

Media Contact:  
Amanda Remus  
[aremus@bakerlaw.com](mailto:aremus@bakerlaw.com)  
212-847-2826

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

**MADOFF TRUSTEE REACHES RECOVERY AGREEMENT OF \$35 MILLION WITH FEEDER FUNDS ARIEL FUND LIMITED AND GABRIEL CAPITAL, L.P.**

**TOTAL BLMIS CUSTOMER FUND RECOVERIES NEARLY \$10.734 BILLION**

**NEW YORK, NEW YORK** – June 1, 2015 – Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), filed a motion on Friday, May 29 in the United States Bankruptcy Court for the Southern District of New York seeking approval of a settlement agreement with Bart M. Schwartz, the court-appointed Receiver for Ariel Fund Limited and Gabriel Capital, L.P.

Under the terms of the agreement, the settlement with Ariel Fund Limited will immediately benefit the BLMIS Customer Fund by approximately \$17.9 million, and the settlement with Gabriel Capital, L.P. will benefit the BLMIS Customer Fund by approximately \$17 million. These payments by both Ariel Fund Limited and Gabriel Capital, L.P. represent 100 percent of the amount transferred from BLMIS to the funds. The approval hearing has been set for June 24, 2015 at 10:00 a.m.

The SIPA Trustee seeks to recover at least an additional \$280 million against J. Ezra Merkin, Ascot Partners LP, Ascot Fund Ltd., and Gabriel Capital Corporation, and the claims against those defendants remain unresolved.

Ariel Fund Limited and Gabriel Capital, L.P. will be entitled to allowed claims and the corresponding catch-up payments based on the five pro rata interim distributions made in the SIPA liquidation of BLMIS to date. Ariel Fund Limited will receive an allowed claim of approximately \$189.4 million and will be entitled to a catch-up payment of approximately \$92.4 million. Gabriel Capital, L.P. will receive an allowed claim of approximately \$178.4 million and will be entitled to a catch-up payment of approximately \$87.1 million. Both funds will then continue to receive future distributions, along with all other BLMIS customers with allowed claims who are not yet fully satisfied.

Lan Hoang, a partner at BakerHostetler, the court-appointed counsel to the SIPA Trustee, stated, “The SIPA Trustee’s motion asks that the agreement be approved because it confers significant benefits not only to the BLMIS Customer Fund but also to the investors of Ariel Fund Limited and Gabriel Capital, L.P. The agreement is also structured to bar direct distributions from either

fund to J. Ezra Merkin and Gabriel Capital Corporation until those two parties' obligations under a separate settlement made with the New York Attorney General have been fully satisfied.”

One hundred percent of the SIPA Trustee's recoveries will be allocated to the BLMIS Customer Fund for distribution to customers with allowed claims. To date, the SIPA Trustee has recovered more than \$10.699 billion and has distributed approximately \$7.576 billion, which includes more than \$825.5 million in committed advances from the Securities Investor Protection Corporation (SIPC). Once the agreement is approved by the Bankruptcy Court, the total BLMIS Customer Fund recoveries will total \$10.734 billion.

The costs associated with the SIPA Trustee's recovery and settlement efforts are paid in full by SIPC, which administers a fund drawn upon assessments on the securities industry. No fees or other costs of administration are paid from the recoveries obtained by the SIPA Trustee for the benefit of the BLMIS Customer Fund.

The SIPA Trustee's 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 (SMB) / Adv. Pro. No. 09-01182 (SMB). In addition, the motion – as well as further information on recoveries to date, other legal proceedings, further settlements, and general information – can be found on the SIPA Trustee's website: [www.madofftrustee.com](http://www.madofftrustee.com).

In addition to Ms. Hoang, the SIPA Trustee and David Sheehan, Chief Counsel to the SIPA Trustee, would like to thank the Securities Investor Protection Corporation's Kevin Bell as well as BakerHostetler attorneys Brian Song, Seanna Brown, and Stacy Dasaro who assisted with the work on this settlement.

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Link to Securities Investor Protection Corporation Press Release: <http://sipc.org/news-and-media/news-releases/20150601>

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