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Press release from the offices of Irving H. Picard, SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), and Stephen P. Harbeck, President and Chief Executive Officer of the Securities Investor Protection Corporation (SIPC)

**MADOFF SIPA TRUSTEE, CALIFORNIA ATTORNEY GENERAL,
AND PRIVATE LITIGANTS
REACH RECOVERY AGREEMENT VALUED IN EXCESS OF
\$277 MILLION
WITH THE ESTATE OF STANLEY CHAIS
AND OTHER CHAIS-RELATED DEFENDANTS**

Immediate benefit to BLMIS Customer Fund Approximately \$232 million

NEW YORK, NEW YORK and WASHINGTON, DC – Friday, October 28, 2016 – Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), today filed a motion in the United States Bankruptcy Court for the Southern District of New York seeking the Court’s approval of a global settlement with the defendants in Picard v. the Estate of Stanley Chais, et al. (“Chais-related Defendants”). The motion also seeks Court approval for the creation of a California Restitution Fund, which is the result of the efforts of California Attorney General Kamala D. Harris, and the settlement of private California state court litigation against the Chais-related Defendants.

The settlement agreement will ultimately deliver a benefit of more than \$277 million to the victims of the Madoff Ponzi scheme. The agreement was made with the Stanley Chais estate, Chais’s widow, and a number of Chais family members, investment funds, trusts, companies, and other entities associated with Chais. The approval hearing for this agreement has been set for Tuesday, November 22, 2016 at 10:00 a.m.

Under the terms of the agreement, as soon as a final, unappealable order is entered by the Court, the BLMIS Customer Fund will receive a payment of at least \$232 million in cash, as well as the assignment of other non-liquid assets which will be liquidated over time and which are valued at approximately \$30.7 million.

Also under the agreement, a California State Restitution Fund that will total approximately \$15 million will be established, to be supervised by the California Attorney General’s office, for the administration and payment of claims made by investors in certain Chais-related partnerships related to the state.

“This outstanding outcome is the result of four years of negotiation and mediation which addressed and resolved myriad complex legal issues and underscores the tenacity of the teams who continue to deliver

additional recoveries for Madoff’s victims,” said Tracy Cole, a BakerHostetler partner and lead counsel on the Chais matter. “The agreement confers a significant, immediate benefit to the BLMIS Customer Fund, avoids lengthy, burdensome, and expensive litigation, and represents a fair and reasonable compromise between the SIPA Trustee and the defendants.”

“The agreement announced today brings total recoveries to date to more than \$11.4 billion,” said Stephen P. Harbeck, President and Chief Executive Officer of SIPC. “The work of the SIPA Trustee and his team continues to drive results toward our shared goal of maximizing the return of stolen funds to eligible victims as quickly as possible.”

“These milestones are a reminder of the importance of SIPC’s support in liquidations such as BLMIS,” Mr. Picard added. “All administrative costs of the Madoff Recovery Initiative are funded by SIPC, meaning that 100 percent of recoveries are returned to the legitimate owners. None of the costs to right the wrongs done by Madoff are borne by his victims.”

To date, the SIPA Trustee has distributed approximately \$9.467 billion, which includes more than \$836.6 million in committed advances from SIPC. Once the agreement is approved by the Bankruptcy Court and a final unappealable order entered, the total BLMIS Customer Fund recoveries and agreements to recover will then total approximately \$11.459 billion, or more than 65 percent of the principal estimated to have been lost by Madoff’s defrauded customers with allowed claims and those claims that are deemed determined pending the outcome of litigation or future settlements.

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.

In addition to Ms. Cole, Messrs. Harbeck and Picard, and David J. Sheehan, Chief Counsel to the SIPA Trustee, would like to thank the Securities Investor Protection Corporation’s Josephine Wang and Kevin Bell, as well as BakerHostetler attorneys Thomas L. Long, M. Elizabeth Howe and Lauren P. Berglin, who assisted with the work on the global settlement agreement.

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