

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Keith R. Murphy
Nicholas J. Cremona

Hearing Date: May 20, 2015 at 10:00 a.m.
Objection Deadline: May 13, 2015 at 5:00 p.m.

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and
the estate of Bernard L. Madoff*

**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.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DAWN PASCUCCI BARNARD,

TRUST FBO MICHAEL A. PASCUCCI UA DTD
12/31/94 MICHAEL C PASCUCCI
CHRISTOPHER S PASCUCCI,

MICHAEL A. PASCUCCI,

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

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-04459 (SMB)

MICHAEL C. PASCUCCI,
CHRISTOPHER S. PASCUCCI,
RALPH P. PASCUCCI,
PASCUCCI FAMILY FOUNDATION,
JOCELYN A. PASCUCCI,
CHRISTOPHER S. PASCUCCI 1995
CHARITABLE REMAINDER TRUST UAD
11/7/95,
THE DAWN A. PASCUCCI BARNARD 1995
CHARITABLE REMAINDER TST UAD 11/7/95,
FUND FOR THE POOR, INC.,
CSP INVESTMENT ASSOCIATES LLC,
RPP INVESTMENT ASSOCIATES LLC, and
MCP INVESTMENT ASSOCIATES LLC,

Defendants.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

JD PARTNERS LLC, JOHN A. DANZI,
DEBORAH DANZI, and JANICE DANZI
SENNELLO,

Defendants.

Adv. Pro. No. 10-04461 (SMB)

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

MAF ASSOCIATES, LLC,
MARK A. FREEMAN, and
FRANCINE FREEMAN,

Defendants.

Adv. Pro. No. 10-05235 (SMB)

**MOTION FOR ENTRY OF AN ORDER PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE APPROVING A SETTLEMENT BY AND AMONG THE
TRUSTEE AND DAWN PASCUCCI BARNARD, TRUST FBO MICHAEL A.
PASCUCCI UA DTD 12/31/94, MICHAEL A. PASCUCCI, MICHAEL C. PASCUCCI,
CHRISTOPHER S. PASCUCCI, RALPH P. PASCUCCI, PASCUCCI FAMILY
FOUNDATION, JOCELYN A. PASCUCCI, CHRISTOPHER S. PASCUCCI 1995
CHARITABLE REMAINDER TRUST UAD 11/7/95, THE DAWN A. PASCUCCI
BARNARD 1995 CHARITABLE REMAINDER TST UAD 11/7/95, FUND FOR THE
POOR, INC., CSP INVESTMENT ASSOCIATES LLC, RPP INVESTMENT
ASSOCIATES LLC, MCP INVESTMENT ASSOCIATES LLC, JD PARTNERS LLC,
JOHN A. DANZI, DEBORAH DANZI, JANICE DANZI SENNELLO,
MAF ASSOCIATES, LLC, MARK A. FREEMAN AND FRANCINE FREEMAN**

TO: THE HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

Irving H. Picard (the “Trustee”), as trustee for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protections Act (“SIPA”), 15 U.S.C. § 78aaa *et seq.*, and the estate of Bernard L. Madoff (“Madoff,” and together with BLMIS, the “Debtors”), by and through the Trustee’s undersigned counsel, submits this motion (the “Motion”) seeking entry of an order (“Approval Order”) pursuant to section 105(a) of title 11, United States Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), approving a settlement, the terms and conditions of which are set forth

in the Settlement Agreement (the “Agreement”)¹ by and among the Trustee and Dawn Pascucci Barnard, Trust FBO Michael A. Pascucci UA DTD 12/31/94, Michael A. Pascucci, Michael C. Pascucci, Christopher S. Pascucci, Ralph P. Pascucci, Pascucci Family Foundation, Jocelyn A. Pascucci, Christopher S. Pascucci 1995 Charitable Remainder Trust UAD 11/7/95, The Dawn A. Pascucci Barnard 1995 Charitable Remainder Tst UAD 11/7/95, Fund for the Poor, Inc., CSP Investment Associates LLC, RPP Investment Associates LLC, MCP Investment Associates LLC (collectively, the “Pascucci Transferees”), JD Partners LLC, John A. Danzi, Deborah Danzi, Janice Danzi Sennello (collectively, the “JD Partners Transferees”), MAF Associates, LLC, Mark A. Freeman and Francine Freeman (the “MAF Associates Transferees”, together with the Pascucci Transferees and the JD Partners Transferees, the “Transferees”; each of the Trustee and Transferees a “Party” and collectively, the “Parties”). In support of the Motion, the Trustee respectfully represents as follows:

PRELIMINARY STATEMENT

The Trustee commenced an action against the Pascucci Transferees in Adversary Proceeding No. 10-04459 to recover allegedly avoidable transfers made by BLMIS to the Pascucci Transferees regarding BLMIS Account Nos. 1CM258, 1CM348, 1CM349, 1CM350, 1CM351, 1CM427, 1CM436, 1CM536, 1CM537 and 1CM574 (the “Pascucci Accounts”).

The Trustee commenced an action against the JD Partners Transferees in Adversary Proceeding No. 10-04461 to recover allegedly avoidable transfers made by BLMIS to the JD Partners Transferees regarding BLMIS Account No. 1CM347 (the “JD Partners Account”).

The Trustee commenced an action against the MAF Associates Transferees in Adversary Proceeding No. 10-05235 to recover allegedly avoidable transfers made by BLMIS to the MAF

¹ The form of Agreement is annexed hereto as Exhibit “A.”

Associates Transferees regarding BLMIS Account No. 1F0084 (the “MAF Associates Account,” together with the Pascucci Accounts and JD Partners Account, the “BLMIS Accounts”).

After extensive settlement negotiations among the Parties commencing in December 2014 through April 2015, the Trustee and the Transferees negotiated in good faith a complete settlement as to all disputes raised in the Adversary Proceedings against the Transferees. Under the Agreement, the Transferees will pay the Trustee a total of \$11,100,000 (the “Settlement Payment”). The Agreement will benefit the fund of customer property, as the Settlement Payment will increase the funds available for distribution to BLMIS customers with allowed claims.

The Trustee respectfully requests that the Court approve this settlement.

BACKGROUND AND RELEVANT PROCEDURAL HISTORY

The Commencement of the BLMIS Liquidation Proceeding

1. On December 11, 2008 (the “Filing Date”), the Securities and Exchange Commission (“SEC”) filed a complaint in the United States District Court for the Southern District of New York (the “District Court”) against the Debtors (Case No. 08 CV 10791). In the complaint, the SEC alleged that the Debtors engaged in fraud through the investment advisor activities of BLMIS.

2. On December 15, 2008, pursuant to section 78eee(a)(4)(A) of SIPA, the SEC consented to a combination of its own action with an application of the Securities Investor Protection Corporation (“SIPC”). Thereafter, pursuant to section 78eee(a)(3) of SIPA, SIPC filed an application in the District Court alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protection afforded by SIPA.

3. On that date, the District Court entered the Protective Decree, to which BLMIS consented, which, in pertinent part:

- (i) appointed the Trustee for the liquidation of the business of BLMIS pursuant to section 78eee(b)(3) of SIPA;
- (ii) appointed Baker & Hostetler LLP as counsel to the Trustee pursuant to section 78eee(b)(3) of SIPA; and
- (iii) removed the case to this Court pursuant to section 78eee(b)(4) of SIPA.

4. On April 13, 2009, an involuntary bankruptcy petition was filed against Madoff. On June 9, 2009, this Court entered an order substantively consolidating the chapter 7 estate of Madoff in the BLMIS SIPA liquidation proceeding.

The Trustee's Claims Against the Pascucci Transferees

5. On November 12, 2010, the Trustee commenced an adversary proceeding in the Bankruptcy Court against the Pascucci Transferees in an action captioned *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC v. Dawn Pascucci Barnard, et al.*, Adv. Pro. No. 10-04459 (SMB) (“Pascucci Adversary Proceeding”).

6. In the Pascucci Adversary Proceeding, the Trustee sought to avoid and recover avoidable transfers from BLMIS to the Pascucci Accounts under sections 105(a), 544, 548(a), 550(a) and 551 of the Bankruptcy Code, SIPA § 78fff-2(c)(3), the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law (“NY DCL”) §§ 273–279), N.Y. C.P.L.R. 203(g) and 213(8), and other applicable laws. The Pascucci Adversary Proceeding also included claims against Michael A. Pascucci, Michael C. Pascucci, Christopher S. Pascucci and Ralph P. Pascucci as subsequent transferees of certain of the transfers from the Pascucci Accounts.

7. The Trustee has alleged that the Pascucci Transferees received avoidable transfers in the aggregate amount of Forty-Eight Million Eight Hundred Sixty Thousand One Hundred Sixty-Eight United States Dollars (\$48,860,168.00), in connection with BLMIS Account Nos.

1CM258, 1CM348, 1CM349, 1CM350, 1CM351, 1CM427, 1CM436, 1CM536, 1CM537 and 1CM574 (the “Alleged Pascucci Avoidable Transfers”). The Pascucci Transferees have disputed that the Alleged Pascucci Avoidable Transfers are avoidable. With respect to the Alleged Pascucci Avoidable Transfers, approximately \$42.5 million of such transfers were made more than two years before the commencement of the SIPA Proceeding, and, of that amount, approximately \$26.3 million of such transfers were made beyond six years before the commencement of the SIPA Proceeding. There were no allegations that the Pascucci Transferees acted in bad faith in connection with their transactions with BLMIS or Madoff.

The Trustee’s Claims Against the JD Partners Transferees

8. On November 12, 2010, the Trustee commenced an adversary proceeding in the Bankruptcy Court against the JD Partners Transferees in an action captioned *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC v. JD Partners LLC, et al.*, Adv. Pro. No. 10-04461 (SMB) (the “JD Partners Adversary Proceeding”).

9. In the JD Partners Adversary Proceeding, the Trustee sought to avoid and recover avoidable transfers from BLMIS to the JD Partners Account under sections 105(a), 544, 548(a), 550(a) and 551 of the Bankruptcy Code, SIPA § 78fff-2(c)(3), NY DCL §§ 273–279) and other applicable laws. The JD Partners Adversary Proceeding also included claims against John Danzi, Deborah Danzi, and/or Janice Danzi Sennello as subsequent transferees of certain of the transfers from the JD Partners Account.

10. The Trustee has alleged that the JD Partners Transferees received avoidable transfers in the aggregate amount of Six Million Eight Hundred Forty-Seven Thousand Four Hundred Forty-One United States Dollars (\$6,847,441.00) in connection with BLMIS Account No. 1CM347 (the “Alleged JD Partners Avoidable Transfers”). The JD Partners Transferees have disputed that the Alleged JD Partners Avoidable Transfers are avoidable. With respect to the Alleged JD Partners Avoidable Transfers, approximately \$6.65 million of such transfers were made more than two years before the commencement of the SIPA Proceeding. There were no allegations that the JD Partners Transferees acted in bad faith in connection with their transactions with BLMIS or Madoff.

The Trustee Claims Against the MAF Associates Transferees

11. On November 12, 2010, the Trustee commenced an adversary proceeding in the Bankruptcy Court against the MAF Associates Transferees in an action captioned *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC v. MAF Associates, LLC, et al.*, Adv. Pro. No. 10-05235 (SMB) (“MAF Associates Adversary Proceeding,” together with the Pascucci Adversary Proceeding and the JD Partners Adversary Proceeding, the “Adversary Proceedings”).

12. In the MAF Associates Adversary Proceeding, the Trustee sought to avoid and recover avoidable transfers from BLMIS to the MAF Associates Account under sections 105(a), 544, 550(a) and 551 of the Bankruptcy Code, SIPA § 78fff-2(c)(3), NY DCL §§ 273–279) and other applicable law. The MAF Associates Adversary Proceeding also included claims against Mark A. Freeman and Francine Freeman as subsequent transferees of certain of the transfers from the MAF Associates Account.

13. The Trustee has alleged that the MAF Associates Transferees received avoidable transfers in the aggregate amount of Two Million Seven Hundred Seventeen Thousand Six Hundred Twelve United States Dollars (\$2,717,612.00) in connection with BLMIS Account No. 1F0084 (the “Alleged MAF Associates Avoidable Transfers”, together with the Alleged Pascucci Avoidable Transfers and the Alleged JD Partners Avoidable Transfers, the “Alleged Avoidable Transfers”). The MAF Associates Transferees have disputed that the Alleged MAF Associates Avoidable Transfers are avoidable. All of the Alleged MAF Associates Avoidable Transfers were made more than two years before the commencement of the SIPA Proceeding. There were no allegations that the MAF Associates Transferees acted in bad faith in connection with their transactions with BLMIS or Madoff.

SETTLEMENT DISCUSSIONS AND TRUSTEE’S INVESTIGATION

14. Since December 2014, the Transferees and the Trustee engaged in extensive settlement discussions. In connection with his litigation against the Transferees, the Trustee’s investigation, conducted by his counsel and other advisors and consultants, included the examination of BLMIS records, review and analysis of the Transferees’ transactional histories as reflected in the BLMIS account statements, correspondence, and other records and documents available to the Trustee.

15. As a result of the Trustee’s investigation and the Parties’ successful negotiations, on April 23, 2015, the Trustee and the Transferees executed the Agreement wherein they agreed to settle the matters at issue as to all Defendants in the Adversary Proceedings on the terms summarized below.

OVERVIEW OF THE AGREEMENT

16. The principal terms and conditions of the Agreement are generally as follows (as stated above, the Agreement is attached as Exhibit "A" hereto and may be reviewed for a complete account of its terms):

- The Transferees shall pay the aggregate Settlement Payment of \$11,100,000 to the Trustee as set forth in the Agreement, which includes repayment of 100% of the transfers made within two years of the Filing Date (i.e., \$6,500,000) plus an additional \$4,600,000 for the transfers made more than two years before the Filing Date.
- The Transferees shall release, acquit, and discharge the Trustee, and the Trustee shall release, acquit, and discharge the Transferees, subject to certain exceptions.
- Upon receipt of the Initial Settlement Payment, counsel for Trustee and Transferees shall respectively execute, and Trustee shall subsequently file, a Stipulation of and Order for Voluntary Dismissal of the Adversary Proceedings Without Prejudice and without costs to either Trustee or Transferees, subject to the right to re-open the Adversary Proceedings to seek entry of Judgment pursuant to the Stipulation for Entry of Judgment in the event of an uncured default under the Agreement. Upon receipt of the full Settlement Amount, the dismissal of the Adversary Proceedings shall be deemed with prejudice.
- The Trustee shall seek approval of the Agreement from the Court.

RELIEF REQUESTED

17. By this Motion, the Trustee respectfully requests that the Court enter an order, substantially in the form of the proposed order annexed hereto as Exhibit “B” approving the Settlement.

LEGAL DISCUSSION

18. Bankruptcy Rule 9019(a) states, in pertinent part, that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Courts have held that in order to approve a settlement or compromise under Bankruptcy Rule 9019(a), a bankruptcy court should find that the compromise proposed is fair and equitable, reasonable, and in the best interests of a debtor’s estate. *In re Ionosphere Clubs, Inc.*, 156 BR 414, 426 (S.D.N.Y. 1993), *aff’d*, 17 F. 3d 600 (2d Cir. 1994) (citing *Protective Comm. for Index. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)).

19. The Second Circuit has stated that a bankruptcy court, in determining whether to approve a compromise, should not decide the numerous questions of law and fact raised by the compromise, but rather should “canvass the issues and see whether the settlement ‘fall[s] below the lowest point in the range of reasonableness.’” *In re W T. Grant Co.*, 699 F.2d 599, 68 (2d Cir.), *cert. denied sub nom. Cosoff v. Romon*, 464 U.S. 822 (1983) (quoting *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir.), *cert. denied sub nom. Benson v. Newman*, 409 U.S. 1039 (1972)); *accord Nellis v. Shugrue*, 165 B.R. 115, 121–22 (S.D.N.Y. 1994); *In re Ionosphere Clubs*, 156 B.R. at 426; *In re Purified Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993) (“[T]he court need not conduct a ‘mini-trial’ to determine the merits of the underlying litigation”); *In re Drexel Burnham Lambert Grp., Inc.*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991).

20. In deciding whether a particular compromise falls within the “range of reasonableness,” courts consider the following factors:

- (i) the probability of success in the litigation;
- (ii) the difficulties associated with collection;
- (iii) the complexity of the litigation, and the attendant expense, inconvenience, and delay; and
- (iv) the paramount interests of the creditors (or in this case, customers).

In re Refco, Inc., 2006 U.S. Dist. LEXIS 85691 at *22; *Nellis v. Shugrue*, 165 B.R. 115, 122 (S.D.N.Y. 1994) (citing *In re Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285, 292 (2d Cir. 1992), *cert. denied*, 506 U.S. 1088 (1993)).

21. The bankruptcy court may credit and consider the opinions of the trustee or debtor and their counsel in determining whether a settlement is fair and equitable. *See In re Purified Down Prods.*, 150 B.R. at 522; *In re Drexel Burnham Lambert Grp.*, 134 B.R. at 505. Even though the Court has discretion to approve settlements and must independently evaluate the reasonableness of the settlement, *In re Rosenberg*, 419 B.R. 532, 536 (Bankr. E.D.N.Y. 2009), the business judgment of the trustee and his counsel should be considered in determining whether a settlement is fair and equitable. *In re Chemtura Corp.*, 439 B.R. at 594. The competency and experience of counsel supporting the settlement may also be considered. *Nellis v. Shugrue*, 165 B.R. at 122. Finally, the court should be mindful of the principle that “the law favors compromise.” *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. at 505 (quoting *In re Blair*, 538 F.2d 849, 851 (9th Cir. 1976)).

22. The Trustee believes that the terms of the Agreement further the interest of BLMIS customers as it will bring in significant funds that will benefit the customer property estate. The Agreement also resolves all claims raised by the Trustee against the Transferees and avoids the cost and delay of what could otherwise be lengthy and contentious litigation regarding the Trustee’s avoidance claims. (Affidavit of the Trustee in Support of the Motion (the “Picard Affidavit”), a true and accurate copy of which is attached as Exhibit C).

23. Among other considerations, under the terms of the Agreement, the Transferees are paying 100% of the Trustee's claims for transfers made within two years of the Filing Date and \$4,600,000 toward the transfers made more than two years before the Filing Date. Thus, the Trustee is recovering a significant portion of the transfers beyond the two-year period in these cases, and there are collectability issues relating to certain of the Transferees. Under the circumstances, the Trustee requests that the Court approve his business judgment in settling this matter pursuant to the Agreement.

CONCLUSION

24. The Trustee believes that the terms of the Agreement fall well above the lowest point in the range of reasonableness. The Agreement resolves the claims raised by the Trustee against the Transferees as to the Adversary Proceedings, and it avoids likely lengthy, burdensome, and expensive litigation regarding the claims and defenses in these matters. The Trustee also believes that the Agreement represents a fair and reasonable compromise of the claims against the Transferees. Because the Agreement is well within the "range of reasonableness" and confers a significant monetary benefit on the estate, the Trustee respectfully requests that the Court enter an Order approving the Agreement.

NOTICE

25. In accordance with Bankruptcy Rules 2002 and 9019, notice of this Motion has been given to (i) SIPC; (ii) the SEC; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; and (v) Arthur J. Steinberg, Esq., King & Spalding, 1185 Avenue of the Americas, New York, NY 10036. Notice of this Motion will also be provided via email and/or U.S. Mail to all persons who have filed notices of appearance in the BLMIS proceeding and to all defendants in the adversary proceedings pursuant to the Order

Establishing Notice Procedures and Limiting Notice, ECF No. 4560. The Trustee submits that no other or further notice is required.

WHEREFORE, the Trustee respectfully requests entry of the Approval Order substantially in the form of Exhibit “B” granting the relief requested in the Motion.

Dated: April 24, 2015
New York, NY

s/Nicholas J. Cremona
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Keith R. Murphy
Nicholas J. Cremona

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities
LLC and the estate of Bernard L. Madoff*

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Keith R. Murphy
Nicholas J. Cremona

Hearing Date: May 20, 2015 at 10:00 a.m.
Objection Deadline: May 13, 2015 at 5:00 p.m.

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and
the estate of Bernard L. Madoff*

**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.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DAWN PASCUCCI BARNARD,

TRUST FBO MICHAEL A. PASCUCCI UA DTD
12/31/94 MICHAEL C PASCUCCI
CHRISTOPHER S PASCUCCI,

MICHAEL A. PASCUCCI,

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

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-04459 (SMB)

MICHAEL C. PASCUCCI,
CHRISTOPHER S. PASCUCCI,
RALPH P. PASCUCCI,
PASCUCCI FAMILY FOUNDATION,
JOCELYN A. PASCUCCI,
CHRISTOPHER S. PASCUCCI 1995
CHARITABLE REMAINDER TRUST UAD
11/7/95,
THE DAWN A. PASCUCCI BARNARD 1995
CHARITABLE REMAINDER TST UAD 11/7/95,
FUND FOR THE POOR, INC.,
CSP INVESTMENT ASSOCIATES LLC,
RPP INVESTMENT ASSOCIATES LLC, and
MCP INVESTMENT ASSOCIATES LLC,

Defendants.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

JD PARTNERS LLC, JOHN A. DANZI,
DEBORAH DANZI, and JANICE DANZI
SENNELLO,

Defendants.

Adv. Pro. No. 10-04461 (SMB)

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

MAF ASSOCIATES, LLC,
MARK A. FREEMAN, and
FRANCINE FREEMAN,

Defendants.

Adv. Pro. No. 10-05235 (SMB)

**NOTICE OF MOTION FOR ENTRY OF AN ORDER PURSUANT TO SECTION 105(a)
OF THE BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE APPROVING A SETTLEMENT BY AND
AMONG THE TRUSTEE AND DAWN PASCUCCI BARNARD, TRUST FBO MICHAEL
A. PASCUCCI UA DTD 12/31/94, MICHAEL A. PASCUCCI, MICHAEL C. PASCUCCI,
CHRISTOPHER S. PASCUCCI, RALPH P. PASCUCCI, PASCUCCI FAMILY
FOUNDATION, JOCELYN A. PASCUCCI, CHRISTOPHER S. PASCUCCI 1995
CHARITABLE REMAINDER TRUST UAD 11/7/95, THE DAWN A. PASCUCCI
BARNARD 1995 CHARITABLE REMAINDER TST UAD 11/7/95, FUND FOR THE
POOR, INC., CSP INVESTMENT ASSOCIATES LLC, RPP INVESTMENT
ASSOCIATES LLC, MCP INVESTMENT ASSOCIATES LLC, JD PARTNERS LLC,
JOHN A. DANZI, DEBORAH DANZI, JANICE DANZI SENNELLO,
MAF ASSOCIATES, LLC, MARK A. FREEMAN AND FRANCINE FREEMAN**

TO: THE HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

PLEASE TAKE NOTICE that Irving H. Picard (the "Trustee"), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS") under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-III, and the substantively consolidated estate of Bernard L. Madoff ("Madoff"), by and through his undersigned counsel, will move before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004, on May 20, 2015 at 10:00 a.m., or as soon thereafter as counsel may be heard, seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code and Rules

2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving a certain settlement agreement by and among the Trustee and Dawn Pascucci Barnard, Trust FBO Michael A. Pascucci UA DTD 12/31/94, Michael A. Pascucci, Michael C. Pascucci, Christopher S. Pascucci, Ralph P. Pascucci, Pascucci Family Foundation, Jocelyn A. Pascucci, Christopher S. Pascucci 1995 Charitable Remainder Trust UAD 11/7/95, The Dawn A. Pascucci Barnard 1995 Charitable Remainder Tst UAD 11/7/95, Fund for the Poor, Inc., CSP Investment Associates LLC, RPP Investment Associates LLC, MCP Investment Associates LLC, JD Partners LLC, John A. Danzi, Deborah Danzi, Janice Danzi Sennello, MAF Associates, LLC, Mark A. Freeman and Francine Freeman (collectively, the “Transferees”; each of the Trustee and Transferees a “Party” and collectively, the “Parties”), as more particularly set forth in the motion annexed hereto (the “Motion”).

PLEASE TAKE FURTHER NOTICE that written objections to the Motion must be filed with the Clerk of the United States Bankruptcy Court, One Bowling Green, New York, New York 10004 by no later than **5:00 p.m. on May 13, 2015** (with a courtesy copy delivered to the Chambers of the Honorable Stuart M. Bernstein) and must be served upon (a) Baker & Hostetler LLP, 45 Rockefeller Plaza, New York, New York 10111, Attn: Keith R. Murphy and Nicholas J. Cremona; (b) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036, Attn: Arthur J. Steinberg and Scott Davidson; and (c) Securities Investor Protection Corporation, 805 Fifteenth Street, N.W., Suite 800, Washington D.C. 20005, Attn: Kevin Bell. Any objections must specifically state the interest that the objecting party has in these proceedings and the specific basis of any objection to the Motion.

PLEASE TAKE FURTHER NOTICE that failure to file timely objections may result in the entry of an order granting the relief requested in the Motion without further notice to any party or an opportunity to be heard.

Dated: April 24, 2015
New York, NY

s/Nicholas J. Cremona
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Keith R. Murphy
Nicholas J. Cremona

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities
LLC and the estate of Bernard L. Madoff*

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (this "Agreement") is made and entered into as of April **23** 2015, by and between, on the one hand, Irving H. Picard, in his capacity as the Trustee ("Trustee") for the liquidation proceedings under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.* ("SIPA") of Bernard L. Madoff Investment Securities LLC ("BLMIS") and the substantively consolidated Chapter 7 case of Bernard L. Madoff ("Madoff") pending before the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and, on the other hand:

- (i) Dawn Pascucci Barnard; Trust FBO Michael A. Pascucci UA DTD 12/31/94; Michael A. Pascucci, Michael C. Pascucci, Christopher S. Pascucci, Ralph P. Pascucci, Pascucci Family Foundation; Jocelyn A. Pascucci; Fund for the Poor, Inc.; CSP Investment Associates LLC; RPP Investment Associates LLC; and MCP Investment Associates LLC, along with the Christopher S. Pascucci 1995 Charitable Remainder Trust UAD 11/7/95 and The Dawn A. Pascucci Barnard 1995 Charitable Remainder TST UAD 11/7/95 (collectively, the "Pascucci Transferees");
- (ii) JD Partners LLC; John A. Danzi; Deborah Danzi; and Janice Danzi Sennello (collectively, the "JD Partners Transferees"); and
- (iii) MAF Associates, LLC; Mark A. Freeman; and Francine Freeman (collectively, the "MAF Associates Transferees", and together with the Pascucci Transferees and the JD Partners Transferees, the "Transferees").

Trustee and Transferees shall be hereinafter referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, BLMIS and its predecessor were registered broker-dealers with the United States Securities and Exchange Commission (the "Commission") and members of the Securities Investor Protection Corporation ("SIPC");

WHEREAS, on December 11, 2008, the Commission filed a complaint in the United States District Court for the Southern District of New York (the "District Court") against BLMIS and Madoff. On December 12, 2008, the District Court entered an order which, among other things, appointed Lee S. Richards, Esq. as receiver (the "Receiver") for the assets of BLMIS (No. 08-CV-10791(LSS));

WHEREAS, on December 15, 2008, pursuant to section 5(a)(4)(A) of SIPA, the Commission consented to a combination of its own action with the application of SIPC. Thereafter, SIPC filed an application in the District Court under section 5(a)(3) of SIPA alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protections afforded by SIPA. On December 15, 2008, the District Court granted the SIPC application and entered an order under SIPA, which, in pertinent part, appointed Trustee as the trustee for the liquidation of the business of BLMIS under section 5(b)(3) of SIPA, removed the Receiver as the receiver for BLMIS, and removed the case to the Bankruptcy Court under section 5(b)(4) of SIPA, where it is currently pending as Case No. 08-01789 (SMB) ("SIPA Proceeding"). By Order dated June 9, 2009, the estate of Madoff (the "Madoff Estate") was substantively consolidated with the estate of BLMIS;

WHEREAS, pursuant to section 78fff-1(a) of SIPA, Trustee has the general powers of a bankruptcy trustee in a case under Chapter 7 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), as well as the powers granted pursuant to SIPA. Chapters 1, 3, 5 and subchapters I and II of Chapter 7 of the Bankruptcy Code apply to this SIPA Proceeding to the extent consistent with SIPA;

WHEREAS, under SIPA, Trustee is charged with the responsibility to marshal and liquidate the assets of BLMIS for distribution to BLMIS customers and others in accordance

with SIPA in satisfaction of allowed claims, including through the recovery of avoidable transfers made by BLMIS;

WHEREAS, Trustee has brought claims against transferees who received allegedly avoidable transfers from BLMIS under SIPA, including sections 78fff(b), 78fff-1(a) and 78fff-2(c)(3), sections 105(a), 541, 544, 547, 548, 550(a) and 551 of the Bankruptcy Code, the New York Debtor and Creditor Law § 270 *et seq.* (McKinney 2001) and other applicable laws;

WHEREAS, pursuant to an order of the Bankruptcy Court, dated December 23, 2008 (the "Claims Procedures Order", Case No. 08-01789 (SMB),¹ ECF No. 12), Trustee is authorized to enter into settlements with claimants in connection with any claims upon which there is a disagreement, provided that Trustee obtains the approval of SIPC. Pursuant to the Claims Procedures Order, no further order of the Bankruptcy Court is necessary as long as any obligations incurred by the BLMIS estate under the settlements are ascertainable from the books and records of BLMIS or are otherwise established to the satisfaction of Trustee;

WHEREAS, pursuant to an order of the Bankruptcy Court, dated November 12, 2010 (the "Settlement Order", ECF No. 3181), Trustee is authorized to enter into settlement agreements with transferees in settlement of avoidable transfers without Bankruptcy Court approval, subject to the limitations and procedures set forth therein. Pursuant to the Settlement Order, provided that the proposed settlement meets the settlement standards established by the Bankruptcy Court, including, without limitation, the approval of the proposed settlement by SIPC, no further order of the Bankruptcy Court is necessary for the settlement of any and all avoidable transfers in an amount up to and including Twenty Million United States Dollars (\$20,000,000.00);

¹ All ECF numbers referenced herein are applicable to Case No. 08-01789 (SMB), unless otherwise stated.

WHEREAS, on November 12, 2010, Trustee commenced an adversary proceeding in the Bankruptcy Court against the Pascucci Transferees in an action captioned *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC v. Dawn Pascucci Barnard, et al.*, Adv. Pro. No. 10-04459 (SMB) (the “Pascucci Adversary Proceeding”);

WHEREAS, Trustee alleges that the Pascucci Transferees received avoidable transfers in the aggregate amount of Forty-Eight Million Eight Hundred Sixty Thousand One Hundred Sixty-Eight United States Dollars (\$48,860,168.00) in connection with BLMIS Account Nos. 1CM258, 1CM348, 1CM349, 1CM350, 1CM351, 1CM427, 1CM436, 1CM536, 1CM537 and 1CM574 (the “Alleged Pascucci Avoidable Transfers”);

WHEREAS, the Pascucci Transferees have disputed that the Alleged Pascucci Avoidable Transfers are avoidable;

WHEREAS, with respect to the Alleged Pascucci Avoidable Transfers, approximately \$42.5 million of such transfers were made more than two years before the commencement of the SIPA Proceeding, and, of that amount, approximately \$26.3 million of such transfers were made beyond six years before the commencement of the SIPA Proceeding;

WHEREAS, on November 12, 2010, Trustee commenced an adversary proceeding in the Bankruptcy Court against the JD Partners Transferees in an action captioned *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC v. JD Partners LLC, et al.*, Adv. Pro. No. 10-04461 (SMB) (the “JD Partners Adversary Proceeding”);

WHEREAS, Trustee alleges that the JD Partners Transferees received avoidable transfers in the aggregate amount of Six Million Eight Hundred Forty-Seven Thousand Four Hundred Forty-One United States Dollars (\$6,847,441.00) in connection with BLMIS Account No. 1CM347 (the “Alleged JD Partners Avoidable Transfers”);

WHEREAS, the JD Partners Transferees have disputed that the Alleged JD Partners Avoidable Transfers are avoidable;

WHEREAS, with respect to the Alleged JD Partners Avoidable Transfers, approximately \$6.65 million of such transfers were made more than two years but less than six years before the commencement of the SIPA Proceeding;

WHEREAS, on November 12, 2010, Trustee commenced an adversary proceeding in the Bankruptcy Court against the MAF Associates Transferees in an action captioned *Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC v. MAF Associates, LLC, et al.*, Adv. Pro. No. 10-05235 (SMB) (the “MAF Associates Adversary Proceeding”, together with the Pascucci Adversary Proceeding and the JD Partners Adversary Proceeding, the “Adversary Proceedings”);

WHEREAS, Trustee alleges that the MAF Associates Transferees received avoidable transfers in the aggregate amount of Two Million Seven Hundred Seventeen Thousand Six Hundred Twelve United States Dollars (\$2,717,612.00) in connection with BLMIS Account No. 1F0084 (the “Alleged MAF Associates Avoidable Transfers”, together with the Alleged Pascucci Avoidable Transfers and the Alleged JD Partners Avoidable Transfers, the “Alleged Avoidable Transfers”);

WHEREAS, the MAF Associates Transferees have disputed that the Alleged MAF Associates Avoidable Transfers are avoidable;

WHEREAS, all of the Alleged MAF Associates Avoidable Transfers in the amount of \$2,717,612.00 were made more than two years but less than six years before the commencement of the SIPA Proceeding;

WHEREAS, Transferees did not file any customer claims in connection with BLMIS Account Nos. 1CM258, 1CM348, 1CM349, 1CM350, 1CM351, 1CM427, 1CM436, 1CM536, 1CM537, 1CM574, 1CM347 and 1F0084 (collectively, the "BLMIS Accounts");

WHEREAS, the Parties desire that the BLMIS Accounts be viewed together for purposes of a global settlement of any and all claims and disputes the Trustee may have against the Transferees with respect to BLMIS, the BLMIS Accounts and the Alleged Avoidable Transfers; and

WHEREAS, the Parties desire to settle this matter without the expense, delay and uncertainty of litigation.

DEFINITIONS

The following definition shall apply to and constitute part of this Agreement and all schedules, exhibits and annexes hereto:

"Unknown Claims" shall mean any Trustee Released Claims (as defined in Section 3 herein) or any Transferee Released Claims (as defined in Section 4 herein), that the Trustee or the Transferees, as the case may be, do not know or suspect to exist in their favor at the time of giving the release in this Agreement that if known by them, might have affected their settlement and release in this Agreement. With respect to any and all Trustee Released Claims and Transferee Released Claims (collectively, the "Released Claims"), Trustee and Transferees expressly waive or are deemed to have waived, the provisions, rights and benefits of California Civil Code section 1542 (to the extent it applies herein), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE

TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Parties expressly waive, and shall be deemed to have waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, that is similar, comparable or equivalent in effect to California Civil Code section 1542. The Parties may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Released Claims, but the Parties shall expressly have and shall be deemed to have fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence or such different or additional facts. The Parties acknowledge and shall be deemed to have acknowledged that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

NOW THEREFORE, for the good and valuable consideration set forth herein, the adequacy and sufficiency of which is recognized for all purposes, the Parties agree as follows:

1. Bankruptcy Court Approval. This Agreement is subject to, and shall become effective and binding on the Parties (i) fourteen (14) days following the Bankruptcy Court's entry of an order approving this Agreement in the SIPA Proceeding that is not subject to a timely appeal or stay by any court of competent jurisdiction ("Approval Order") and (ii) receipt of the Initial

Settlement Payment² by the Trustee (“Effective Date”). If the Approval Order is subject to a timely appeal or stay, the Effective Date shall not occur until the Approval Order becomes final and no longer subject to any appeal or stay, *provided, however*, the Transferees, in their sole and absolute discretion, may waive the requirement for a final and non-appealable Approval Order. The Trustee shall use reasonable efforts to obtain approval of this Agreement in the SIPA Proceeding as promptly as practicable after execution of this Agreement.

2. Settlement Payment Obligation; Stipulated Judgment in the Event of Default.

(a) In consideration for the covenants and agreements set forth in this Agreement and for other good and valuable consideration (including, without limitation, the release set forth in Section 3), the receipt and sufficiency of which are hereby acknowledged for purposes of this settlement, Transferees, collectively, shall pay to Trustee the aggregate total amount of Eleven Million One Hundred Thousand United States Dollars (\$11,100,000.00) (the “Settlement Amount”) as follows: (i) an initial payment of Three Million Seven Hundred Thousand United States Dollars (\$3,700,000) (the “Initial Settlement Payment”) within ten (10) days following the Approval Order that is not subject to a timely appeal or stay by any court of competent jurisdiction (the “Initial Payment Date”), (ii) a second payment of Three Million Seven Hundred Thousand United States Dollars (\$3,700,000) within twelve (12) months of the Initial Payment Date, and (iii) a third payment of Three Million Seven Hundred Thousand United States Dollars (\$3,700,000.00) within twenty-four (24) months of the Initial Payment Date. All payments shall be made by: (i) wire transfer of immediately available funds to the account specified on Schedule 1 attached hereto, or (ii) bank or cashier’s check made payable to Trustee, provided that

² This term is defined in Section 2(a).

satisfaction of Trustee's obligations hereunder shall be conditioned on the collection of such funds by Trustee.

(b) The obligation to pay the Settlement Amount shall be evidenced by a Stipulation for Entry of Judgment in the full amount of the Settlement Amount, which is Eleven Million One Hundred Thousand United States Dollars (\$11,100,000.00), less payments previously made and credits against the Settlement Amount, pursuant to which a Judgment Pursuant to Stipulation may be entered against the Transferees jointly and severally in the event any installment is not timely made. The Trustee agrees that the Stipulation for Entry of Judgment and the Judgment Pursuant to Stipulation shall each be held in escrow by Trustee's counsel and neither shall be entered as long as payments are timely made. Prior to entering the Judgment Pursuant to Stipulation, the Trustee shall provide Transferees and their counsel with ten (10) business days' written notice of default, via e-mail transmission or overnight delivery to the addresses listed on the signature pages hereto, and Transferees shall have the opportunity to cure any such default within such ten (10) business day period. If the Judgment Pursuant to Stipulation is entered, it shall be in the full amount set forth in this Section 2(b), less any and all credits and payments previously made pursuant to this Agreement. The Settlement Amount shall not bear interest as long as payments are timely made. If the Judgment Pursuant to Stipulation is entered, the judgment shall bear interest at the applicable rate per annum from the Effective Date. The forms of the Stipulation for Entry of Judgment and the Judgment Pursuant to Stipulation to be executed by Trustee and Transferees are attached hereto as Exhibit A.

3. Release by Trustee.

(a) (i) In consideration for the covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which

are hereby acknowledged, except with respect to any rights arising under this Agreement and as provided under Section 3(b) of this Agreement, Trustee, on behalf of himself and on behalf of BLMIS, the Madoff Estate, and the consolidated BLMIS/Madoff estate (collectively, the "Trustee Releasers") hereby releases, remises and forever discharges each of the Transferees ("Individual Transferee Releasees") from any and all past, present or future claims or causes of action (including any suit, petition, demand, or other claim in law, equity or arbitration) and from any and all allegations of liability or damages (including any allegation of duties, debts, reckonings, contracts, controversies, agreements, promises, damages, responsibilities, covenants, or accounts) of whatever kind, nature or description, direct or indirect, in law, equity or arbitration, absolute or contingent, in tort, contract, statutory liability or otherwise, based on strict liability, negligence, gross negligence, fraud, breach of fiduciary duty or otherwise (including attorneys' fees, costs or disbursements) known or unknown (including Unknown Claims), that are, have been, could have been, or might in the future be, asserted by the Trustee Releasers against the Individual Transferee Releasees based on, arising out of, or relating to or in connection with BLMIS, the Madoff Estate, the BLMIS Accounts, the Alleged Avoidable Transfers, or the Adversary Proceedings ("Trustee/Transferee Released Claims").

(ii) In consideration for the covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, except with respect to any rights arising under this Agreement and as provided under Section 3(b) of this Agreement, the Trustee Releasers hereby release, remise and forever discharge each of the Transferees' beneficiaries, shareholders, members, partners, officers, directors, managers, subsidiaries, affiliates, trustees, executors, administrators, assigns, attorneys and accountants (collectively, the "Additional Transferee Releasees," and with the

Individual Transferee Releasees, the "Transferee Releasees") from any and all past, present or future claims or causes of action (including any suit, petition, demand, or other claim in law, equity or arbitration) and from any and all allegations of liability or damages (including any allegation of duties, debts, reckonings, contracts, controversies, agreements, promises, damages, responsibilities, covenants, or accounts) of whatever kind, nature or description, direct or indirect, in law, equity or arbitration, absolute or contingent, in tort, contract, statutory liability or otherwise, based on strict liability, negligence, gross negligence, fraud, breach of fiduciary duty or otherwise (including attorneys' fees, costs or disbursements) known or unknown (including Unknown Claims), that are, have been, could have been, or might in the future be, asserted by the Trustee Releasors against the Additional Transferee Releasees based on, arising out of, or relating in any way to the BLMIS Accounts, the Alleged Avoidable Transfers, or the Adversary Proceedings ("Trustee/Additional Transferee Released Claims," and with the Trustee/Transferee Released Claims, the "Trustee Released Claims").

(b) Notwithstanding the foregoing release contained in Section 3(a)(i) and (ii), and other than any funds obtained through sources of recovery identified in Section 4, Transferee Releasees are not released from liability for any transfers that they may have received in connection with any account not specified herein or referenced on Exhibit B of the Complaints filed in the Adversary Proceedings, or may receive after the date of this Agreement which constitute subsequent transfers of transfers made by BLMIS which are avoidable and recoverable under SIPA, the Bankruptcy Code and other applicable laws.

(c) Dismissal of Adversary Proceedings. As soon as practicable after the Effective Date, counsel for Trustee and Transferees shall respectively execute, and Trustee shall subsequently file, a Stipulation of and Order for Voluntary Dismissal of the Adversary

Proceedings Without Prejudice (in each of the three Adversary Proceedings) and without costs to either Trustee or Transferees, subject to the right to re-open the Adversary Proceedings to seek entry of Judgment pursuant to the Stipulation for Entry of Judgment. Other than seeking Court approval and matters attendant thereto, from the date of this Agreement through the filing of a Stipulation of Dismissal pursuant to this Section 3(c), the Adversary Proceedings shall be stayed and no further actions need be taken by any of the Parties hereto. Upon all payments being made by the Transferees as set forth in Section 2 herein, the Adversary Proceedings shall be deemed dismissed with prejudice without any further action being required to be taken by the Trustee and the Transferees.

4. Release by Transferees.

(a) Each Transferee ("Individual Transferee Releasers") releases, remises, and forever discharges: (i) Trustee, (ii) all of Trustee's attorneys, professionals, agents and consultants, and (iii) BLMIS and its consolidated estate (collectively, the "Trustee Releasees") from any and all claims or causes of action (including any suit, petition, demand, or other claim in law, equity or arbitration) and from any and all allegations of liability or damages (including any allegation of duties, debts, reckonings, contracts, controversies, agreements, promises, damages, responsibilities, covenants, or accounts) of whatever kind, nature or description, direct or indirect, in law, equity or arbitration, absolute or contingent, in tort, contract, statutory liability or otherwise, based on strict liability, negligence, gross negligence, fraud, breach of fiduciary duty or otherwise (including attorneys' fees, costs or disbursements) known or unknown (including Unknown Claims), now existing or arising in the future, arising out of or relating to or in connection with BLMIS, the Madoff Estate, the BLMIS Accounts, the Alleged Avoidable Transfers or the Adversary Proceedings (the "Individual Transferee Released Claims"), *provided*

however, (1) the foregoing release shall not operate to release any claims, causes of action, suits, demands or the like that the Individual Transferee Releasors have, for their benefit, against any person or entity (other than the Trustee Releasees), including without limitation (x) any claims, causes of action, suits, demands or the like that arise out of or in any way relate to or concern BLMIS, Madoff, the BLMIS Accounts, (y) the United States Department of Justice's Madoff Victim Fund being administered by Richard C. Breeden, and/or (z) Tremont Group Holdings Inc., Meridian Horizon Fund II, L.P. and Sage Capital L.P., and their respective affiliates and subsidiaries (collectively, the "DOJ/Fund Claims"), and (2) the foregoing release shall not operate to release any non-customer claims the Individual Transferee Releasors may have, if any, for their benefit, in the consolidated BLMIS/Madoff general estate (the "General Estate Claims").

(b) Each of the Transferees' beneficiaries, shareholders, members, partners, officers, directors, managers, subsidiaries, affiliates, trustees, executors, administrators, assigns, attorneys and accountants (collectively, the "Additional Transferee Releasors") releases, remises, and forever discharges the Trustee Releasees from any and all claims or causes of action (including any suit, petition, demand, or other claim in law, equity or arbitration) and from any and all allegations of liability or damages (including any allegation of duties, debts, reckonings, contracts, controversies, agreements, promises, damages, responsibilities, covenants, or accounts) of whatever kind, nature or description, direct or indirect, in law, equity or arbitration, absolute or contingent, in tort, contract, statutory liability or otherwise, based on strict liability, negligence, gross negligence, fraud, breach of fiduciary duty or otherwise (including attorneys' fees, costs or disbursements) known or unknown (including Unknown Claims), now existing or arising in the future, arising out of or relating to or in connection with the BLMIS Accounts, the

Alleged Avoidable Transfers or the Adversary Proceedings (the “Additional Transferee Released Claims,” and with the Individual Transferee Released Claims, the “Transferee Released Claims”), *provided however*, the foregoing release shall not operate to release (i) any claims, causes of action, suits, demands or the like that the Additional Transferee Releasers have, for their benefit, against any person or entity (other than the Trustee Releasees), including without limitation any claims, causes of action, suits, demands or the like that arise out of or in any way relate to or concern BLMIS, Madoff, the BLMIS Accounts, and/or the DOJ/Fund Claims, and (ii) any General Estate Claims.

5. Representations and Warranties.

(a) Trustee hereby represents and warrants to Transferees that, subject to Bankruptcy Court approval, he has the full power, authority and legal right to execute and deliver this Agreement and to perform his obligations hereunder and has taken all necessary action to authorize the execution, delivery and performance of his obligations under this Agreement.

(b) Trust FBO Michael A. Pascucci UA DTD 12/31/94, Pascucci Family Foundation, Fund for the Poor, Inc., CSP Investment Associates LLC, RPP Investment Associates LLC, MCP Investment Associates LLC, JD Partners LLC, and MAF Associates, LLC (“Entity Transferees”), through their authorized representatives who are signatories to this Agreement, hereby represent and warrant to Trustee that: (i) Entity Transferees have the full power, authority and legal right to execute and deliver this Agreement and to perform their obligations hereunder and authorized its signatory to execute this Agreement; including but not limited to binding the Additional Transferee Releasers to this Agreement; (ii) the execution and delivery of this Agreement and the performance by Entity Transferees of their obligations hereunder have been duly and validly authorized by all necessary action on the part of Entity Transferees; (iii)

this Agreement has been duly executed and delivered by Entity Transferees and constitutes the valid and binding agreement of Entity Transferees, enforceable against Entity Transferees in accordance with its terms; (iv) in executing this Agreement, Entity Transferees have done so with the full knowledge of any and all rights that Entity Transferees may have with respect to the controversies herein compromised, and Entity Transferees have received or have had the opportunity to obtain independent legal advice from their attorneys with regard to the facts relating to said controversies and with respect to the rights arising out of said facts; and (v) no other person or entity, other than those specifically identified herein, has any interest in the matters that Entity Transferees release herein, and Entity Transferees have not assigned or transferred or purported to assign or transfer to any such third person or party all or any portion of the matters that Transferees release herein.

(c) Each of the Entity Transferees that is not a natural person, by and through its signatory to this Agreement, represents and warrants to the Trustee that, as of the date hereof, each of them is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation; that each of them has the full power, authority and legal right and has obtained any necessary consents, to execute and deliver, and to perform its respective obligations under, this Agreement; and has taken all necessary action to authorize the execution and delivery of, and the performance of its respective obligations under, this Agreement.

(d) Dawn Pascucci Barnard, Michael A. Pascucci, Michael C. Pascucci, Christopher S. Pascucci, Ralph P. Pascucci, Jocelyn A. Pascucci, John A. Danzi, Deborah Danzi, Janice Danzi Sennello, Mark A. Freeman, and Francine Freeman ("Individual Transferees") hereby represent and warrant to Trustee that: (i) they have the full power, authority, legal right and capacity to execute and deliver this Agreement and to perform their obligations hereunder; (ii)

this Agreement has been duly executed and delivered by Individual Transferees and constitutes the valid and binding agreement of Individual Transferees, enforceable against Individual Transferees in accordance with its terms; (iii) in executing this Agreement, Individual Transferees have done so with the full knowledge of any and all rights that Individual Transferees may have with respect to the controversies herein compromised, and Individual Transferees have received or have had the opportunity to obtain independent legal advice from their attorneys with regard to the facts relating to said controversies and with respect to the rights arising out of said facts; and (iv) no other person or entity, other than those specifically identified herein, has any interest in the matters that Individual Transferees release herein, and Individual Transferees have not assigned or transferred or purported to assign or transfer to any such third person or party all or any portion of the matters that Individual Transferees release herein.

6. Additional Representations and Warranties by Transferees. To induce the Trustee to enter into this Agreement, Transferees represent and warrant, to the best of their knowledge, information and belief, that: (1) other than the Avoidable Transfers as referenced on Exhibit B of the Complaints filed in the Adversary Proceedings, Transferees have not received any money, funds, loans, transfers, assets, financial assistance or financial accommodation from Madoff, or BLMIS; (2) except as set forth in Section 4 of this Agreement, and Exhibit B of the Complaints filed in the Adversary Proceedings, Transferees are not an immediate, mediate or subsequent transferee of any funds or property originating from Madoff or BLMIS to an initial transferee; and (3) Transferees are not aware of any potential claims against Transferees by Madoff or BLMIS.

7. Termination of Agreements with BLMIS. Any and all prior agreements between Transferees and BLMIS are hereby terminated as of the date of this Agreement, provided

however, such termination shall have no effect on any claims, rights, defenses or causes of action the Transferees may have against entities or individuals other than the Trustee Releasees.

8. Further Assurances. Each Party shall execute and deliver any document or instrument reasonably requested by the other Party after the date of this Agreement to effectuate the intent of this Agreement.

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties pertaining to the subject matter hereof and supersedes any and all prior or contemporaneous agreements, representations and understandings of the Parties concerning the subject matter hereof.

10. Amendment; Waiver. This Agreement may not be terminated, amended or modified in any way except by written instrument signed by all Parties. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver.

11. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

12. Successors. This Agreement shall be binding upon and inure to the benefit of each Party and its respective successors and permitted assigns.

13. Negotiated Agreement. This Agreement has been fully negotiated by the Parties. Each Party acknowledges and agrees that this Agreement has been drafted jointly, and the rule that ambiguities in an agreement or contract may be construed against the drafter shall not apply in the construction or interpretation of this Agreement.

14. Severability. In the event that any term or provision of this Agreement or any application thereof is deemed to be invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision shall not be affected thereby.

15. Counterparts; Electronic Copy of Signatures. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same document. Each Party may evidence its execution of this Agreement by delivery to the other Party of scanned or faxed copies of its signature, with the same effect as the delivery of an original signature.

16. Governing Law. This Agreement and any claim related directly or indirectly to this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to the principles of conflicts of law thereof), the Bankruptcy Code and SIPA. Each Party hereby waives on behalf of itself and its successors and assigns any and all right to argue that the choice of New York law provision is or has become unreasonable in any legal proceeding.

17. JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT. IN THE EVENT THE BLMIS PROCEEDING IS CLOSED BY A FINAL DECREE AND NOT REOPENED, THE PARTIES AGREE THAT ANY DISPUTE ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR THE SUPREME COURT OF THE STATE OF NEW YORK IN NEW YORK COUNTY.

(b) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. Expenses. Each Party shall bear its respective expenses relating to or arising out of the Adversary Proceedings and this Agreement, including, but not limited to, fees for attorneys, experts, consultants, accountants and other advisors.

19. Notices. All notices, requests, demands, consents and communications necessary or required under this Agreement shall be in writing and shall be delivered by hand or sent by registered or certified mail, return receipt requested, by overnight mail with confirmation, by facsimile (receipt confirmed) or by electronic means (receipt confirmed), in each case addressed and copied as set forth on the applicable signature page hereto. A Party may change its address for receiving notice by giving notice of a new address in the manner provided herein. All such notices, requests, demands, consents and other communications shall be deemed to have been duly given or sent two (2) days following the date on which mailed, or on the date on which delivered by courier or by hand or by facsimile or electronic transmission (receipt confirmed), as the case may be, and addressed as aforesaid.

20. No Third Party Beneficiaries. Except as expressly provided in Section 3 or Section 4, the Parties do not intend to confer any benefit by or under this Agreement upon any person or entity other than the Parties hereto and their respective successors and permitted assigns.

21. Captions and Rules of Construction. The captions in this Agreement are inserted only as a matter of convenience and for reference and do not define, limit or describe the scope of this

Agreement or the scope or content of any of its provisions. Any reference in this Agreement to a section is to a section of this Agreement. "Including" is not intended to be a limiting term.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES TO FOLLOW]**

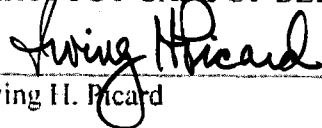
IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed
and delivered as of the date set forth above.

TRUSTEE

**IRVING H. PICARD, THE TRUSTEE FOR THE
LIQUIDATION PROCEEDINGS OF BERNARD L.
MADOFF INVESTMENT SECURITIES LLC AND
THE SUBSTANTIVELY CONSOLIDATED
BANKRUPTCY CASE OF BERNARD L. MADOFF**

Address:
Irving H. Picard
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Facsimile: (212) 589-4201

By: _____


Irving H. Picard

With copies to:
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Attention: Keith R. Murphy
Facsimile: (212) 589-4201

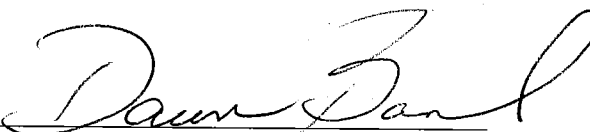
Sworn and subscribed before me this
23rd day of April, 2015.


Notary Public

[TRUSTEE SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

SONYA M. GRAHAM
Notary Public, State of New York
No. 01GR6133214
Qualified in Westchester County
Commission Expires: 9/12/2017

TRANSFeree


Dawn Pascucci Barnard

Address:

Dawn Pascucci Barnard
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this

22nd day of April, 2015.




Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

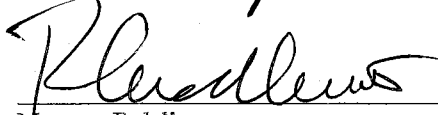
TRUST FBO MICHAEL A. PASCUCCI UA DTD
12/31/94

By: 
Name: Timothy F. Butler, Esq.
Title: Trustee

Address:
Trust FBO Michael A. Pascucci
UA DTD 12/31/94
Tibbets, Keating & Butler, LLC
Nine East 45th Street, 9th Floor
New York, New York 10017
Facsimile: (203) 656-2573

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
22nd day of April, 2015.

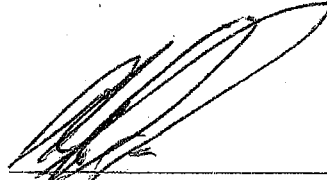


Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree




Michael A. Pascucci

Address:
Michael A. Pascucci
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
21st day of April, 2015.

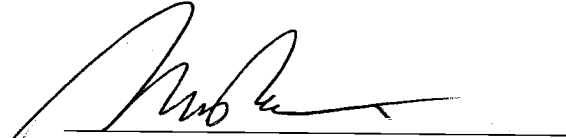


Notary Public

TIMOTHY F BUTLER
Notary Public, State of New York
No. 02BU6023540
Qualified in New York County
Commission Expires November 17, 2015

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree




Michael C. Pascucci

Address:
Michael C. Pascucci
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
22nd day of April, 2015.



Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree



Christopher S. Pascucci

Address:

Christopher S. Pascucci
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this

2nd day of April, 2015.



Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree



Ralph P. Pascucci

Address:

Ralph P. Pascucci
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this

22nd day of April, 2015.



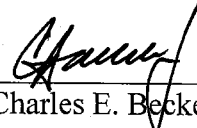
Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree


PASCUCCI FAMILY FOUNDATION

By: 
Name: Charles E. Becker
Title: Treasurer

Address:
Pascucci Family Foundation
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

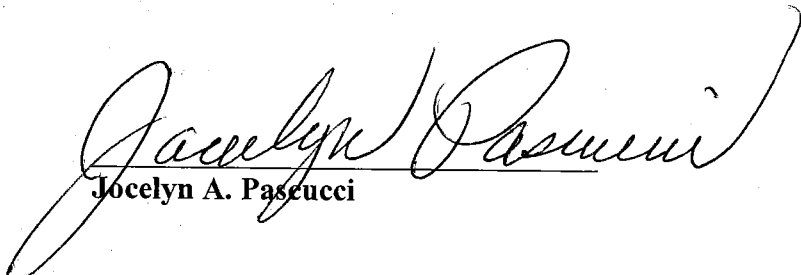
Sworn and subscribed before me this
2nd day of April, 2015.


Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree



Jocelyn A. Pascucci

Address:

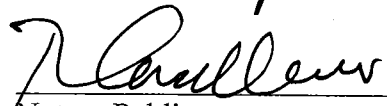
Jocelyn A. Pascucci
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this

22nd day of April, 2015.



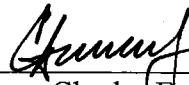
Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

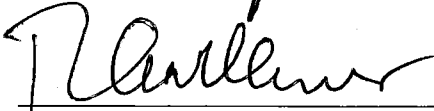
FUND FOR THE POOR, INC.

By: 
Name: Charles E. Becker
Title: Treasurer

Address:
Fund for the Poor, Inc.
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
22nd day of April, 2015.


Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

CSP INVESTMENT ASSOCIATES LLC

By: 

Name: Christopher S. Pascucci
Title: Managing Member

Address:
CSP Investment Associates LLC
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
22nd day of April, 2015.



Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

RPP INVESTMENT ASSOCIATES LLC

By: *Ralph Pascucci*
Name: Ralph P. Pascucci
Title: Managing Member

Address:
RPP Investment Associates LLC
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed, before me this
22nd day of April, 2015.

P. Cavallaro

Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County LL
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

MCP INVESTMENT ASSOCIATES LLC

By: 

Name: Michael C. Pascucci

Title: Managing Member

Address:

MCP Investment Associates LLC
c/o Duck Pond Corp.
Attn.: Peter I. Cavallaro, Esq.
270 South Service Road, Suite 45
Melville, NY 11747
Facsimile (631) 777-8440

With copies to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
2nd day of April, 2015.



Notary Public

PETER I. CAVALLARO
Notary Public, State of New York
No. 02CA4912316
Qualified in Nassau County
Commission Expires October 19, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

JD PARTNERS LLC

By: _____

Name: John A. Danzi

Title: Managing Director

Address:

JD Partners LLC

c/o Long Island Hotels

John A. Danzi, LLC

1757 Veterans Hwy Suite 36

Islandia, NY 11749

With copies to:

King & Spalding

1185 Avenue of the Americas

New York, New York 10036

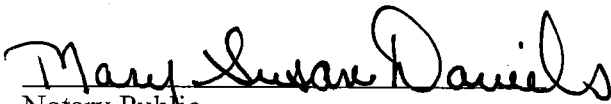
Attention: Arthur J. Steinberg

Facsimile No.: 212.556.2222

MARY SUSAN DANIELS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6115736
Qualified in Suffolk County
My Commission Expires September 13, 2016

Sworn and subscribed before me this

20th day of April, 2015.


Notary Public

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree



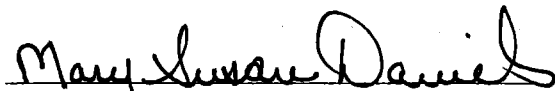
John A. Danzi

Address:
John A. Danzi
c/o Long Island Hotels
John A. Danzi, LLC
1757 Veterans Hwy Suite 36
Islandia, NY 11749

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

MARY SUSAN DANIELS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6115736
Qualified in Suffolk County
My Commission Expires September 13, 2016

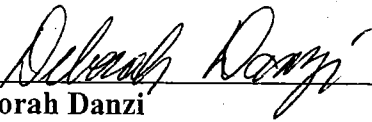
Sworn and subscribed before me this
20th day of April, 2015.



Notary Public

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree



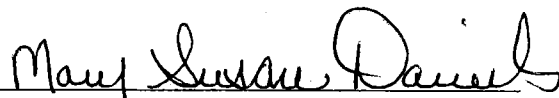
Deborah Danzi

Address:
Deborah Danzi
c/o Long Island Hotels
John A. Danzi, LLC
1757 Veterans Hwy Suite 36
Islandia, NY 11749

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

MARY SUSAN DANIELS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6115736
Qualified in Suffolk County
My Commission Expires September 13, 2016

Sworn and subscribed before me this
21st day of April, 2015.



Notary Public

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

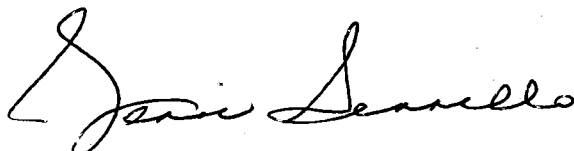
TRANSFeree



Janice Danzi Sennello

Address:
Janice Danzi Sennello
c/o Long Island Hotels
John A. Danzi, LLC
1757 Veterans Hwy Suite 36
Islandia, NY 11749

With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222



Sworn and subscribed before me this
18th day of April, 2015.



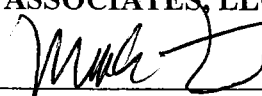
Notary Public

MICHAEL B. RICKARD
Notary Public - State of Florida
Commission # EE 169026
My Commission Expires
March 30, 2016

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

TRANSFeree

MAF ASSOCIATES, LLC

By: 

Name: Mark A. Freeman

Title: Managing Partner

Address:


MAF Associates, LLC
116 St. Edward Place
Palm Beach Gardens, Florida 33148

[Redacted Address Line]
[Redacted Address Line]
[Redacted Address Line]

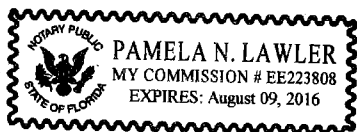
With copies to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

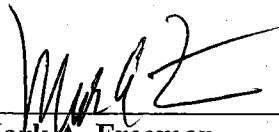
Sworn and subscribed before me this
16th day of April, 2015.


Notary Public

[TRANSFeree SIGNATURE PAGE TO SETTLEMENT AGREEMENT]



TRANSFEEE

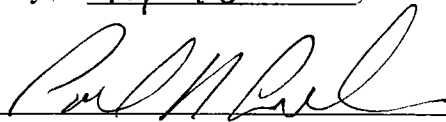


Mark A. Freeman

Address:
Mark A. Freeman
116 St. Edward Place
Palm Beach Gardens, Florida 33148

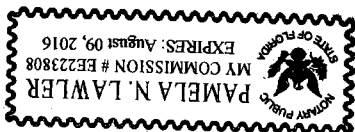
With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
16 day of April, 2015.

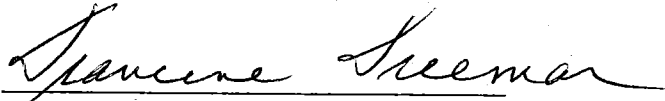


Notary Public

[TRANSFEEE SIGNATURE PAGE TO SETTLEMENT AGREEMENT]



TRANSFERE


Francine Freeman

Address:
Francine Freeman
116 St. Edward Place
Palm Beach Gardens, Florida 33148

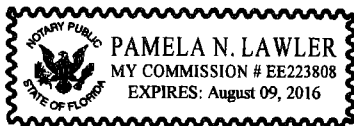
With copies to:
King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Arthur J. Steinberg
Facsimile No.: 212.556.2222

Sworn and subscribed before me this
16th day of April, 2015.



Notary Public

[TRANSFERE SIGNATURE PAGE TO SETTLEMENT AGREEMENT]



**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.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DAWN PASCUCCI BARNARD,

TRUST FBO MICHAEL A. PASCUCCI UA DTD
12/31/94 MICHAEL C PASCUCCI
CHRISTOPHER S PASCUCCI,

MICHAEL A. PASCUCCI,

MICHAEL C. PASCUCCI,

CHRISTOPHER S. PASCUCCI,

RALPH P. PASCUCCI,

PASCUCCI FAMILY FOUNDATION,

JOCELYN A. PASCUCCI,

CHRISTOPHER S. PASCUCCI 1995
CHARITABLE REMAINDER TRUST UAD
11/7/95,

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

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-04459 (SMB)

THE DAWN A. PASCUCCI BARNARD 1995
CHARITABLE REMAINDER TST UAD 11/7/95,

FUND FOR THE POOR, INC.,

CSP INVESTMENT ASSOCIATES LLC,

RPP INVESTMENT ASSOCIATES LLC, and

MCP INVESTMENT ASSOCIATES LLC,

Defendants.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

JD PARTNERS LLC, JOHN A. DANZI,
DEBORAH DANZI, and JANICE DANZI
SENNELLO,

Defendants.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

MAF ASSOCIATES, LLC,
MARK A. FREEMAN, and
FRANCINE FREEMAN,

Defendants.

Adv. Pro. No. 10-04461 (SMB)

Adv. Pro. No. 10-05235 (SMB)

**ORDER PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE
AND RULES 2002 AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE APPROVING A SETTLEMENT BY AND AMONG THE TRUSTEE
AND DAWN PASCUCCI BARNARD, TRUST FBO MICHAEL A. PASCUCCI UA DTD
12/31/94, MICHAEL A. PASCUCCI, MICHAEL C. PASCUCCI, CHRISTOPHER S.
PASCUCCI, RALPH P. PASCUCCI, PASCUCCI FAMILY FOUNDATION, JOCELYN
A. PASCUCCI, CHRISTOPHER S. PASCUCCI 1995 CHARITABLE REMAINDER
TRUST UAD 11/7/95, THE DAWN A. PASCUCCI BARNARD 1995 CHARITABLE**

REMAINDER TST UAD 11/7/95, FUND FOR THE POOR, INC., CSP INVESTMENT ASSOCIATES LLC, RPP INVESTMENT ASSOCIATES LLC, MCP INVESTMENT ASSOCIATES LLC, JD PARTNERS LLC, JOHN A. DANZI, DEBORAH DANZI, JANICE DANZI SENNELLO, MAF ASSOCIATES, LLC, MARK A. FREEMAN AND FRANCINE FREEMAN

Upon the motion (the “Motion”) of Irving H. Picard (the “Trustee”), as trustee for the substantively consolidated liquidation of the estate of Bernard L. Madoff Investment Securities LLC and the estate of Bernard L. Madoff, seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving the settlement by and among the Trustee and Dawn Pascucci Barnard, Trust FBO Michael A. Pascucci UA DTD 12/31/94, Michael A. Pascucci, Michael C. Pascucci, Christopher S. Pascucci, Ralph P. Pascucci, Pascucci Family Foundation, Jocelyn A. Pascucci, Christopher S. Pascucci 1995 Charitable Remainder Trust UAD 11/7/95, The Dawn A. Pascucci Barnard 1995 Charitable Remainder Tst UAD 11/7/95, Fund for the Poor, Inc., CSP Investment Associates LLC, RPP Investment Associates LLC, MCP Investment Associates LLC, JD Partners LLC, John A. Danzi, Deborah Danzi, Janice Danzi Sennello, MAF Associates, LLC, Mark A. Freeman and Francine Freeman (collectively, “Defendants”; each of the Trustee and Transferees a “Party” and collectively, the “Parties”), as more particularly set forth in the Settlement Agreement annexed hereto (the “Agreement”); and it appearing that due and sufficient notice has been given to all parties in interest as required by Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure; and the Court having considered the Affidavit of Irving H. Picard in support of the Motion; and it further appearing that the relief sought in the Motion is appropriate based upon the record of the hearing before this Court to consider the Motion; and it further appearing that this Court has jurisdiction to

consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and after due deliberation and sufficient cause appearing therefor; it is hereby:

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Agreement is hereby approved and authorized; and it is further

ORDERED, that the Trustee and Defendants shall each comply with and carry out the terms of the Agreement; and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: _____, 2015
New York, NY

HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

Baker & Hostetler LLP

45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Keith R. Murphy
Nicholas J. Cremona

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and
the estate of Bernard L. Madoff*

**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.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DAWN PASCUCCI BARNARD,

TRUST FBO MICHAEL A. PASCUCCI UA DTD
12/31/94 MICHAEL C PASCUCCI
CHRISTOPHER S PASCUCCI,

MICHAEL A. PASCUCCI,

MICHAEL C. PASCUCCI,

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

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-04459 (SMB)

CHRISTOPHER S. PASCUCCI,

RALPH P. PASCUCCI,

PASCUCCI FAMILY FOUNDATION,

JOCELYN A. PASCUCCI,

CHRISTOPHER S. PASCUCCI 1995
CHARITABLE REMAINDER TRUST UAD
11/7/95,

THE DAWN A. PASCUCCI BARNARD 1995
CHARITABLE REMAINDER TST UAD 11/7/95,

FUND FOR THE POOR, INC.,

CSP INVESTMENT ASSOCIATES LLC,

RPP INVESTMENT ASSOCIATES LLC, and

MCP INVESTMENT ASSOCIATES LLC,

Defendants.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

JD PARTNERS LLC, JOHN A. DANZI,
DEBORAH DANZI, and JANICE DANZI
SENNELLO,

Defendants.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

MAF ASSOCIATES, LLC,
MARK A. FREEMAN, and
FRANCINE FREEMAN,

Defendants.

Adv. Pro. No. 10-04461 (SMB)

Adv. Pro. No. 10-05235 (SMB)

2. I make this Affidavit based upon my own personal knowledge or upon information that I believe to be true.

3. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

4. I believe that the terms of the Agreement fall well above the lowest point in the range of reasonableness. The Agreement resolves all claims against all Defendants in the Adversary Proceedings and avoids the cost and delay of what could otherwise be lengthy and contentious litigation. The Agreement will bring in significant funds that will benefit the customer property estate. Accordingly, because the Agreement is well within the "range of reasonableness" and confers a substantial benefit on the estate, I respectfully request that the Court approve Agreement.

5. As part of the Agreement, the Parties have reached a good faith, complete, and total compromise as to any and all claims the Trustee has asserted against the Defendants in the Adversary Proceedings.

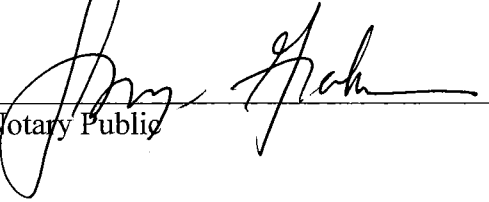
6. The Agreement furthers the interests of the BLIMS customers by, among other things, adding \$11,100,000 to the customer property fund, increasing the distribution to BLMIS customers with allowed claims.

7. Given the complexities involved in proceeding with further litigation, I have determined, in my business judgment, that the proposed settlement represents a fair compromise of the Adversary Proceedings.



IRVING H. PICARD

Sworn to before me this 23rd
day of April, 2015



Notary Public

SONYA M. GRAHAM
Notary Public, State of New York
No. 01GR6133214
Qualified in Westchester County
Commission Expires: 9/12/2017