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**WOMAN ARRESTED BY FEDERAL AUTHORITIES AND CHARGED
WITH AIDING AND ABETTING SAMUEL ISRAEL III'S
FAILURE TO SURRENDER**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, JOSEPH R. GUCCIONE, the United States Marshal for the Southern District of New York, and MARK J. MERSHON, the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced that DEBRA RYAN was arrested today on a charge that she aided and abetted Samuel Israel III's failure to surrender to serve his federal sentence on June 9th.

RYAN was charged in a one-count Complaint with violating Title 18, United States Code, Sections 3146 and 2, by aiding and abetting Israel, the convicted former Chief Executive Officer of the now-collapsed Bayou Hedge Funds, in his failure to surrender to serve a twenty year sentence imposed by District Court Judge Colleen McMahan.

According to the Complaint, on numerous occasions between June 9, 2008 and June 19, 2008, during interviews with law enforcement officers who were investigating whether Israel had committed suicide or had fled, RYAN said that she had been residing with Israel for the past several years, but denied any

knowledge of Israel's whereabouts. RYAN also said that she knew that Israel was supposed to surrender to begin serving his sentence on June 9, 2008. On or about June 10, 2008, RYAN told law enforcement officers with the New York State Police that she had located a suicide note written by Israel and provided the note to the New York State Police.

During an interview with RYAN today, RYAN admitted to law enforcement officers that, on or about June 7, 2008, she met Israel at an auto repair shop in the vicinity of Bedford, New York, to help him attach a motor scooter to a hydraulic lift on the back of a recreational vehicle (the "RV") and that on or about June 8, 2008, RYAN helped Israel pack the RV with Israel's belongings. RYAN also disclosed that early in the morning on June 9, 2008, Israel woke her up and told her that he needed her help. Shortly thereafter, according to RYAN, she, in her own car, accompanied Israel, who was driving the RV, to a rest area off of Interstate 684, near the intersection of Interstate 684 and Interstate 84. RYAN further stated that after Israel parked the RV in the parking lot of the rest area, RYAN drove Israel back to their home. Israel failed to surrender later that day.

RYAN was presented late today before Chief United States Magistrate LISA MARGARET SMITH in White Plains federal court. She was released on a \$75,000 bond, to be secured by a co-signer, and placed under the supervision of Pre-trial Services. Her next court date was scheduled for July 11, 2008, at 9 a.m.

If convicted, RYAN faces a maximum sentence of 10 years in prison.

Mr. GARCIA said the investigation is continuing.

Mr. GARCIA praised the efforts of the U.S. Marshals Service, the Federal Bureau of Investigation 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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