

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

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

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

SIPA Liquidation

(Substantively Consolidated)

**ORDER APPROVING A THIRD ALLOCATION OF PROPERTY TO THE FUND OF  
CUSTOMER PROPERTY AND AUTHORIZING THIRD INTERIM DISTRIBUTION  
TO CUSTOMERS**

Upon consideration of the motion (the “Motion”)<sup>1</sup> (ECF No. 5230) dated February 13, 2013, filed by Irving H. Picard, as trustee (“Trustee”) for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* (“SIPA”), and the substantively consolidated estate of Bernard L. Madoff (“Madoff”) (collectively, “Debtor”), for an Order Approving the Trustee’s Third Allocation of Property to the Fund of Customer Property and Authorizing Third Interim Distribution to Customers, and the affidavit of Matthew Cohen, executed February 13, 2013 (ECF No. 5231), and it appearing that due and proper notice of the Motion and the relief requested therein have been given, and no other or further notice needing to be given; and a hearing having been held on the Motion; and the Court having reviewed the Motion, the

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<sup>1</sup> All capitalized terms not defined herein shall have the meaning ascribed in the Motion.

Memorandum of Law of the Securities Investor Protection Corporation in Support of Trustee's Motion for an Order Approving Third Allocation of Property to the Fund of Customer Property and Authorizing Third Interim Distribution to Customers (ECF No. 5265), the objections filed by Mr. Gross (ECF Nos. 5255, 5259), the Trustee's Reply to Objection to Trustee's Motion for an Order Approving Third Allocation of Property to the Fund of Customer Property and Authorizing Third Interim Distribution to Customers (ECF No. 5261), the arguments of counsel and the record in this case; and the Court, as set forth in the transcript of the March 13, 2013 hearing on the Motion, having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein, and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY:**

**ORDERED**, that the relief requested in the Motion is hereby granted; and it is further

**ORDERED**, that any objections to the Motion are hereby overruled; and it is further

**ORDERED**, that all holders of current and future allowed claims are eligible to receive a distribution consistent with the relief granted herein; and it is further

**ORDERED**, that the Trustee is required to maintain a reserve for the Time-Based Damages Issue at not less than the 3% Reserve.

Dated: New York, New York  
March 13, 2013

/s/Burton R. Lifland  
HONORABLE BURTON R. LIFLAND  
UNITED STATES BANKRUPTCY JUDGE