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Press release from the office of Irving H. Picard, SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS)

**FOURTH INTERIM DISTRIBUTION OF RECOVERED FUNDS IN GLOBAL
MADOFF SIPA LIQUIDATION WILL TOTAL \$349 MILLION**

**Aggregate Distributions Will Reach Almost \$6 Billion,
Returning More Than 46 Percent of Losses to Allowed Claimants**

NEW YORK, NEW YORK – March 25, 2014 – Irving H. Picard, the Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS) filed a motion today in the United States Bankruptcy Court for the Southern District of New York seeking approval for an allocation of recoveries to the BLMIS Customer Fund and an authorization for a fourth pro rata interim distribution from the Customer Fund to BLMIS customers with allowed claims.

The fourth pro rata interim distribution will total approximately \$349 million, and will bring the amount distributed to eligible claimants to almost \$6 billion, which includes \$811.7 million in advances committed to the SIPA Trustee for distribution to allowed claimants by the Securities Investor Protection Corporation (SIPC).

“Our commitment is simple: to recover the maximum amount of funds stolen in the Madoff Ponzi scheme and to distribute these funds to their rightful owners as quickly as possible,” said Mr. Picard. “Our legal team remains focused on overcoming the remaining challenges that delay additional, even larger, distributions, and bringing more money into the Customer Fund.”

SIPC President and CEO Stephen P. Harbeck said, “The progress made by Irving Picard and his team to date is commendable, as around-the-clock efforts continue to maximize the recoveries for customers with missing assets. The SIPA Trustee and his team, in conjunction with SIPC advances, have returned nearly \$6 billion to Madoff’s victims. SIPC is pleased to have supported these successful efforts and we look forward to announcing additional, significant milestones and distributions in the not too distant future.”

On February 5, 2014, the Bankruptcy Court approved a \$325 million settlement between the SIPA Trustee and JPMorgan Chase & Co. Funds from this settlement and other recoveries that have been released from reserves comprise the bulk of the funds to be distributed to customers with allowed claims.

The fourth distribution will be paid on claims relating to 1,080 BLMIS accounts, to record holders of allowed claims as of April 17, 2014. Allowed claims will receive approximately 3.157 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied. The average payment for an allowed claim issued in the fourth distribution will total approximately \$323,000. The smallest payment totals approximately \$496.00 and the largest payment is \$77.3 million.

Currently, the SIPA Trustee has allowed 2,517 claims related to 2,189 BLMIS accounts. Of these accounts, 1,129 accounts will be fully satisfied following the fourth interim distribution. All allowed claims totaling \$925,000 or less will be fully satisfied. The fourth interim distribution, when combined with the first, second, and third interim distributions, will provide all claimants that have an allowed claim 46.036 percent of the customer's allowed claim amount, plus the SIPC advance of up to as much as \$500,000.

"We are dedicated to the BLMIS victims, and to the timely return of their stolen funds," said David J. Sheehan, Chief Counsel to the SIPA Trustee. "While we are pleased to announce the fourth distribution, we are looking ahead to additional distributions."

As of March 14, 2014, the SIPA Trustee has recovered or reached agreements to recover approximately \$9.795 billion since his appointment in December 2008. These recoveries exceed similar efforts related to prior Ponzi scheme recoveries, in terms of dollar value and percentage of stolen funds recovered. Ultimately, 100 percent of the SIPA Trustee's recoveries will be allocated to the Customer Fund for distribution to BLMIS customers with allowed claims.

Prior distributions by the SIPA Trustee (as of March 14, 2014) to BLMIS accounts with allowed claims are as follows:

- The first pro rata interim distribution, which commenced on October 5, 2011, has distributed approximately \$516.2 million, representing 4.602 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied.
- The second pro rata interim distribution, which commenced on September 19, 2012, has distributed approximately \$3.746 billion, representing 33.556 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied.
- The third pro rata interim distribution, which commenced on March 29, 2013, has distributed approximately \$523.0 million, representing 4.721 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied.

Mr. Sheehan noted that there are approximately 155 "deemed determined" claims still subject to litigation. Once litigation is resolved or settlements reached, some of these claims may be allowed and would become eligible for all pro rata distributions to date. For this potential scenario, as of March 25, 2014, the SIPA Trustee has reserved approximately \$2.668 billion. Upon final court approval of the fourth pro rata interim distribution, that reserve amount will increase to \$2.865 billion. The ultimate amount of additional allowed claims depends on the outcome of litigation or negotiation, and could add billions of dollars to the total amount of allowed claims.

Mr. Sheehan also noted that the SIPA Trustee anticipates recovering additional assets through litigation and settlements. Final resolution of certain disputes will permit the SIPA Trustee to further reduce the reserves he is required to maintain, which will allow him to make additional distributions to customers in the future. Upon final court approval of the fourth interim distribution, and incorporating the fourth allocation, the SIPA Trustee will be required to maintain a reserve of \$1.445 billion pending the resolution of the time-based damages issue, among other reserves. As of March 25, 2014, the time-based damages reserve is \$1.375 billion. The SIPA Trustee will seek authorization for these further allocations and distributions upon the recovery of additional funds and the resolution of significant disputes.

All administrative costs of the SIPA liquidation of Bernard L. Madoff Investment Securities LLC and its global recovery efforts making possible the distributions to BLMIS customers with allowed claims have been funded through monies advanced to the SIPA Trustee by SIPC.

A hearing on the fourth allocation and distribution motion has been set for April 17, 2014. The Customer Fund Allocation and Distribution Motion can be found on the United States Bankruptcy Court's website at <http://www.nysb.uscourts.gov/>; Bankr. S.D.N.Y., No. 08-01789 (BRL).

More information on overall recoveries to date, each settlement, the appeal status of a particular settlement, and on many other issues can be found on the SIPA Trustee's website: www.madofftrustee.com.

Messrs. Picard and Sheehan would like to thank Seanna Brown and Heather Wlodek, who worked on the fourth pro rata interim distribution and its related filings, as well all the BakerHostetler attorneys whose work has led to the distribution. They would also like to thank Vineet Sehgal and his colleagues at AlixPartners for their ongoing work on the SIPA liquidation.

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