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**SAMUEL ISRAEL III SENTENCED TO TWO YEARS IN
PRISON FOR FAILING TO SURRENDER**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that SAMUEL ISRAEL III was sentenced today to two years in prison for failing to surrender to serve a 20-year prison sentence for fraudulently inducing investments in the Bayou hedge funds of over \$450 million. The sentence was imposed by United States District Judge KENNETH M. KARAS in White Plains federal court and is consecutive to ISRAEL's sentence in the underlying fraud case.

In imposing the sentence, which was above the applicable Sentencing Guidelines range, Judge KARAS noted that, by fleeing and failing to surrender to serve his sentence, ISRAEL was "thumbing his nose at the system."

According to statements made at ISRAEL's guilty plea, sentencing, and other proceedings in the case:

ISRAEL pleaded guilty on September 29, 2005, to charges of mail fraud, investment advisor fraud, and conspiracy. On April 14, 2008, United States District Judge COLLEEN McMAHON, who presided over the underlying fraud case, sentenced ISRAEL to 20 years in prison and ordered him to surrender to begin serving his sentence on June 9, 2008.

In the days leading up to his surrender date, ISRAEL obtained false identifications and obtained an RV, which he outfitted with a television, mattress, and scooter. On June 9, 2008, ISRAEL abandoned his car at the Bear Mountain Bridge, in the vicinity of Cortlandt, New York, in an apparent attempt to stage his own suicide. ISRAEL then had an associate drive him to a rest area near the intersection of Interstates 684 and 84, where the RV was waiting. ISRAEL then fled and remained a fugitive until July 2, 2008.

Mr. DASSIN praised the investigative work of the Federal Bureau of Investigation, the U.S. Marshals Service, and the New York State Police.

Assistant United States Attorneys SARAH R. KRISOFF and MARGERY B. FEINZIG are in charge of the criminal prosecution.

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