Hearing?

You may speak at the Fairness Hearing if you are a Settlement Class Member and you filed an objection to the Settlement, the Plan of Allocation, and/or Private Plaintiffs' Counsel's Motion for Attorneys' Fees and Expenses, and a notice of intention to appear, in the manner and the time period described in the answer to Question 18, above. If you plan to have an attorney speak on your behalf at the Fairness Hearing, your attorney must, no later than **February 13, 2013**, file a Notice of Appearance with the Clerk of the Court and deliver a copy to Plaintiffs' Class Counsel and Counsel for the Settling Defendants at the addresses listed in the answer to Question 18, above.

If you or your attorney plan to attend the Fairness Hearing and present evidence at the Hearing, your written objections (prepared and submitted in accordance with the answer to Question 18, above) must identify any witness you or your attorney may seek to call to testify, and must identify any documents or other exhibits you or your attorney may seek to introduce into evidence.

IF YOU DO NOTHING

25. What Happens If I Do Nothing At All?

If you do nothing and you are a Settlement Class Member, and the Settlement is approved, you will receive no money from the Settlement, but nonetheless will be bound by its terms. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Settling Defendants or the Defendant Released Parties about the Released Claims. You will be deemed to have released all Released Claims against the Settling Defendants and any of the Defendant Released Parties.

GETTING MORE INFORMATION

26. How Do I Get More Information?

This Notice only summarizes the proposed Settlement. More details are in the Stipulation. You can obtain a copy of the Stipulation by contacting Plaintiffs' Class Counsel listed in Question 18, above, or by visiting www.lowey.com. You or your counsel also can call the Claims Administrator toll-free at 1-877-308-2283; send an email to BeaconJeanneretMadoffSettlement@gcginc.com; or visit the Claims Administrator's website at www.gcginc.com (enter "Beacon Jeanneret Madoff Litigation" in case search), where you will find the Stipulation, documents relating to the Settlement and other relevant information. You also may write to:

Beacon Jeanneret Madoff Settlement
c/o GCG
P.O. Box 9895
Dublin, Ohio 43017-5795

As noted, to permit you to better understand the Settlement, the process by which it was achieved and the Plan of Allocation you and/or your counsel are invited to participate in a teleconference on **January 14, 2013 at 1:00 p.m. EST**. In it Plaintiffs' Counsel will summarize the Settlement and its process, and answer questions from Class Members. To participate, visit www.gcginc.com (enter "Beacon Jeanneret Madoff Litigation" in case search), where you will find a link that will allow you to register and receive details about the teleconference. If you do not have internet access, please call the Claims Administrator toll-free at 1-877-308-2283 and leave your contact information. A representative will then contact you to assist with the registration process.

For even more detailed information concerning the matters involved in the Actions and the other litigations, reference is made to the pleadings, to the Orders entered by the Court and the New York State Courts, and the other papers filed in all the consolidated and related cases, most of which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, during regular business hours. Subscribers to PACER, a fee-based service, also can view the papers filed publicly in the Federal Court cases through the Court's on-line Case Management/Electronic Case Files System at <https://ecf.nysd.uscourts.gov>. Additional information may be found in the case files with the Clerks of the Courts of the related cases.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE