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for the Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities LLC
and 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.

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

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

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

Plaintiff,

v.

IRWIN LIPKIN, CAROLE LIPKIN, ERIC
LIPKIN, ERIKA LIPKIN, individually, and in her
capacity as Custodian UGMA/NJ for [REDACTED]

[REDACTED] [C.L.], [REDACTED] [D.L.], and

[REDACTED] [S.L.], [REDACTED]

[REDACTED] [C.L.], by and through Erika Lipkin,

Adv. Pro. No. 10-_____ (BRL)

parent and Custodian, [REDACTED]
[D.L.], by and through Erika Lipkin, parent and
Custodian, [REDACTED] [S.L.],
by and through Erika Lipkin, parent and Custodian,
MARC LIPKIN, RUSSELL LIPKIN, and KAREN
YOKOMIZO LIPKIN,

Defendants.

COMPLAINT

Irving H. Picard, Esq. (the “Trustee”), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”), under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.* (“SIPA”)¹, and the substantively consolidated estate of Bernard L. Madoff individually, by and through his undersigned counsel, for his Complaint, states as follows:

NATURE OF PROCEEDING

1. This adversary proceeding arises from the massive Ponzi scheme perpetrated by Bernard L. Madoff (“Madoff”). Over the course of the scheme, there were more than 8,000 client accounts at BLMIS. In early December 2008, BLMIS generated client account statements for its approximately 4,900 open client accounts. When added together, these statements purportedly show that clients of BLMIS had approximately \$65 billion invested with BLMIS. In reality, BLMIS had assets on hand worth a small fraction of that amount. On March 12, 2009, Madoff admitted to the fraudulent scheme and pled guilty to 11 felony counts, and was sentenced on June 29, 2009 to 150 years in prison. The within Defendants Irwin Lipkin, Carole Lipkin, Marc Lipkin, Russell Lipkin, Karen Yokomizo Lipkin, Eric Lipkin, Erika Lipkin, individually and in her capacity as parent and Custodian UGMA/NJ for defendants C.L., D.L., and S.L. (all, collectively “Defendants” or “Lipkin Defendants”) received avoidable transfers from BLMIS

under circumstances in which they, or the Lipkin family members acting on their behalf, knew or should have known of the fraud.

2. On information and belief, Defendants Irwin Lipkin and his son Eric Lipkin were long-time, trusted employees in Madoff's inner circle and complicit participants in Madoff's fraud. The other Defendants are family members of Irwin and Eric Lipkin, and as such were substantial direct and indirect beneficiaries of the fraud, including the funds received from the investment advisory accounts ("IA Accounts") in their own names as well as the salary and IA Account withdrawals received by Irwin and Eric.

3. Irwin Lipkin ("Irwin") was one of the very first employees at BLMIS, hired by Madoff as early as 1964. Over the course of his decades of employment at BLMIS, Irwin helped oversee the growth of BLMIS from a two-man operation in 1964 to a business with billions of dollars of customer money purportedly under management. Irwin considered himself to be like family to Madoff, and over the years, Irwin served as the Controller in Madoff's inner circle of core employees. As Controller, Irwin was responsible for the internal books and records of BLMIS, including the investment advisory business ("IA Business"). Among other duties, he assisted Madoff in conducting monthly reviews of the customer accounts and performing internal audits of the purported security positions held by BLMIS. The IA Business was involved in fictitious trading activity during Irwin's tenure. As the Controller responsible for overseeing the IA Business, Irwin Lipkin played a central role in facilitating the illusion of legitimacy.

4. Irwin's son, Defendant Eric Lipkin ("Eric"), joined BLMIS in 1992 and was employed at the company up through the Filing Date in December 2008. During his sixteen-year tenure at BLMIS, Eric served as Madoff's lieutenant, the company's payroll manager, administered the 401K plan and, like his father, assisted in the operation and concealment of the

¹ For convenience, future reference to SIPA will not include "15 U.S.C."

Ponzi scheme. In 2005 and 2006, when the United States Securities and Exchange Commission (“SEC”) initiated investigations of BLMIS, Eric played an active role assisting Madoff in deceiving the regulators by, among other things, identifying non-existent counterparties for stock and option trades that were requested by the SEC and fabricating trade blotters and other trading related documentation in the event regulators requested additional information. Eric also participated at various times in the creation of fictitious trades of securities and options based upon historical market prices to achieve targeted returns for certain customers and provided key-punch instructions to clerical staff to record the purported trades on customer account statements.

5. Defendants Irwin and Eric Lipkin and their families benefitted substantially from their participation in the fraud. They directed trading in their family IA Accounts to generate fictitious gains, planned to mitigate the tax liabilities resulting from such gains, and Defendants withdrew funds invested by other customers corresponding to these manufactured gains. In addition to their IA Account withdrawals, Defendants Irwin and Eric Lipkin received salary and bonuses for their perpetration of the fraud, as well as other direct payments from BLMIS unrelated to their IA Accounts. Irwin continued to receive a salary for several years after he ceased actively working with BLMIS. Within a few months of the Filing Date, Eric Lipkin received \$720,000 wired directly from BLMIS’ operating account at JPMorgan Chase (“BLMIS Bank Account”), the account in which the thousands of defrauded customers deposited their funds.

6. As a result of Irwin and Eric Lipkin’s facilitation of the Ponzi scheme and the fictitious trading in their own families’ IA Accounts, the Defendants have collectively received, directly or indirectly, a total amount of at least \$9,175,967 from BLMIS.

NATURE OF PROCEEDINGS

7. This adversary proceeding is brought pursuant to §§ 78fff(b), 78fff-1(a) and 78fff-2(c)(3) of SIPA, sections 105(a), 502(d), 542, 544, 548(a), 550(a) and 551 of title 11 of the United States Code (the “Bankruptcy Code”), the New York Fraudulent Conveyance Act (New York Debtor & Creditor Law §270 *et seq.* (McKinney 2001) (“DCL”) and other applicable law, for avoidance of fraudulent conveyances in connection with certain transfers of property by BLMIS to or for the benefit of Defendants. The Trustee seeks to avoid and set aside such transfers and preserve and recover all such transfers or the value thereof for the benefit of BLMIS’ defrauded customers.

JURISDICTION AND VENUE

8. This is an adversary proceeding commenced before the same Court before which the main underlying SIPA proceeding, No. 08-01789 (BRL) (the “SIPA Proceeding”) is pending. The SIPA Proceeding was originally brought in the United States District Court for the Southern District of New York as *Securities Exchange Commission v. Bernard L. Madoff Investment Securities LLC et al.*, No. 08 CV 10791 (the “District Court Proceeding”) and has been referred to this Court. This Court has jurisdiction over this adversary proceeding under 28 U.S.C. § 1334(b) and 15 U.S.C. §§ 78eee(b)(2)(A), (b)(4).

9. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (E), (H) and (O).

10. Venue in this district is proper under 28 U.S.C. § 1409.

DEFENDANTS

11. Upon information and belief, Defendant Irwin Lipkin maintains his residence in Delray Beach, Florida. Irwin has been closely associated with Madoff on a business and personal level for over forty years and was employed at BLMIS as one of Madoff’s inner circle since 1964, remaining on the payroll and receiving a salary several years after he ceased actively working at BLMIS and moved to Florida. He holds a BLMIS account (1L0036) in the name

“Irwin Lipkin,” with an account address that matches his mailing address. Irwin is a direct transferee of the funds withdrawn from his IA Account, his salary and bonuses, and a beneficiary and/or direct transferee of the funds withdrawn by his wife Carole Lipkin.

12. Upon information and belief, Defendant Carole Lipkin maintains her residence with her husband Irwin in Delray Beach, Florida. Carole Lipkin has also had a close business and social relationship with Madoff for decades and was employed at BLMIS from 1978 through 2001. She holds a BLMIS account (1L0035) in the name “Carole Lipkin,” with an account address that matches her mailing address. Carole Lipkin is a direct transferee of the funds withdrawn from her IA Account and a beneficiary and/or direct transferee of the funds received from BLMIS by her husband Irwin.

13. Upon information and belief, Defendants Eric and Erika Lipkin, husband and wife and son and daughter-in-law respectively of Irwin and Carole Lipkin, maintain their residence in Ridgewood, New Jersey. C.L., D.L., and S.L. are the children of Eric and Erika Lipkin. Eric and Erika Lipkin have been closely associated with Madoff on a business and/or social level for many years, with Eric having been employed at BLMIS from 1992 through the Filing Date.

a. Eric holds a BLMIS account (1L0092) in the name “Eric Lipkin,” with an account address in Paramus, New Jersey that is his brother Marc Lipkin’s residential address. Eric is a direct transferee of funds he received from BLMIS through his IA Account and salary, bonuses and other payments, and on information and belief is a beneficiary of funds received by his wife and children.

b. Erika Lipkin holds three BLMIS accounts (1L0319, 1L0214, 1L0306) for the benefit of her children C.L., D. L., and S.L. in the names “[REDACTED] [C.L.] UGMA/NJ Erika Lipkin Custodian,” “[REDACTED] [D.L.] UGMA/NJ Erika Lipkin

Custodian,” and “[REDACTED] [S.L.] UGMA/NJ Erika Lipkin Custodian,” with account addresses for each reported as their current residence in Ridgewood. Defendant Erika Lipkin (alternatively, “Subsequent Transferee Defendant”) is a beneficiary and direct and/or subsequent transferee of funds received by Eric from BLMIS.

14. Upon information and belief, Defendant Marc Lipkin, a son of Irwin and Carole Lipkin and brother of Eric, maintains his residence in Paramus, New Jersey. Marc holds a BLMIS account (1L0093) in the name “Marc Lipkin,” with an account address that matches his residence. Marc is a direct transferee of funds he received from BLMIS through his IA Account.

15. Upon information and belief, Defendants Russell Lipkin and Karen Yokomizo Lipkin, husband and wife, maintain their residence in Camas, Washington. Russell Lipkin is the son of Irwin and Carole Lipkin and a brother of Eric and Marc Lipkin. Russell Lipkin and Karen Yokomizo Lipkin hold BLMIS accounts (1L0157, 1L0094) in the names “Russell Lipkin & Karen Kei Yokomizo Lipkin JT/WROS,” and “Russell Lipkin and Karen Yokomizo-Lipkin JT/WROS” with account addresses that match their residence. Karen Yokomizo Lipkin holds a BLMIS account (1L0205) in the name “Karen Lipkin UGMA FBO [REDACTED] [G.L.]” with an account address that also matches their residence. Defendants are direct and/or subsequent transferees of the funds withdrawn from their family IA Accounts.

16. To the extent the funds transferred from BLMIS were for the benefit of a Subsequent Transferee Defendant, such Subsequent Transferee Defendant is the initial transferee of such transfers and is included in the definition of Defendants for the purposes of the allegations herein.

BACKGROUND, THE TRUSTEE AND STANDING

17. On December 11, 2008 (the “Filing Date”)², Madoff was arrested by federal agents for violation of the criminal securities laws, including, *inter alia*, securities fraud, investment adviser fraud, and mail and wire fraud. Contemporaneously, the SEC filed a complaint in the District Court which commenced the District Court Proceeding against Madoff and BLMIS. The District Court Proceeding remains pending in the District Court. The SEC complaint alleged that Madoff and BLMIS engaged in fraud through the investment advisor activities of BLMIS.

18. On December 12, 2008, The Honorable Louis L. Stanton of the District Court entered an order appointing Lee S. Richards, Esq. as receiver for the assets of BLMIS.

19. On December 15, 2008, pursuant to § 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 § 78eee(a)(4)(B) 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 protections afforded by SIPA.

20. Also on December 15, 2008, Judge Stanton granted the SIPC application and entered an order pursuant to SIPA (the “Protective Decree”), which, in pertinent part:

a. appointed the Trustee for the liquidation of the business of BLMIS pursuant to 15 U.S.C. § 78eee(b)(3) of SIPA;

² Section 78lll(7)(B) of SIPA states that the filing date is “the date on which an application for a protective decree is filed under 78eee(a)(3),” except where the debtor is the subject of a proceeding pending before a United States court “in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term ‘filing date’ means the date on which such proceeding was commenced.” 15 U.S.C. § 78lll(7)(B). Thus, even though the application for a protective decree was filed on December 15, 2008, the Filing Date in this action is December 11, 2008.

b. appointed Baker & Hostetler LLP as counsel to the Trustee pursuant to 15 U.S.C. § 78eee(b)(3) of SIPA; and

c. removed the case to this Bankruptcy Court pursuant to 15 U.S.C. § 78eee(b)(4) of SIPA.

By this Protective Decree, the Receiver was removed as Receiver for BLMIS.

21. By orders dated December 23, 2008 and February 4, 2009, respectively, the Bankruptcy Court approved the Trustee's bond and found that the Trustee was a disinterested person. Accordingly, the Trustee is duly qualified to serve and act on behalf of the estate of BLMIS.

22. At a Plea Hearing on March 12, 2009, in the case captioned *United States v. Madoff*, Case No. 09-CR-213(DC), Madoff pled guilty to an eleven-count criminal information filed against him by the United States Attorneys' Office for the Southern District of New York. At the Plea Hearing, Madoff admitted that he "operated a Ponzi scheme through the investment advisory side of [BLMIS]." See Plea Allocution of Bernard L. Madoff at 23, *United States v. Madoff*, No. 09-CR-213 (DC) (S.D.N.Y. March 12, 2009) (Docket No. 50). Additionally, Madoff asserted "[a]s I engaged in my fraud, I knew what I was doing [was] wrong, indeed criminal." *Id.* Madoff was sentenced on June 29, 2009 to 150 years in prison.

23. On August 11, 2009, a former BLMIS employee, Frank DiPascali ("DiPascali"), pled guilty to participating and conspiring to perpetuate the Ponzi scheme. At a Plea Hearing on August 11, 2009, in the case entitled *United States v. DiPascali*, Case No. 09-CR-764 (RJS), DiPascali pled guilty to a ten-count criminal information. Among other things, DiPascali admitted that the fictitious scheme had begun at BLMIS since at least the 1980s. See Plea

Allocution of Frank DiPascali at 46, *United States v. DiPascali*, No. 09-CR-764 (RJS) (S.D.N.Y. August 11, 2009) (Docket No. 11).

24. As the Trustee appointed under SIPA, the Trustee has the job of recovering and paying out customer property to BLMIS' customers, assessing claims, and liquidating any other assets of the firm for the benefit of the estate and its creditors. The Trustee is in the process of marshalling BLMIS' assets, and the liquidation of BLMIS' assets is well underway. However, such assets will not be sufficient to reimburse the customers of BLMIS for the billions of dollars that they invested with BLMIS over the years. Consequently, the Trustee must use his authority under SIPA and the Bankruptcy Code to pursue recovery from, among others: (i) those persons who helped Madoff perpetrate his Ponzi scheme; (ii) those persons who were paid to knowingly help Madoff perpetrate his Ponzi scheme, and (iii) BLMIS "customers" who received preferences and/or payouts of fictitious profits to the detriment of other defrauded customers whose money was consumed by the Ponzi scheme. Absent this or other recovery actions, the Trustee will be unable to satisfy the claims described in subparagraphs (A) through (D) of SIPA section 78fff-2(c)(1).

25. Pursuant to section 78fff-1(a), the Trustee has the general powers of a bankruptcy trustee in a case under the Bankruptcy Code in addition to the powers granted by SIPA pursuant to section 78fff-1(b). Pursuant to section 78fff(b), Chapters 1, 3, 5 and subchapters I and II of chapter 7 of the Bankruptcy Code are applicable to this case.

26. Pursuant to section 78fff(b) and 78lll(7)(B) of SIPA, the Filing Date is deemed to be the date of the filing of the petition within the meaning of section 548 of the Bankruptcy Code and the date of the commencement of the case within the meaning of section 544 of the Bankruptcy Code.

27. The Trustee has standing to bring these claims pursuant to section 78fff-1 of SIPA and the Bankruptcy Code, including sections 323(b) and 704(a)(1), because, among other reasons:

- a. Defendants received “customer property” as defined in 15 U.S.C. § 78lll(4);
- b. BLMIS incurred losses as a result of the claims set forth herein;
- c. BLMIS’ customers were injured as a result of the conduct detailed herein;
- d. SIPC cannot by statute advance funds to the Trustee to fully reimburse all customers for all of their losses;
- e. the Trustee will not be able to fully satisfy all claims;
- f. the Trustee, as bailee of customer property, can sue on behalf of customer bailors;
- g. the Trustee is the assignee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding (such claim-filing customers, collectively, “Accountholders”). As of the date hereof, the Trustee has received multiple express unconditional assignments of the applicable Accountholders’ causes of action, which actions could have been asserted against Defendants and Subsequent Transferee Defendant. As assignee, the Trustee stands in the shoes of persons who have suffered injury in fact and a distinct and palpable loss for which the Trustee is entitled to reimbursement in the form of monetary damages. The Trustee brings this action on behalf of, among others, those defrauded customers of BLMIS who invested more money in BLMIS than they withdrew; and
- h. SIPC is the subrogee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding. SIPC has expressly conferred upon

the Trustee enforcement of its rights of subrogation with respect to payments it has made and is making to customers of BLMIS from SIPC funds.

THE FRAUDULENT PONZI SCHEME

28. Founded in 1959, BLMIS began operations as a sole proprietorship of Madoff and later, effective January 2001, it became a New York limited liability company wholly owned by Madoff. BLMIS operated from its principal place of business at 885 Third Avenue, New York, New York from 1987 to 2008. Madoff, as founder, chairman, and chief executive officer, ran BLMIS together with several family members and a number of additional employees. BLMIS was registered with the SEC as a securities broker-dealer under Section 15(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(b). By that registration, BLMIS is a member of SIPC. BLMIS had three business units: the IA Business, market making and proprietary trading.

29. For certain accounts in the IA Business, BLMIS purported to participate in a capital appreciation/depreciation strategy, depending on whether the customer sought to generate gains or losses. For example, the strategy was executed by either purporting to purchase small groups of securities near lows and then purporting to sell those same securities near highs, or by purporting to short-sell securities near highs and then purporting to repurchase those securities near lows.

30. For other accounts, Madoff described the IA Business' investment strategy as a "split-strike conversion" strategy. Madoff promised these clients that their funds would be invested in a basket of common stocks within the S&P 100 Index, which is a collection of the 100 largest U.S. publicly traded companies. The basket of stocks would be intended to mimic the movement of the S&P 100 Index. Madoff asserted that he would carefully time purchases and sales to maximize value, but this meant that the clients' funds would intermittently be out of the market, at which times they would purportedly be invested in U.S. issued securities and

money market funds. The second part of the split-strike conversion strategy was the hedge of such purchases with option contracts. Madoff purported to purchase and sell S&P 100 Index option contracts that closely corresponded with the stocks in the basket, thereby controlling the downside risk of price changes in the basket of stocks.

31. Although clients of the IA Business received monthly or quarterly statements purportedly showing the securities that were held in – or had been traded through – their accounts, as well as the growth of and profit from those accounts over time, the trades reported on these statements were a complete fabrication. The security purchases and sales depicted in the account statements virtually never occurred and the profits reported were entirely fictitious. At his Plea Hearing, Madoff admitted that he never in fact purchased any of the securities he claimed to have purchased for customer accounts. *See Madoff Plea Allocution*, at 25. Indeed, based on the Trustee’s investigation to date and with the exception of isolated individual trades for certain clients other than the Defendants, there is no record of BLMIS having cleared *any* purchase or sale of securities on behalf of the IA Business at the Depository Trust & Clearing Corporation (“DTCC”), the clearing house for such transactions, or any other trading platform on which BLMIS could have reasonably traded securities.

32. Prior to his arrest, Madoff assured clients and regulators that he conducted all trades on the over-the-counter market after hours. To bolster that lie, Madoff periodically wired hundreds of millions of dollars over the years to BLMIS’ affiliate, Madoff Securities International Ltd. (“MSIL”), a London based entity substantially owned by Madoff and his family. There are no records that MSIL ever used the wired funds to purchase securities for the accounts of the IA Business clients. In fact, MSIL wired hundreds of millions of dollars back

into the bank accounts of BLMIS to allegedly record revenue related to the purported trades in Europe.

33. Additionally, based on the Trustee's investigation to date, there is no evidence that BLMIS ever purchased or sold any of the options that Madoff claimed on customer statements to have transacted.

34. For all periods relevant hereto, the IA Business was operated as a Ponzi scheme and Madoff and his co-conspirators concealed the ongoing fraud in an effort to hinder, delay or defraud other current and prospective customers of BLMIS from discovering the fraud. The money received from investors was not set aside to buy securities as purported, but instead was primarily used to make the distributions to – or payments on behalf of – other investors. The money sent to BLMIS for investment, in short, was simply used to keep the operation going and to enrich Madoff, his associates and others, including Defendants, until such time as the requests for redemptions in December 2008 overwhelmed the flow of new investments and caused the inevitable collapse of the Ponzi scheme.

35. The payments to investors constituted an intentional misrepresentation of fact regarding the underlying accounts and were an integral and essential part of the fraud. The payments were necessary to validate the false account statements, and were made to avoid detection of the fraud, to retain existing investors and to lure other investors into the Ponzi scheme.

36. During the scheme, certain investors requested and received distributions of the “profits” listed for their accounts which were nothing more than fictitious profits. Other investors, from time to time, redeemed or closed their accounts, or removed portions of the purportedly available funds, and were paid consistently with the statements they had been

receiving. Some of those investors later re-invested part or all of those withdrawn payments with BLMIS.

37. When payments were made to or on behalf of these investors, including Defendants, the falsified monthly statements of accounts reported that the accounts of such investors included substantial gains. In reality, BLMIS had not invested the investors' principal as reflected in customer statements. In an attempt to conceal the ongoing fraud and thereby hinder, delay or defraud other current and prospective investors, BLMIS paid to or on behalf of certain investors, such as Defendants, the inflated amounts reflected in the falsified financial statements, including principal and/or fictitious profits.

38. BLMIS used the funds deposited from new investments to continue operations and pay redemption proceeds to or on behalf of other investors and to make other transfers. Due to the siphoning and diversion of new investments to fund redemptions requested by other investors, BLMIS did not have the funds to pay investors on account of their new investments. BLMIS was able to stay afloat only by using the principal invested by some clients to pay other investors or their designees.

39. In an effort to hinder, delay or defraud authorities from detecting the fraud, BLMIS did not register as an Investment Advisor until August 2006.

40. In or about January 2008, BLMIS filed with the SEC an amended Uniform Application for Investment Adviser Registration. The application represented, *inter alia*, that BLMIS had 23 customer accounts and assets under management of approximately \$17.1 billion. In fact, in January 2008, BLMIS had approximately 4,900 active client accounts with a purported value of approximately \$65 billion under management.

41. Not only did Madoff seek to evade regulators, Madoff also had false audit reports “prepared” by Friehling & Horowitz, a three-person accounting firm in Rockland County, New York. Of the two accountants at the firm, one was semi-retired and living in Florida for many years prior to the Filing Date.

42. At all times relevant hereto, the liabilities of BLMIS were billions of dollars greater than the assets of BLMIS. At all relevant times, BLMIS was insolvent in that (i) its assets were worth less than the value of its liabilities; (ii) it could not meet its obligations as they came due; and (iii) at the time of the transfers, BLMIS was left with insufficient capital.

43. Defendants Irwin and Eric Lipkin knew and should have known that the IA Business was predicated on fraud, that they and their family accounts they oversaw were benefitting from fraudulent transactions in the accounts, and that the purported account activity and implausible returns in Defendants’ accounts were inconsistent with legitimate trading activity. Because Irwin and Eric managed the IA Accounts for their families, their knowledge and/or notice of the fraud is imputed to the other Defendants as to the funds received from those accounts as well as their salary, bonuses and other payments.

Irwin Lipkin’s Participation in the Fraud

44. Defendant Irwin Lipkin was a long-time associate of Madoff, having been employed by BLMIS in 1964, and remaining on the payroll until the very end. In a letter from Irwin created in 1998 and found on his son Eric’s BLMIS computer, Irwin referred to Madoff as “the brother I never had,” and stated that he hoped that he helped “grow” BLMIS from just Madoff and himself to a large-scale operation.

45. Over the decades that Irwin Lipkin was a trusted employee, officer and Controller at BLMIS, among other duties, he assisted Madoff in conducting monthly reviews of the

customer accounts, and in performing internal audits of the securities positions, customer accounts, dividends, transfers, securities loaned and securities borrowed on a monthly basis. Inasmuch as BLMIS' IA Business consisted almost entirely of fictitious activity, Irwin Lipkin was a key player in helping to fabricate the illusion of legitimacy that enabled the Ponzi scheme to perpetuate and grow.

46. Irwin helped oversee the operation of the Ponzi scheme which implausibly delivered consistent returns to customers month after month and year after year despite the volatility in the market during those same periods. Madoff was committed to never disappointing his IA Business customers, and Irwin assisted in this regard. He oversaw the operations of the IA Business that purported to deliver returns on a steady and consistent basis over many years, when in fact those strategies exceeded the reported trading volumes in the market on many occasions. As a Controller vested with the responsibility to safeguard customer assets, Irwin knew or at a minimum should have known that the trading activity reported on the customer statements was fictitious, as he did not report them on the FOCUS reports he prepared, which are a required filing under SEC Rule 17a-5, 17 C.F.R. § 240.17a-5. Nevertheless, as Madoff's long-time, trusted lieutenant, Irwin knowingly and/or recklessly enabled the fraud and perpetuated the Ponzi scheme, leaving thousands of victims in its wake.

47. Apart from his egregious conduct as a Controller while employed at BLMIS, Irwin actively directed the fraud with respect to the IA Accounts of his family. Specifically, he directed the manipulation of the returns in his account and those of other Defendants by requesting financial results, which were fulfilled by the recording of fictitious trades created with a hindsight review of historical securities prices. This activity occurred when, even by Madoff's

own admission in his Plea Allocation, there was no securities trading being conducted on behalf of IA customers at BLMIS.

48. For instance, in December 2001, after a telephone conversation with Irwin, Annette Bongiorno (“Bongiorno”), a long-time employee who served as an Account Manager in the IA Business, started to “look for \$400,000 in Loss” to manufacture for Irwin and Carole Lipkin’s IA Accounts. As reflected on their December account statements, the desired loss was created by reversing the November 8, 2001 (November 13, 2001 settlement date) purported sales of 7,000 and 15,000 shares of Johnson & Johnson, which had occurred in the prior month. The original purported sales, which generated \$128,000 and \$275,000, respectively, of realized gains were simply reversed, generating a “loss” in the sense that it reduced the Lipkins’ realized capital gains for tax purposes, albeit without reducing the value of Irwin’s or Carole’s IA Accounts. Irwin knew that the November trade was reversed on the December statement, which he received after his conversation with Bongiorno. A trade reversal, under the circumstances described, reported on a customer statement cancelling previously reported gains is a clear indicator of fraud, which served to put Irwin and Carole on notice of the fraud.

49. Likewise, on December 2, 2002, Irwin wrote to Annette Bongiorno, asking her to “set-up losses” in specified dollar amounts in his own account and in the accounts of Defendants Marc, Russell and Karen Lipkin, presumably for tax purposes. The transaction occurred as follows:

a. Irwin requested losses in the amounts of \$125,000 for his account (adjusted by Bongiorno’s handwritten notes to \$143,000), \$40,000 for his son Marc, and \$30,000 for his son Russell and daughter-in-law Karen. These Defendants’ December 2002 account statements each reflect short-term trades in Micron Technology, Inc. (“Micron”) stock,

purchasing the stock near the monthly high price and selling near the low price less than three weeks later, resulting in losses neatly and implausibly corresponding to those Irwin had specifically requested: \$145,770 for Irwin, \$41,925 for Marc, and \$31,605 for Russell and Karen.

b. Moreover, the Micron shares were purportedly purchased on November 29, 2002 (December 4, 2002 settlement date) – three days prior to Irwin’s written request, making it clear that these fictitious trades were backdated based on historical information.

c. Further, the transaction reference numbers on each of these Defendants’ account statements were sequential in date order, suggesting that the purchase and sale of each short-term Micron trade took place consecutively – despite the three-week lag reported between the purported purchase and sale and the existence of purported trading activity between the purchase and sale dates. Given Irwin Lipkin’s over 40 years of experience with the IA Business, he would have understood that the consecutive transaction numbers indicated the purchase and sales were keyed into the fraudulent trading system of the IA Business at the same time, despite weeks between the purported purchase and sale.

50. The generating of specific “losses” for tax purposes, however, was not the only indicia of fraud and irregularity in Defendants’ accounts. While Irwin Lipkin directed the manipulation of his account to achieve his desired tax losses in December 2002, he more than made up for it the next year. In 2003, Irwin’s account earned an extraordinary and implausibly high rate of return of 2,328%, increasing from a 2002 year-end reported value of \$178,128.08 to a 2003 year-end reported value of \$1,979,054.05, without adding a penny of capital to the account. This return was generated by the substantial unrealized gains associated with a series of securities purportedly purchased during September 2003 with the benefit of hindsight. Similarly,

during the stock market crash of 2008, when the S&P 100 fell by 37%, Carole Lipkin's IA Account enjoyed a positive rate of return of 146% for that year. This return was generated by the unrealized gains on a purported short sale of securities during October 2008, recorded with the benefit of hindsight. No reasonable investor would believe these implausibly high rates of return were based on legitimate trading activity in the real marketplace.

51. During his decades at BLMIS as Madoff's lieutenant while the Ponzi scheme expanded, Irwin received a salary and bonuses for his work on the IA Business, which was predicated on fraud. Accordingly, Irwin provided no value to BLMIS in return for his compensation, which totaled at least \$1,710,133. Moreover, Irwin continued to receive salary for several years after he quit actively working for BLMIS and moved to Florida, and the payment of that compensation was overseen by his son, Eric. During that period, Irwin performed no services for BLMIS other than to perpetuate the fraud, and thus provided no value to BLMIS in exchange for those payments.

Eric Lipkin's Participation in the Fraud

52. Like both of his parents, Defendant Eric Lipkin was also employed at BLMIS for many years, in his case from 1992 through the Filing Date. There was virtually no securities trading on behalf of IA Business customers during the entire period of Eric Lipkin's employment at BLMIS, and as such he participated both in the perpetration and concealment of the Ponzi scheme.

53. With both his parents long-time employees and close social associates of Madoff, Eric Lipkin came into BLMIS as Madoff's lieutenant in 1992 and remained through the firm's public collapse in 2008. The bulk of Eric's duties were to serve as the company's payroll manager, administer the 401K plan and assist Frank DiPascali ("DiPascali") with the IA

Business, including creating fictitious trades for customer accounts and the falsification of records provided to regulators.

Fabrication of Basket Trading For Customer Accounts

54. The Ponzi scheme depended on a small cadre of employees supervised by DiPascali and Bongiorno who manufactured customer statements with fictitious trading activity to perpetuate the scheme and enable BLMIS to continue to solicit new investments, which were used to pay redemptions to existing customers. During Eric's employment at BLMIS, DiPascali supervised the previously described split-strike trading strategy. The strategy was executed by creating a basket of purported purchases or sales of S&P 100 securities and corresponding options and then allocating that fictitious trading activity in the basket across predetermined IA Accounts. This fictitious trading process was done several times a year.

55. Eric was directly involved in the creation of these fraudulent baskets and the fictitious trades they created on the IA Accounts which gave the illusion of trading gains. He created the fictitious baskets of S&P 100 securities and options for the split-strike strategy with hindsight by selecting trade dates and prices *after* the market had already closed, which is clearly impossible in a legitimate trading operation. These baskets were used to manufacture the fictitious trading activity on customer account statements. He also created fictional trades in unusual non-hedging options with hindsight by selecting trade dates and prices after the market had closed to achieve a pre-determined gain and rate of return in certain split-strike strategy accounts. These unusual non-hedging option trades are those which are traded outside the context of a split-strike conversion strategy, and were executed to enhance the return of an account.

56. At DiPascali's direction, Eric created key punch instructions based on transaction terms for the short-term purchase and sale of multiple securities across five accounts affiliated with Stanley Chais, a long-time BLMIS customer and associate of Madoff. According to records recovered at BLMIS, in or around March 2002, DiPascali instructed Eric to generate certain files so "that they 'become' trade sheets that the girls can punch in." The total gain generated by these phony February and March 2002 "trades" in the Chais related accounts was approximately \$ 25.7 million, and each and every purported trade pre-dated the directive from DiPascali. Eric knew that this wholesale fabrication of fictitious, backdated trades was not reflective of legitimate trading activity and was being generated to perpetrate the fraud.

Creation of False Documents to Mislead Regulators

57. In addition to his active participation in the Ponzi scheme, Defendant Eric Lipkin also helped to conceal its existence from the SEC and certain investors.

58. The Depository Trust & Clearing Corporation ("DTCC") is the clearing house for domestic securities traded on US stock exchanges. Accordingly, sophisticated investors conducting diligence or regulators investigating a broker-dealer or investment adviser like Madoff may seek to verify the existence of the securities reported on the customer account statements by reviewing the corresponding DTCC records. In the case of a legitimate broker-dealer, such records include online access to DTCC screens reflecting the securities holdings of the entity.

59. In anticipation of such a request from regulators and/or sophisticated investors, Eric fabricated DTCC screen shots that purported to display security positions held at DTCC associated with BLMIS' IA Business. On information and belief, using a template he created on his work computer that has been recovered at BLMIS, Eric created fraudulent DTCC forms

consistent with the DTCC's distinct formatting and information regarding the participants, including the DTCC page header, client account number, the trade's Committee on Uniform Security Identification Procedures ("CUSIP") code, and the date and total value of the position in the security purportedly held at the DTCC. The fraudulent DTCC forms created by Eric purported to evidence billions of dollars of securities which were not held at DTCC for BLMIS and which BLMIS had never in fact purchased.

60. Eric continued to be DiPascali's and Madoff's technician of choice for the creation of fraudulent documentation to provide to the regulators during the remainder of his long tenure at BLMIS. For example, in 2006, in connection with an investigation commenced by the SEC, the regulator requested BLMIS to provide documents "sufficient to identify all brokers or dealers through which [BLMIS] executed any trades, including option trades." In response to that request, and on information and belief at Madoff's direction, Eric fabricated a document that Madoff provided to the SEC, which represented that BLMIS executed trades for its IA Business during the relevant period with 42 listed counterparties for stock trading and 12 listed counterparties for option trading. Given Eric's own participation in the creation of fictitious baskets and backdated trading, he knew or at a minimum should have known that none of the counterparties were in fact conducting trading with the IA Business and that the document was created solely to mislead the regulators and conceal the Ponzi scheme.

61. As a result of the SEC's investigation in 2006, the regulator directed Madoff to register as an investment advisor and submit the required filings to the SEC. Among other requirements, registered investment advisers are required to file with the SEC a Form ADV, which includes information about the number of customers serviced by the investment adviser and assets under management. Madoff submitted the required filings, but never disclosed the

full scope of the IA Business to the regulators in those forms, including the failure to include the Defendants' IA Accounts.

62. As recently as March 2008, only months before the public collapse of BLMIS, on information and belief at Madoff's direction, Eric created three sets of false trade blotters to conceal the Ponzi scheme in the event the regulators requested additional support underlying the assets referenced in the Form ADV submitted by BLMIS. Notably, Eric received a \$21,635 non-routine bonus in April 2008, purportedly for his assistance in the creation of these false reports.

Salary, Undocumented Transfer and Fictitious Backdated Trades

63. Defendant Eric Lipkin's rewards for participating in and concealing the fraud were not limited to his non-routine bonus. Eric received salary and bonuses for each of the years of his employment at BLMIS supporting the IA Business, even though there was virtually no securities trading conducted by BLMIS on behalf of its IA Business throughout that time. Eric thus provided no value to BLMIS for the salary and bonuses he received.

64. On June 27, 2008, a few months before the collapse of BLMIS, Eric received \$720,000 wired directly from the BLMIS Bank Account which appears to have been used to purchase real property that he has subsequently divested. On information and belief, this direct transfer was further compensation for Eric's participation as a co-conspirator in the Ponzi scheme, not for the performance of services or provision of value to BLMIS. The payment is not reflected in BLMIS records as a loan or reflected as a reduction to any of Eric's or his family's IA Accounts. Accordingly, the \$720,000 transfer appears to represent the conversion by Eric of customer money that had been deposited with BLMIS, for which he provided no reciprocal value.

65. In addition to receiving direct payments from BLMIS, Eric and his family received fictitious profits as a result of clearly manipulated customer account statements. Eric either directed the fictitious trading in his and his family's IA Accounts and knew or should have known the funds they withdrew were the result of obviously backdated trading activity, such as:

a. Eric's December 2007 IA Account statement contains: (i) the backdated reversal of a short sale of 24,000 shares of Amgen, cancelling the original short-against-the box sale that was recorded nine months earlier on his March 2007 statement, and (ii) the backdated reversal of a short-against-the-box sale of \$25,000 shares of General Motors, originally recorded five months earlier in his July 2007 customer statement. These reversals eliminated his short positions in these stocks and directly contradict several months' of 2007 customer statements received by Eric each month, which put him on clear notice of the fraud. On information and belief, the purpose of these December fraudulent trades was to enable Eric to avoid reporting over \$1,000,000 of related long-term capital gains on his 2007 tax return.

b. Like his father, Eric conveniently recovered the losses generated for tax purposes in the following year. In October 2008, just a couple of months before the collapse of BLMIS, Eric's IA Account reflects a short sale of 43,000 shares of SPDR Trust Series 1, a trade recorded with hindsight that generated unrealized gains of approximately \$1.3 million. This trade contributed significantly to the account's incredible 327.7% annual rate of return, during a year in which the S&P 100 Index produced a return of negative 37.1 %. In the same month, Eric's IA Account received a non-hedging option gain of \$103,750 that was not tied to any basket trading activity and was inconsistent with the trading strategy of the account. Eric knew or should have known that this gain was the product of fictitious trading, as it was the result of

the very same type of fabricated non-hedging option trade he had created for certain customer accounts at DiPascali's direction.

c. In the Spring of 2007, with the assistance of Bongiorno, Eric approved the purported purchase of NVIDIA shares in the custodial accounts of his daughters, D. L. and S. L. The fictitious purchase was recorded with hindsight, having been purportedly bought near the lowest share price for the entire month of April 2007. With the benefit of that same hindsight, the shares' appreciation during that month generated thousands of dollars of value in the accounts. As Eric knew or should have known, there was no real securities trading occurring at the IA Business at this time, nor had there been for many, many years.

66. Defendants used the fictitious returns on their accounts not only to enrich themselves through cash withdrawals, but also to fund the IA Accounts of their children and grandchildren by transferring fictitious profits and other ill-gotten cash into those accounts. The custodial accounts of the Lipkin children also enjoyed extraordinary and implausibly high rates of return. In 2007, for example, G.L.'s custodial account had an annual rate of return of 97.2%, D.L.'s custodial account had an annual rate of return of 54.1%, and S.L.'s custodial account had an annual rate of return of 70%, while the S&P 100 Index had an annual rate of return during the same timeframe of only 3.8%. Their parents knew or should have known that those implausibly high returns were the product of fraud.

67. Each of the Defendants knew or should have known that they were benefiting from fraudulent activity not only because some of the family's members were participants in the fraud but also because Defendants were on notice of the following indicia of irregularity and fraud in their own accounts but failed to make sufficient inquiry: their accounts earned extraordinary and implausibly high rates of return; their accounts contained miraculous and

beneficial reversals of trades previously executed; and their specific requests for gains and/or losses were achieved with precision with trades reported to have occurred before the direction was given.

68. Defendants were among the closest associates of Madoff for the decades before the fraud was exposed, and that special relationship is evidenced by the generous parting gift they were intended to receive. In the days just prior to the collapse of BLMIS, on December 11, 2008, Defendants, along with a number of other high-level employees, were scheduled to receive final checks, totaling \$6,971,579.16 in aggregate, purporting to withdraw the last remaining value in their accounts. No checks are believed to have been issued, however, due to the unexpected timing of the collapse of BLMIS.

THE TRANSFERS

69. According to BLMIS' records, Defendants maintained accounts with BLMIS set forth on Exhibit A (collectively, the "Accounts"). Actions on the Accounts were to be performed in New York, New York through securities trading activities that would take place in New York, New York. The Accounts were held in New York, New York, and Defendants sent funds to BLMIS and/or the BLMIS Bank Account in New York, New York for application to the Accounts and the conducting of trading activities. Between the date of the Accounts' opening and the Filing Date, Defendants made deposits to BLMIS through checks and/or wire transfers into bank accounts controlled by BLMIS, including the BLMIS Bank Account and/or received inter-account transfers from other BLMIS accounts.

70. Prior to the Filing Date, BLMIS made payments or other transfers (collectively, the "Transfers") directly or indirectly to Defendants totaling at least the amount of \$9,175,967. Under the circumstances set forth above, the Defendants knew of the fraud at BLMIS, that

BLMIS was insolvent, and/or that the Transfers were made for a fraudulent purpose, or at the very least, Defendants were on inquiry notice of the same. Of the Transfers: (a) \$5,029,344 constituted the transfer of customer funds in the form of salary, bonuses and other direct payments to Irwin Lipkin, Carole Lipkin and Eric Lipkin, and (b) the remainder constituted IA Account withdrawals. The Transfers that were directly or indirectly made to the Defendants in the form of withdrawals from BLMIS accounts include, but are not limited to, the Transfers listed on Exhibit B.

71. The Transfers are avoidable and recoverable under sections 544, 548, 550(a) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3), and applicable provisions of N.Y. CPLR 203(g) and 213(8) (McKinney 2001) and DCL sections 273-279 (McKinney 2001).

72. Of the Transfers, BLMIS made payments to Defendant Irwin Lipkin of at least \$915,461 (the “Six Year Transfers”) during the six years prior to the Filing Date which are avoidable and recoverable under sections 544, 550(a) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly 15 U.S.C. § 78fff-2(c)(3), and applicable provisions of DCL sections 273 – 279. Of these Six Year Transfers, \$845,000 was in the form of account withdrawals paid by check and/or by wire transfer to Irwin and/or Carole Lipkin’s bank account, and \$70,461 was in the form of salary payments made by BLMIS to Irwin Lipkin in return for his active participation and administration of the Ponzi scheme.

73. Of the Six Year Transfers, BLMIS made payments to Defendant Irwin Lipkin of at least \$203,500 (the “Two Year Transfers”) during the two years prior to the Filing Date, which are avoidable and recoverable under sections 548, 550(a) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3). Of these Two Year

Transfers, \$178,000 was in the form of account withdrawals paid by check and/or by wire transfer to Irwin and/or Carole Lipkin's bank account, and \$25,500 was in the form of salary payments made by BLMIS to Irwin Lipkin in return for his active participation and administration of the Ponzi scheme.

74. Of the Transfers, BLMIS made payments to Defendant Carole Lipkin of at least \$695,000 (the "Six Year Transfers") in the form of account withdrawals paid by check and/or by wire transfer to Irwin and/or Carole Lipkin's bank account during the six years prior to the Filing Date and are avoidable and recoverable under sections 544, 550(a) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly 15 U.S.C. § 78fff-2(c)(3), and applicable provisions of DCL sections 273 – 279.

75. Of the Six Year Transfers, BLMIS made payments to Defendant Carole Lipkin of at least \$340,000 (the "Two Year Transfers") in the form of account withdrawals paid by check and/or by wire transfer to Irwin and/or Carole Lipkin's bank account during the two years prior to the Filing Date, which are avoidable and recoverable under sections 548, 550(a) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3).

76. Of the Transfers, BLMIS made payments to Defendant Eric Lipkin of at least \$2,096,367 (the "Six Year Transfers") during the six years prior to the Filing Date and are avoidable and recoverable under sections 544, 550(a) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly 15 U.S.C. § 78fff-2(c)(3), and applicable provisions of DCL sections 273 – 279. Of these Six Year Transfers, \$125,000 was in the form of account withdrawals paid by wire to Eric and/or Erika Lipkin's bank account, \$1,249,476 was in the form of salary and bonuses, \$1891 was for vendor payments made to him by BLMIS, and \$720,000 was a direct wire transfer from the BLMIS Bank Account. The salary, bonus, vendor, and direct

payments were made by BLMIS to Eric Lipkin in return for his active participation and administration of the Ponzi scheme.

77. Of the Six Year Transfers, BLMIS made payments to Defendant Eric Lipkin of at least \$1,353,197 (the “Two Year Transfers”) during the two years prior to the Filing Date, which are avoidable and recoverable under sections 548, 550(a) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3). Of these Two Year Transfers, \$120,000 was in the form of account withdrawals paid by wire to Eric and/or Erika Lipkin’s bank account, \$512,921 was in the form of salary and bonuses, \$276 was for vendor payments made to him by BLMIS, and \$720,000 was a direct wire transfer from the BLMIS Bank Account. The salary, bonus, vendor, and direct payments were made by BLMIS to Eric Lipkin in return for his active participation and administration of the Ponzi scheme.

78. Of the Transfers, BLMIS made payments to Defendant Marc Lipkin of at least \$215,000 (the “Six Year Transfers”) in the form of account withdrawals during the six years prior to the Filing Date and are avoidable and recoverable under sections 544, 550(a) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly 15 U.S.C. § 78fff-2(c)(3), and applicable provisions of DCL sections 273 – 279.

79. Of the Six Year Transfers, BLMIS made payments to Defendant Marc Lipkin of at least \$57,000 (the “Two Year Transfers”) in the form of account withdrawals during the two years prior to the Filing Date, which are avoidable and recoverable under sections 548, 550(a) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3).

80. Of the Transfers, BLMIS made payments to Defendants Russell Lipkin and/or Karen Yokomizo Lipkin of at least \$657,299 (the “Six Year Transfers”) in the form of account

withdrawals during the six years prior to the Filing Date and are avoidable and recoverable under sections 544, 550(a) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly 15 U.S.C. § 78fff-2(c)(3), and applicable provisions of DCL sections 273 – 279.

81. Of the Six Year Transfers, BLMIS made payments to Defendants Russell Lipkin and/or Karen Yokomizo Lipkin of at least \$249,299 (the “Two Year Transfers”) in the form of account withdrawals during the two years prior to the Filing Date, which are avoidable and recoverable under sections 548, 550(a) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3).

82. On information and belief, at least \$24,200 of the Transfers were subsequently transferred to Defendant Erika Lipkin as custodian of accounts held on behalf of her children, D. L., S.L., and C. L. (collectively, the “Subsequent Transfers”). The Subsequent Transfers, or the value thereof, are recoverable pursuant to section 550(a) of the Bankruptcy Code.

83. To the extent that any of the recovery counts may be inconsistent with each other, they are to be treated as being pled in the alternative.

84. The Trustee’s investigation is on-going and the Trustee reserves the right to (i) supplement the information regarding the Transfers, Subsequent Transfers and any additional transfers, and (ii) seek recovery of such additional transfers.

CUSTOMER CLAIMS

85. On or about June 29, 2009, Defendant Irwin Lipkin filed a customer claim with the Trustee which the Trustee has designated as Claim # 013025, Defendant Carole Lipkin filed a customer claim with the Trustee which the Trustee has designated as Claim # 012861, and Defendant Eric Lipkin filed a customer claim with the Trustee which the Trustee has designated as Claim # 013023. On or about June 30, 2009, Defendant Marc Lipkin filed a customer claim

with the Trustee which the Trustee has designated as Claim # 013503 and Defendants Russell Lipkin and Karen Yokomizo Lipkin filed a customer claim with the Trustee which the Trustee has designated as Claim # 013502 (collectively, the “Customer Claims”).

86. The Trustee issued a Notice of Trustee's Determination of Claim (“Determination”) to Defendant Irwin Lipkin with respect to his claim on April 22, 2010, to Defendant Marc Lipkin with respect to his claim on May 20, 2010, to Defendant Eric Lipkin with respect to his claim on May 21, 2010, to Defendants Russell Lipkin and Karen Yokomizo Lipkin with respect to their claim on July 20, 2010, and to Defendant Carole Lipkin on October 8, 2010. Each of the Customer Claims was denied, and copies of the Determinations are attached hereto as Exhibit C.

87. An objection to the Determination of a customer claim (“Claims Objection”) was filed with the Court by Irwin Lipkin on or about May 6, 2010. On or about June 10, 2010, Defendants Marc Lipkin and Eric Lipkin each filed a Claims Objection to the Determination of their respective claims. On or about August 19, 2010, Defendants Russell and Karen Yokomizo Lipkin filed a Claims Objection to the Determination of their claim. On or about November 2, 2010, Defendant Carole Lipkin filed a Claims Objection to the Determination of her claim. Defendant Irwin Lipkin filed an amended objection to the Determination of his customer claim with the Court on May 12, 2010 (together with the Claims Objection of Irwin, Carole, Marc, Eric, Russell and Karen Yokomizo Lipkin, the “Claims Objections”).

88. Defendant Erika Lipkin holds three BLMIS accounts (1L0319, 1L0214, 1L0306) in the names “ [REDACTED] [C.L.] UGMA/NJ Erika Lipkin Custodian,” “ [REDACTED] [D.L.] UGMA/NJ Erika Lipkin Custodian,” and “ [REDACTED] [S.L.] UGMA/NJ Erika Lipkin Custodian,” and Defendant Karen Yokomizo Lipkin holds a BLMIS

account (1L0205) in the name “Karen Lipkin UGMA FBO [REDACTED] [G.L.]” (collectively, the “Related Accounts”). Upon information and belief, Defendants Erika Lipkin and Karen Yokomizo Lipkin are the absolute owners of the Related Accounts and/or have a beneficial or equitable interest in the Related Accounts.

89. On or about June 29, 2009, Defendant Erika Lipkin, as Custodian of the account of D.L., filed a customer claim with the Trustee which the Trustee has designated as Claim # 015317, Defendant Erika Lipkin, as Custodian of the account of S.L., filed a customer claim with the Trustee which the Trustee has designated as Claim No. 013012, and Defendant Karen Lipkin, as UGMA FBO G.L., filed a customer claim with the Trustee which the Trustee has designated as Claim # 013024. On or about July 1, 2009, Defendant Erika Lipkin, as Custodian of the account of C.L., filed a customer claim with the Trustee which the Trustee has designated as Claim # 014154 and, in addition, on about July 2, 2009, filed a purported duplicate of that claim with the Trustee which the Trustee has designated as Claim # 014862 (collectively with Claims 015317, 013012, 013024, and 014154 the “Related Account Customer Claims”). The Trustee has yet to issue a determination with respect to the Related Account Customer Claims and/or make distributions on the Related Account Customer Claims.

90. On December 23, 2008, this Court entered an Order on Application for Entry of an Order Approving Form and Manner of Publication and Mailing of Notices, Specifying Procedures for Filing, Determination and Adjudication of Claims, and Providing Other Relief (“Claims Procedures Order”; Docket No. 12). The Claims Procedures Order includes a process for determination and allowance of claims under which the Trustee has been operating. The Trustee intends to resolve the Customer Claims, Related Account Customer Claims and Claims

Objections or any related objection to the Trustee's determination of such claims through a separate hearing as contemplated by the Claims Procedures Order.

COUNT ONE
FRAUDULENT TRANSFER – 11 U.S.C. §§ 548(a)(1)(A), 550(a) AND 551

91. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

92. Each of the Two Year Transfers was made on or within two years before the filing date of BLMIS' case.

93. Each of the Two Year Transfers constituted a transfer of an interest of BLMIS in property within the meaning of sections 101(54) and 548(a) of the Bankruptcy Code and pursuant to section 78fff-2(c)(3) of SIPA.

94. Each of the Two Year Transfers was made by BLMIS with the actual intent to hinder, delay, or defraud some or all of BLMIS' then existing or future creditors.

95. Each of the Two Year Transfers constitute a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(A) of the Bankruptcy Code and recoverable from the Defendant pursuant to section 550(a) of the Bankruptcy Code and section 78fff-(2)(c)(3) of SIPA.

96. As a result of the foregoing, pursuant to sections 548(a)(1)(A), 550(a), and 551 of the Bankruptcy Code, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT TWO
FRAUDULENT TRANSFER – 11 U.S.C. §§ 548(a)(1)(B), 550(a) AND 551

97. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

98. Each of the Two Year Transfers was made on or within two years before the Filing Date.

99. Each of the Two Year Transfers constituted a transfer of an interest of BLMIS in property within the meaning of sections 101(54) and 548(a) of the Bankruptcy Code and pursuant to section 78fff-2(c)(3) of SIPA.

100. BLMIS received less than a reasonably equivalent value in exchange for each of the Two Year Transfers.

101. At the time of each of the Two Year Transfers, BLMIS was insolvent, or became insolvent as a result of the Two Year Transfer in question.

102. At the time of each of the Two Year Transfers, BLMIS was engaged in a business or a transaction, or was about to engage in a business or a transaction, for which any property remaining with BLMIS was an unreasonably small capital.

103. At the time of each of the Two Year Transfers, BLMIS intended to incur, or believed that it would incur, debts that would be beyond BLMIS' ability to pay as such debts matured.

104. Each of the Two Year Transfers constitute fraudulent transfers avoidable by the Trustee pursuant to section 548(a)(1)(B) of the Bankruptcy Code and recoverable from the Defendant pursuant to section 550(a) and section 78fff-(2)(c)(3) of SIPA.

105. As a result of the foregoing, pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code, the Trustee is entitled to a judgment against Defendants: (a) avoiding and

preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT THREE
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW
§§ 276, 276-a, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a) AND 551

106. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

107. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who hold matured or unmatured unsecured claims against BLMIS that are allowable under section 502 of the Bankruptcy Code or that are not allowable only under section 502(e) of the Bankruptcy Code.

108. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

109. Each of the Six Year Transfers was made by BLMIS with the actual intent to hinder, delay, or defraud the creditors of BLMIS. BLMIS made the Six Year Transfers to or for the benefit of the Defendants in furtherance of a fraudulent investment scheme.

110. Each of the Six Year Transfers was received by Defendants with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Transfers, and/or future creditors of BLMIS.

111. As a result of the foregoing, pursuant to DCL sections 276, 276-a, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside; (c) recovering the Six Year

Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS, and
(d) recovering attorneys' fees from the Defendants.

COUNT FOUR
FRAUDULENT TRANSFER --NEW YORK DEBTOR AND CREDITOR LAW
§§ 273 AND 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a) AND 551

112. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

113. At times relevant to the Six Year Transfers, there have been and are one or more creditors who hold matured or unmatured unsecured claims against BLMIS that are allowable under section 502 of the Bankruptcy Code or that are not allowable only under section 502(e) of the Bankruptcy Code.

114. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

115. BLMIS did not receive fair consideration for the Six Year Transfers.

116. BLMIS was insolvent at the time it made each of the Six Year Transfers or, in the alternative, BLMIS became insolvent as a result of each of the Six Year Transfers.

117. As a result of the foregoing, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside; and (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT FIVE
FRAUDULENT TRANSFER—NEW YORK DEBTOR AND CREDITOR LAW
§§274, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a) AND 551

118. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

119. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who hold matured or unmatured unsecured claims against BLMIS that are allowable under section 502 of the Bankruptcy Code or that are not allowable only under section 502(e) of the Bankruptcy Code.

120. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

121. BLMIS did not receive fair consideration for the Six Year Transfers.

122. At the time BLMIS made each of the Six Year Transfers, BLMIS was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Six Year Transfers was an unreasonably small capital.

123. As a result of the foregoing, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside; and (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT SIX
FRAUDULENT TRANSFER-NEW YORK DEBTOR AND CREDITOR LAW
§§ 275, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a) AND 551

124. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

125. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who hold matured or unmatured unsecured claims against BLMIS that are allowable under section 502 of the Bankruptcy Code or that are not allowable only under section 502(e) of the Bankruptcy Code.

126. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

127. BLMIS did not receive fair consideration for the Six Year Transfers.

128. At the time BLMIS made each of the Six Year Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

129. As a result of the foregoing, pursuant to DCL sections 275, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside; and (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS.

COUNT SEVEN
RECOVERY OF ALL FRAUDULENT TRANSFERS – NEW YORK CIVIL
PROCEDURE LAW AND RULES 203(g), 213(8) AND NEW YORK DEBTOR AND
CREDITOR LAW §§ 276, 276-a, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a) AND
551

130. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

131. At all times relevant to the Transfers, the fraudulent scheme perpetrated by BLMIS was not reasonably discoverable by at least one unsecured creditor of BLMIS.

132. At all times relevant to the Transfers, there have been and are one or more creditors who hold matured or unmatured unsecured claims against BLMIS that are allowable under section 502 of the Bankruptcy Code or that are not allowable only under section 502(e) of the Bankruptcy Code.

133. Each of the Transfers prior to the six years before the Filing Date constituted a conveyance by BLMIS as defined under DCL section 270.

134. Each of the Transfers were made by BLMIS with the actual intent to hinder, delay, or defraud the creditors of BLMIS. BLMIS made the Transfers to or for the benefit of the Defendant in furtherance of a fraudulent investment scheme.

135. Each of the Transfers was received by the Defendants with actual intent to hinder, delay or defraud creditors of BLMIS at the time of each of the Transfers, and/or future creditors of BLMIS.

136. As a result of the foregoing, pursuant to NY CPLR 203(g), 213(8), DCL sections 276, 276-a, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and SIPA section 78fff-2(c)(3), the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Transfers, (b) directing that the Transfers be set aside; (c) recovering the Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS, and (d) recovering attorneys' fees from the Defendants.

COUNT EIGHT
RECOVERY OF SUBSEQUENT TRANSFER - NEW YORK DEBTOR AND
CREDITOR LAW §§ 273 - 279 AND 11 U.S.C. §§ 544, 548, and 550(a)

137. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

138. Each of the Transfers are avoidable under sections 544 and 548 of the Bankruptcy Code, DCL sections 273 - 279, and section 78fff-2(c)(3) of SIPA.

139. On information and belief, some of the Transfers were subsequently transferred by Defendant Eric Lipkin to Defendant Erika Lipkin (as previously defined, collectively the "Subsequent Transfers.")

140. Each of the Subsequent Transfers was made directly or indirectly to or for the benefit of Defendant Erika Lipkin.

141. Defendant Erika Lipkin is an immediate or mediate transferee of the Subsequent Transfers.

142. As a result of the foregoing and the avoidance of the within Transfers, pursuant to DCL sections 278 and/or 279, sections 544, 548, and 550(a) of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendant Erika Lipkin recovering the Subsequent Transfers, or the value thereof, for the benefit of the estate of BLMIS.

COUNT NINE
TURNOVER AND ACCOUNTING – 11 U.S.C. § 542

143. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

144. The Trustee has commenced this and other adversary proceedings to avoid and preserve for the benefit of the estate the Transfers, and to recover such Transfers for the benefit of the estate pursuant to applicable provisions of the Bankruptcy Code, New York Debtor and Creditor Law, and SIPA.

145. All of the Transfers are deemed to be customer property pursuant to SIPA §§ 78fff-2(c)(3) and 78lll(4), and constitute property of the estate to be recovered and administered by the Trustee pursuant to sections 541 and 542 of the Bankruptcy Code and SIPA § 78fff-2(c)(3) and § 78lll(4).

146. The Defendants are not lawful custodians of the Transfers.

147. As a result of the foregoing, pursuant to section 542 of the Bankruptcy Code and SIPA § 78fff-2(c)(3), the Trustee is entitled to the immediate payment and turnover from the Defendants of all such customer property and an accounting of all of the customer property, or its value, transferred at any time, directly or indirectly, to the Defendants.

COUNT TEN
DISALLOWANCE OF CUSTOMERS' CLAIMS

148. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

149. On or about June 29, 2009 and June 30, 2009, Defendants Irwin Lipkin, Carole Lipkin, Eric Lipkin, Marc Lipkin, and Russell and Karen Yokomizo Lipkin filed Customer Claims in the SIPA proceeding.

150. Defendants' Customer Claims should not be allowed pursuant to section 502(d) of the Bankruptcy Code. Defendants are the recipient of Transfers of BLMIS' property which are avoidable and recoverable under sections 544, 548 and/or 550 of the Bankruptcy Code, DCL sections 273, 274, 275, and 276 and section 78fff-2 (c) (3) of SIPA, and Defendants have not returned the Transfers to the Trustee.

151. The Claims Procedures Order includes a process for determination and allowance of claims under which the Trustee has been operating. As a result of the foregoing, the Trustee intends to resolve Defendants' Customer Claims and any related objections through the mechanisms contemplated by the Claims Procedures Order.

COUNT ELEVEN
DISALLOWANCE OF RELATED ACCOUNT CUSTOMER CLAIMS

152. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

153. Defendants Erika Lipkin and Karen Yokomizo Lipkin hold the Related Accounts. Upon information and belief, Erika Lipkin and Karen Yokomizo Lipkin are the absolute owners of the Related Accounts and/or have a beneficial or equitable interest in the Related Accounts. In the alternative, the Related Accounts are the conduit for Defendants Erika Lipkin and Karen Yokomizo Lipkin or they are the subsequent transferee of the Related Accounts.

154. The Related Account Customer Claims should not be allowed pursuant to section 502(d) of the Bankruptcy Code. Defendants are the recipient of Transfers of BLMIS' property which are avoidable and recoverable under section 78fff-2 (c) (3) of SIPA and sections 544, 548 and/or 550 of the Bankruptcy Code, DCL sections 273, 274, 275, and 276 and section 78fff-2 (c) (3) of SIPA, and Defendants have not returned the Transfers to the Trustee.

155. The Claims Procedures Order includes a process for determination and allowance of claims under which the Trustee has been operating. As a result of the foregoing, the Trustee intends to resolve the Related Account Customer Claims and any related objections through the mechanisms contemplated by the Claims Procedures Order.

**COUNT TWELVE – EQUITABLE SUBORDINATION OF DEFENDANTS’
CUSTOMER CLAIMS**

156. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

157. The Defendants engaged in inequitable conduct, including behavior described in this Complaint, that has resulted in injury to creditors and investors and has conferred an unfair advantage on said Defendants.

158. Based on the Defendants' inequitable conduct and actual and/or inquiry notice of the fraud committed by Madoff, the Court should exercise the full extent of its equitable powers to ensure that claims, payments, or benefits, of whatever kind or nature, which are asserted or sought by Defendants Irwin Lipkin, Carole Lipkin, Eric Lipkin, Marc Lipkin, Russell Lipkin and Karen Yokomizo Lipkin directly or indirectly against the estate are subordinated for distribution purposes pursuant to sections 510(c)(1) and 105(a) of the Bankruptcy Code.

159. Equitable subordination as requested herein is consistent with the provisions and purposes of the Bankruptcy Code.

COUNT THIRTEEN - CONVERSION

160. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

161. BLMIS had a possessory right and interest to its assets, including its customers' investment funds.

162. Defendants have converted the investment funds of BLMIS customers when they received money originating from BLMIS and its customers, to which Defendants knew they had no right and were not authorized to take. These actions deprived BLMIS and its creditors of the use of this money.

163. As a direct and proximate result of this conduct, BLMIS and its creditors have not had the use of the money converted by Defendants.

164. By reason of the above, the Trustee, on behalf of BLMIS and its creditors, is entitled to an award of compensatory damages, in an amount to be determined at trial

COUNT FOURTEEN – UNJUST ENRICHMENT

165. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

166. Defendants benefited from the receipt of money from BLMIS in the form of payments and other transfers which were the property of BLMIS and its customers, and for which Defendants did not adequately compensate BLMIS or provide value or fair consideration.

167. This enrichment was at the expense of BLMIS and, ultimately, at the expense of BLMIS' other customers.

168. Equity and good conscience require full restitution of the monies received by Defendants from BLMIS.

169. By reason of the above, the Trustee, on behalf of BLMIS and its creditors, is entitled to restitution for the benefits Defendants improperly received, in an amount to be determined at trial.

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in favor of the Trustee and against the Defendants as follows:

i. On the First Claim for Relief, pursuant to sections 548(a)(1)(A), 550(a) and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS;

ii. On the Second Claim for Relief, pursuant to sections 548(a)(1)(B), 550(a) and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS

iii. On the Third Claim for Relief, pursuant to DCL sections 276, 276-a, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS, and (d) recovering attorneys' fees from the Defendants;

iv. On the Fourth Claim for Relief, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550 and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set

aside, and (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS;

v. On the Fifth Claim for Relief, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550, and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Fraudulent Transfers, (b) directing the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS;

vi. On the Sixth Claim for Relief, pursuant to DCL sections 275, 278 and/or 279, sections 544(b), 550, and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS;

vii. On the Seventh Claim for Relief, pursuant to NY CPLR 203(g) and 213(8), DCL sections 276, 276-a, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Transfers, (b) directing that the Transfers be set aside, (c) recovering the Transfers, or the value thereof, from the Defendants for the benefit of the estate of BLMIS, and (d) recovering attorneys' fees from the Defendants.

viii. On the Eighth Claim for Relief, pursuant to DCL sections 278 and/or 279, sections 544, 548, and 550(a) of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, recovering the Subsequent Transfers, or the value thereof, from Subsequent Transferee Defendant Erika Lipkin for the benefit of the estate of BLMIS.

ix. On the Ninth Claim for Relief, pursuant to sections 542, 550(a) and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA a judgment: (a) that the property that was the

subject of the Transfers be immediately delivered and turned over to the Trustee, and (b) for an accounting by the Defendants of the property that was the subject of the Transfers or the value of such property;

x. On the Tenth Claim for Relief, the Defendants' Customer Claims should not be allowed pursuant to section 502(d) of the Bankruptcy Code unless and until the Transfers are paid or turned over;

xi. On the Eleventh Claim for Relief, the Related Account Customer Claims should not be allowed pursuant to section 502(d) of the Bankruptcy Code unless and until the Transfers are paid or turned over;

xii. On the Twelfth Claim for Relief, equitable subordination of Defendant the Customer Claims of Irwin Lipkin, Carole Lipkin, Eric Lipkin, Marc Lipkin, Russell Lipkin and Karen Yokomizo Lipkin;

xiii. On the Thirteenth Claim for Relief for conversion of BLMIS assets, for compensatory damages in amounts to be determined at trial;

xiv. On the Fourteenth Claim for Relief for unjust enrichment, for restitution in an amount to be determined at trial;

xv. On all Claims for Relief, pursuant to federal common law and N.Y. CPLR 5001 and 5004, awarding the Trustee prejudgment interest from the date on which the Transfers were received;

xvi. On all Claims for Relief, establishment of a constructive trust over the proceeds of the transfers in favor of the Trustee for the benefit of BLMIS' estate;

xvii. On all Claims for Relief, assignment of Defendant's income tax refunds or overpayments from the United States, state and local governments paid to or credited on behalf

of the Defendants which relate to the operation of the Ponzi scheme, including but not limited to, the filing of a return under the Internal Revenue Service “safe harbor,” amended returns, and otherwise;

xviii. Awarding the Trustee all applicable interest, costs, and disbursements of this action; and

xix. Granting Plaintiff such other, further, and different relief as the Court deems just, proper, and equitable.

Date: November 11, 2010
New York, New York

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for the Substantively Consolidated SIPA
Liquidation of Bernard L. Madoff Investment
Securities LLC and Bernard L. Madoff*

Exhibit A

[D.L.]
[S.L.]
[C.L.]

BLMIS Account Name	BLMIS Account Number
CAROLE LIPKIN	1L0035
IRWIN LIPKIN	1L0036
ERIC LIPKIN	1L0092
MARC LIPKIN	1L0093
RUSSELL LIPKIN KAREN YOKOMIZO-LIPKIN J/T WROS	1L0094
RUSSELL LIPKIN AND KAREN KEI YOKOMIZO LIPKIN J/T WROS	1L0157
[REDACTED] UGMA/NJ ERIKA LIPKIN CUSTODIAN	1L0214
[REDACTED] UGMA/NJ ERIKA LIPKIN CUSTODIAN	1L0306
[REDACTED] UGMA/NJ ERIKA LIPKIN CUSTODIAN	1L0319

BLMIS ACCOUNT NO. 1L0035 - CAROLE LIPKIN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
Date	Transaction Description	Transaction Amount Reported in Customer Statement	Cash Deposits	Cash Withdrawals	Transfers of Purported Deposits with BLMIS In	Transfers of Purported Deposits with BLMIS Out	Balance of Purported Deposits with BLMIS	90-Day Transfers	2-Year Transfers	6-Year Transfers	Pre Dec. 11, 2002 Transfers
4/1/1992	TRANS FR IRWIN LIPKIN A/O 2/28 (1L0036)	207,900 ^[1]	-	-	96,461	-	96,461	-	-	-	-
6/30/1997	CHECK	5,000	5,000	-	-	-	101,461	-	-	-	-
12/26/2000	CHECK WIRE	(5,000)	-	(5,000)	-	-	96,461	-	-	-	(5,000)
3/5/2001	CHECK WIRE	(15,000)	-	(15,000)	-	-	81,461	-	-	-	(15,000)
4/12/2001	CHECK WIRE	(30,000)	-	(30,000)	-	-	51,461	-	-	-	(30,000)
7/10/2001	CHECK WIRE	(22,000)	-	(22,000)	-	-	29,461	-	-	-	(22,000)
12/31/2001	TRANS TO 1L009230 (1L0092)	(2,250)	-	-	-	(2,250)	27,211	-	-	-	-
12/31/2001	TRANS TO 1L009430 (1L0094)	(2,250)	-	-	-	(2,250)	24,961	-	-	-	-
1/21/2003	TRANS TO 1L009330 (1L0093)	(10,000)	-	-	-	(10,000)	14,961	-	-	-	-
1/21/2003	TRANS TO 1L020530 (1L0205)	(10,000)	-	-	-	(10,000)	4,961	-	-	-	-
2/7/2003	CHECK WIRE	(10,000)	-	(10,000)	-	-	(5,039)	-	-	(10,000)	-
2/20/2003	TRANS TO 1L009230 (1L0092)	(10,000) ^[2]	-	-	-	-	(5,039)	-	-	-	-
3/10/2003	CHECK WIRE	(10,000)	-	(10,000)	-	-	(15,039)	-	-	(10,000)	-
3/13/2003	TRANS TO 1L009430 (1L0094)	(10,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
10/22/2003	TRANS TO 1L021430 (1L0214)	(3,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
1/5/2004	TRANS TO 1L009330 (1L0093)	(10,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
1/5/2004	TRANS TO 1L021430 (1L0214)	(10,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
1/5/2004	TRANS TO 1L009230 (1L0092)	(10,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
1/5/2004	TRANS TO 1L009430 (1L0094)	(10,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
1/5/2004	TRANS TO 1L020530 (1L0205)	(10,000) ^[2]	-	-	-	-	(15,039)	-	-	-	-
1/8/2004	CHECK WIRE	(18,000)	-	(18,000)	-	-	(33,039)	-	-	(18,000)	-
2/9/2004	CHECK WIRE	(12,000)	-	(12,000)	-	-	(45,039)	-	-	(12,000)	-
6/28/2004	CHECK WIRE	(25,000)	-	(25,000)	-	-	(70,039)	-	-	(25,000)	-
1/3/2005	TRANS TO 1L021430 (1L0214)	(10,000) ^[2]	-	-	-	-	(70,039)	-	-	-	-
1/3/2005	TRANS TO 1L009230 (1L0092)	(10,000) ^[2]	-	-	-	-	(70,039)	-	-	-	-
1/3/2005	TRANS TO 1L009330 (1L0093)	(10,000) ^[2]	-	-	-	-	(70,039)	-	-	-	-
1/3/2005	TRANS TO 1L020530 (1L0205)	(10,000) ^[2]	-	-	-	-	(70,039)	-	-	-	-
1/3/2005	TRANS TO 1L009430 (1L0094)	(10,000) ^[2]	-	-	-	-	(70,039)	-	-	-	-
1/11/2005	CHECK WIRE	(20,000)	-	(20,000)	-	-	(90,039)	-	-	(20,000)	-
2/16/2005	CHECK WIRE	(14,000)	-	(14,000)	-	-	(104,039)	-	-	(14,000)	-
3/16/2005	CHECK WIRE	(14,000)	-	(14,000)	-	-	(118,039)	-	-	(14,000)	-
7/11/2005	CHECK WIRE	(140,000)	-	(140,000)	-	-	(258,039)	-	-	(140,000)	-
7/21/2005	CHECK	20,000	20,000	-	-	-	(238,039)	-	-	-	-
7/25/2005	CHECK WIRE	100,000	100,000	-	-	-	(138,039)	-	-	-	-
12/15/2005	CHECK WIRE	(20,000)	-	(20,000)	-	-	(158,039)	-	-	(20,000)	-
1/3/2006	TRANS TO 1L009330 (1L0093)	(10,000) ^[2]	-	-	-	-	(158,039)	-	-	-	-
1/3/2006	TRANS TO 1L020530 (1L0205)	(10,000) ^[2]	-	-	-	-	(158,039)	-	-	-	-
1/3/2006	TRANS TO 1L021430 (1L0214)	(10,000) ^[2]	-	-	-	-	(158,039)	-	-	-	-
1/3/2006	TRANS TO 1L009430 (1L0094)	(10,000) ^[2]	-	-	-	-	(158,039)	-	-	-	-
1/13/2006	CHECK WIRE	(32,000)	-	(32,000)	-	-	(190,039)	-	-	(32,000)	-
5/12/2006	TRANS TO 1L030630 (1L0306)	(10,000) ^[2]	-	-	-	-	(190,039)	-	-	-	-
7/11/2006	CHECK WIRE	(20,000)	-	(20,000)	-	-	(210,039)	-	-	(20,000)	-
9/11/2006	CHECK WIRE	(20,000)	-	(20,000)	-	-	(230,039)	-	-	(20,000)	-
1/2/2007	TRANS TO 1L021430 (1L0214)	(10,000) ^[2]	-	-	-	-	(230,039)	-	-	-	-
1/2/2007	TRANS TO 1L009230 (1L0092)	(10,000) ^[2]	-	-	-	-	(230,039)	-	-	-	-
1/2/2007	TRANS TO 1L030630 (1L0306)	(10,000) ^[2]	-	-	-	-	(230,039)	-	-	-	-
1/2/2007	TRANS TO 1L020530 (1L0205)	(10,000) ^[2]	-	-	-	-	(230,039)	-	-	-	-
1/2/2007	TRANS TO 1L009330 (1L0093)	(10,000) ^[2]	-	-	-	-	(230,039)	-	-	-	-
1/2/2007	TRANS TO 1L009430 (1L0094)	(10,000) ^[2]	-	-	-	-	(230,039)	-	-	-	-
1/10/2007	CHECK WIRE	(25,000)	-	(25,000)	-	-	(255,039)	-	(25,000)	(25,000)	-
7/9/2007	CHECK WIRE	(20,000)	-	(20,000)	-	-	(275,039)	-	(20,000)	(20,000)	-
9/17/2007	CHECK WIRE	(25,000)	-	(25,000)	-	-	(300,039)	-	(25,000)	(25,000)	-
11/21/2007	CHECK WIRE	(25,000)	-	(25,000)	-	-	(325,039)	-	(25,000)	(25,000)	-
12/19/2007	CHECK WIRE	(25,000)	-	(25,000)	-	-	(350,039)	-	(25,000)	(25,000)	-
12/31/2007	TRANS TO 1L031930 (1L0319)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/3/2008	TRANS TO 1L009230 (1L0092)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/3/2008	TRANS TO 1L020530 (1L0205)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/3/2008	TRANS TO 1L030630 (1L0306)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-

BLMIS ACCOUNT NO. 1L0035 - CAROLE LIPKIN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
	<u>Transaction</u>	<u>Transaction Amount</u>	<u>Cash</u>	<u>Cash</u>	<u>Transfers of</u>	<u>Transfers of</u>	<u>Balance of</u>				<u>Pre</u>
<u>Date</u>	<u>Description</u>	<u>Reported in</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Purported</u>	<u>Purported</u>	<u>Purported</u>	<u>90-Day</u>	<u>2-Year</u>	<u>6-Year</u>	<u>Dec. 11, 2002</u>
		<u>Customer Statement</u>			<u>Deposits with</u>	<u>Deposits with</u>	<u>Deposits with</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>
					<u>BLMIS In</u>	<u>BLMIS Out</u>	<u>BLMIS</u>				
1/3/2008	TRANS TO 1L009430 (1L0094)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/3/2008	TRANS TO 1L009330 (1L0093)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/3/2008	TRANS TO 1L031930 (1L0319)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/3/2008	TRANS TO 1L021430 (1L0214)	(10,000) ^[2]	-	-	-	-	(350,039)	-	-	-	-
1/16/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(375,039)	-	(25,000)	(25,000)	-
2/20/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(400,039)	-	(25,000)	(25,000)	-
3/19/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(425,039)	-	(25,000)	(25,000)	-
5/21/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(450,039)	-	(25,000)	(25,000)	-
6/18/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(475,039)	-	(25,000)	(25,000)	-
8/20/2008	CHECK WIRE	(20,000)	-	(20,000)	-	-	(495,039)	-	(20,000)	(20,000)	-
9/17/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(520,039)	(25,000)	(25,000)	(25,000)	-
10/15/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(545,039)	(25,000)	(25,000)	(25,000)	-
11/19/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(570,039)	(25,000)	(25,000)	(25,000)	-
Total:			\$ 125,000	\$ (767,000)	\$ 96,461	\$ (24,500)	\$ (570,039)	\$ (75,000)	\$ (340,000)	\$ (695,000)	\$ (72,000)

^[1] Although BLMIS statements reflect that a larger transfer was made into the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the originating account was transferred into this account on this date.

^[2] Although BLMIS statements reflect that funds were transferred out of this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred out of the account on this date. Accordingly, the account balance has remained unchanged.

BLMIS ACCOUNT NO. 1L0036 - IRWIN LIPKIN

Column 1		Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
		<u>Transaction</u>	<u>Transaction Amount</u>	<u>Cash</u>	<u>Cash</u>	<u>Transfers of</u>	<u>Transfers of</u>	<u>Balance of</u>				
		<u>Description</u>	<u>Reported in</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Purported</u>	<u>Purported</u>	<u>Purported</u>	<u>90-Day</u>	<u>2-Year</u>	<u>6-Year</u>	<u>Pre</u>
		<u>Date</u>	<u>Customer Statement</u>			<u>Deposits with</u>	<u>Deposits with</u>	<u>Deposits with</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Dec. 11, 2002</u>
						<u>BLMIS In</u>	<u>BLMIS Out</u>	<u>BLMIS</u>				<u>Transfers</u>
7/30/1984	CHECK		28,250	28,250	-	-	-	28,250	-	-	-	-
3/11/1985	CHECK		11,000	11,000	-	-	-	39,250	-	-	-	-
7/12/1985	CHECK		638	638	-	-	-	39,888	-	-	-	-
7/12/1985	CHECK		638	638	-	-	-	40,527	-	-	-	-
7/15/1985	CHECK		638	638	-	-	-	41,165	-	-	-	-
7/15/1985	CHECK		171	171	-	-	-	41,336	-	-	-	-
7/30/1985	CHECK		1,908	1,908	-	-	-	43,244	-	-	-	-
8/16/1985	CHECK		5,000	5,000	-	-	-	48,244	-	-	-	-
11/4/1985	CHECK		7,000	7,000	-	-	-	55,244	-	-	-	-
1/20/1986	CHECK		5,000	5,000	-	-	-	60,244	-	-	-	-
3/17/1986	TRANS FROM DOLINSKY (1D0020)		1,000 ^[1]	-	-	-	-	60,244	-	-	-	-
10/20/1986	TRANS FROM BLM#5 (1L0037)		5,000 ^[1]	-	-	-	-	60,244	-	-	-	-
1/16/1987	TRANS FROM DOLINSKY (1D0020)		1,000 ^[1]	-	-	-	-	60,244	-	-	-	-
7/7/1987	TRANS FROM DOLINSKY (1D0020)		2,000 ^[1]	-	-	-	-	60,244	-	-	-	-
1/15/1988	TRANS FROM BLM #5 A/O 1/4/88 (1L0037)		5,000 ^[1]	-	-	-	-	60,244	-	-	-	-
4/29/1988	TRANS FROM 10040910 (1D0020)		2,000 ^[1]	-	-	-	-	60,244	-	-	-	-
6/17/1988	CHECK		5,000	5,000	-	-	-	65,244	-	-	-	-
8/12/1988	CHECK		4,984	4,984	-	-	-	70,229	-	-	-	-
8/18/1988	TRANS FROM DOLINSKY (1D0020)		2,000 ^[1]	-	-	-	-	70,229	-	-	-	-
1/24/1989	CHECK		11,000	11,000	-	-	-	81,229	-	-	-	-
1/25/1989	TRAN FROM SPECIAL (1L0037)		5,000 ^[1]	-	-	-	-	81,229	-	-	-	-
1/25/1989	TRAN FROM DOLINSKY (1D0020)		1,000 ^[1]	-	-	-	-	81,229	-	-	-	-
3/23/1989	CHECK		23,000	23,000	-	-	-	104,229	-	-	-	-
3/23/1989	CHECK		60,000	60,000	-	-	-	164,229	-	-	-	-
1/2/1990	CHECK		10,000	10,000	-	-	-	174,229	-	-	-	-
1/2/1990	TRANS FROM BLM 5 (1L0037)		5,000 ^[1]	-	-	-	-	174,229	-	-	-	-
2/9/1990	CHECK		35,000	35,000	-	-	-	209,229	-	-	-	-
7/31/1990	CHECK		(16,190)	-	(16,190)	-	-	193,039	-	-	-	(16,190)
8/20/1990	TRANS FROM 10170530 (1L0037)		16,190 ^[1]	-	-	-	-	193,039	-	-	-	-
10/25/1990	CHECK		10,000	10,000	-	-	-	203,039	-	-	-	-
12/14/1990	TRANS TO LIPKIN INV (1L0034)		(60,000)	-	-	-	(60,000)	143,039	-	-	-	-
2/5/1991	CHECK		10,000	10,000	-	-	-	153,039	-	-	-	-
2/8/1991	CHECK		3,422	3,422	-	-	-	156,461	-	-	-	-
2/13/1991	TRANS TO 10124110 (1L0034)		(60,000)	-	-	-	(60,000)	96,461	-	-	-	-
4/1/1992	TRAN TO CAROLE LIPKIN A/O 2/28 (1L0035)		(207,900) ^[2]	-	-	-	(96,461)	-	-	-	-	-
1/5/1993	CHECK		(25,000)	-	(25,000)	-	-	(25,000)	-	-	-	(25,000)
3/11/1994	CHECK		(2,000)	-	(2,000)	-	-	(27,000)	-	-	-	(2,000)
8/29/1994	TRANS FROM 1L003730 (1L0037)		2,000 ^[1]	-	-	-	-	(27,000)	-	-	-	-
3/9/1995	CHECK		(2,000)	-	(2,000)	-	-	(29,000)	-	-	-	(2,000)
1/6/1997	CHECK		(6,000)	-	(6,000)	-	-	(35,000)	-	-	-	(6,000)
4/14/1997	CHECK		(10,000)	-	(10,000)	-	-	(45,000)	-	-	-	(10,000)
6/12/1997	CHECK		(50,000)	-	(50,000)	-	-	(95,000)	-	-	-	(50,000)
10/9/1998	CHECK WIRE		(10,000)	-	(10,000)	-	-	(105,000)	-	-	-	(10,000)
11/24/1998	CHECK WIRE		(12,000)	-	(12,000)	-	-	(117,000)	-	-	-	(12,000)
12/11/1998	CHECK WIRE		(20,000)	-	(20,000)	-	-	(137,000)	-	-	-	(20,000)
4/26/1999	CHECK WIRE		(15,000)	-	(15,000)	-	-	(152,000)	-	-	-	(15,000)
5/21/1999	CHECK WIRE		(15,000)	-	(15,000)	-	-	(167,000)	-	-	-	(15,000)
5/26/1999	CHECK WIRE		(15,000)	-	(15,000)	-	-	(182,000)	-	-	-	(15,000)
8/10/1999	CHECK WIRE		(10,000)	-	(10,000)	-	-	(192,000)	-	-	-	(10,000)
9/24/1999	CHECK WIRE		(10,000)	-	(10,000)	-	-	(202,000)	-	-	-	(10,000)
10/19/1999	CHECK WIRE		(15,000)	-	(15,000)	-	-	(217,000)	-	-	-	(15,000)
11/29/1999	CHECK WIRE		(10,000)	-	(10,000)	-	-	(227,000)	-	-	-	(10,000)
1/10/2000	CHECK WIRE		(15,000)	-	(15,000)	-	-	(242,000)	-	-	-	(15,000)
2/15/2000	CHECK		20,000	20,000	-	-	-	(222,000)	-	-	-	-
5/25/2000	CHECK WIRE		(5,000)	-	(5,000)	-	-	(227,000)	-	-	-	(5,000)
6/30/2000	CHECK		7,500	7,500	-	-	-	(219,500)	-	-	-	-
8/24/2000	CHECK		25,000	25,000	-	-	-	(194,500)	-	-	-	-
2/1/2001	CHECK WIRE		(12,000)	-	(12,000)	-	-	(206,500)	-	-	-	(12,000)
5/8/2001	CHECK WIRE		(16,000)	-	(16,000)	-	-	(222,500)	-	-	-	(16,000)
6/7/2001	CHECK WIRE		(15,000)	-	(15,000)	-	-	(237,500)	-	-	-	(15,000)
8/6/2001	CHECK WIRE		(15,000)	-	(15,000)	-	-	(252,500)	-	-	-	(15,000)

BLMIS ACCOUNT NO. 1L0036 - IRWIN LIPKIN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
Date	Transaction Description	Transaction Amount Reported in Customer Statement	Cash Deposits	Cash Withdrawals	Transfers of Purported Deposits with BLMIS In	Transfers of Purported Deposits with BLMIS Out	Balance of Purported Deposits with BLMIS	90-Day Transfers	2-Year Transfers	6-Year Transfers	Pre Dec. 11, 2002 Transfers
9/17/2001	CHECK WIRE	(15,000)	-	(15,000)	-	-	(267,500)	-	-	-	(15,000)
10/16/2001	CHECK WIRE	(15,000)	-	(15,000)	-	-	(282,500)	-	-	-	(15,000)
11/13/2001	CHECK WIRE	(18,000)	-	(18,000)	-	-	(300,500)	-	-	-	(18,000)
12/13/2001	CHECK WIRE	(20,000)	-	(20,000)	-	-	(320,500)	-	-	-	(20,000)
12/31/2001	TRANS TO 1L009430 (1L0094)	(2,250) ⁽⁴⁾	-	-	-	-	(320,500)	-	-	-	-
12/31/2001	TRANS TO 1L009230 (1L0092)	(2,250) ⁽³⁾	-	-	-	-	(320,500)	-	-	-	-
1/10/2002	CHECK WIRE	(20,000)	-	(20,000)	-	-	(340,500)	-	-	-	(20,000)
1/18/2002	CHECK WIRE	(10,000)	-	(10,000)	-	-	(350,500)	-	-	-	(10,000)
2/8/2002	CHECK WIRE	(20,000)	-	(20,000)	-	-	(370,500)	-	-	-	(20,000)
3/11/2002	CHECK WIRE	(20,000)	-	(20,000)	-	-	(390,500)	-	-	-	(20,000)
4/15/2002	CHECK WIRE	(17,000)	-	(17,000)	-	-	(407,500)	-	-	-	(17,000)
5/15/2002	CHECK WIRE	(15,000)	-	(15,000)	-	-	(422,500)	-	-	-	(15,000)
6/19/2002	CHECK WIRE	(10,000)	-	(10,000)	-	-	(432,500)	-	-	-	(10,000)
7/3/2002	CHECK WIRE	(10,000)	-	(10,000)	-	-	(442,500)	-	-	-	(10,000)
7/22/2002	CHECK WIRE	(14,000)	-	(14,000)	-	-	(456,500)	-	-	-	(14,000)
8/12/2002	CHECK WIRE	(13,000)	-	(13,000)	-	-	(469,500)	-	-	-	(13,000)
9/19/2002	CHECK WIRE	(15,000)	-	(15,000)	-	-	(484,500)	-	-	-	(15,000)
10/21/2002	CHECK WIRE	(25,000)	-	(25,000)	-	-	(509,500)	-	-	-	(25,000)
11/15/2002	CHECK WIRE	(14,000)	-	(14,000)	-	-	(523,500)	-	-	-	(14,000)
12/12/2002	CHECK WIRE	(30,000)	-	(30,000)	-	-	(553,500)	-	-	(30,000)	-
1/10/2003	CHECK WIRE	(15,000)	-	(15,000)	-	-	(568,500)	-	-	(15,000)	-
1/21/2003	TRANS TO 1L009230 (1L0092)	(5,000) ⁽³⁾	-	-	-	-	(568,500)	-	-	-	-
2/20/2003	TRANS TO 1L020530 (1L0205)	(10,000) ⁽⁴⁾	-	-	-	-	(568,500)	-	-	-	-
2/20/2003	TRANS TO 1L009230 (1L0092)	(5,000) ⁽³⁾	-	-	-	-	(568,500)	-	-	-	-
3/13/2003	TRANS TO 1L009430 (1L0094)	(10,000) ⁽⁴⁾	-	-	-	-	(568,500)	-	-	-	-
3/13/2003	TRANS TO 1L009330 (1L0093)	(10,000) ⁽³⁾	-	-	-	-	(568,500)	-	-	-	-
4/10/2003	CHECK WIRE	(10,000)	-	(10,000)	-	-	(578,500)	-	-	(10,000)	-
5/16/2003	CHECK WIRE	(10,000)	-	(10,000)	-	-	(588,500)	-	-	(10,000)	-
6/13/2003	CHECK WIRE	(10,000)	-	(10,000)	-	-	(598,500)	-	-	(10,000)	-
7/9/2003	CHECK WIRE	(20,000)	-	(20,000)	-	-	(618,500)	-	-	(20,000)	-
8/13/2003	CHECK WIRE	(12,000)	-	(12,000)	-	-	(630,500)	-	-	(12,000)	-
9/10/2003	CHECK WIRE	(12,000)	-	(12,000)	-	-	(642,500)	-	-	(12,000)	-
10/10/2003	CHECK WIRE	(17,000)	-	(17,000)	-	-	(659,500)	-	-	(17,000)	-
10/22/2003	TRANS TO 1L021430 (1L0214)	(3,000) ⁽³⁾	-	-	-	-	(659,500)	-	-	-	-
11/14/2003	CHECK WIRE	(16,000)	-	(16,000)	-	-	(675,500)	-	-	(16,000)	-
12/9/2003	CHECK WIRE	(15,000)	-	(15,000)	-	-	(690,500)	-	-	(15,000)	-
1/5/2004	TRANS TO 1L021430 (1L0214)	(10,000) ⁽⁴⁾	-	-	-	-	(690,500)	-	-	-	-
1/5/2004	TRANS TO 1L009430 (1L0094)	(10,000) ⁽³⁾	-	-	-	-	(690,500)	-	-	-	-
1/5/2004	TRANS TO 1L009330 (1L0093)	(10,000) ⁽³⁾	-	-	-	-	(690,500)	-	-	-	-
1/5/2004	TRANS TO 1L009230 (1L0092)	(10,000) ⁽³⁾	-	-	-	-	(690,500)	-	-	-	-
1/5/2004	TRANS TO 1L020530 (1L0205)	(10,000) ⁽⁴⁾	-	-	-	-	(690,500)	-	-	-	-
3/10/2004	CHECK WIRE	(12,000)	-	(12,000)	-	-	(702,500)	-	-	(12,000)	-
4/12/2004	CHECK WIRE	(20,000)	-	(20,000)	-	-	(722,500)	-	-	(20,000)	-
5/14/2004	CHECK WIRE	(12,000)	-	(12,000)	-	-	(734,500)	-	-	(12,000)	-
6/14/2004	CHECK WIRE	(14,000)	-	(14,000)	-	-	(748,500)	-	-	(14,000)	-
7/15/2004	CHECK WIRE	(20,000)	-	(20,000)	-	-	(768,500)	-	-	(20,000)	-
8/9/2004	CHECK WIRE	(20,000)	-	(20,000)	-	-	(788,500)	-	-	(20,000)	-
9/20/2004	CHECK WIRE	(15,000)	-	(15,000)	-	-	(803,500)	-	-	(15,000)	-
10/18/2004	CHECK WIRE	(18,000)	-	(18,000)	-	-	(821,500)	-	-	(18,000)	-
11/15/2004	CHECK WIRE	(20,000)	-	(20,000)	-	-	(841,500)	-	-	(20,000)	-
12/16/2004	CHECK WIRE	(15,000)	-	(15,000)	-	-	(856,500)	-	-	(15,000)	-
1/3/2005	TRANS TO 1L009330 (1L0093)	(10,000) ⁽³⁾	-	-	-	-	(856,500)	-	-	-	-
1/3/2005	TRANS TO 1L009230 (1L0092)	(10,000) ⁽⁴⁾	-	-	-	-	(856,500)	-	-	-	-
1/3/2005	TRANS TO 1L021430 (1L0214)	(10,000) ⁽³⁾	-	-	-	-	(856,500)	-	-	-	-
1/3/2005	TRANS TO 1L009430 (1L0094)	(10,000) ⁽³⁾	-	-	-	-	(856,500)	-	-	-	-
1/3/2005	TRANS TO 1L020530 (1L0205)	(10,000) ⁽³⁾	-	-	-	-	(856,500)	-	-	-	-
4/14/2005	CHECK WIRE	(17,000)	-	(17,000)	-	-	(873,500)	-	-	(17,000)	-
5/11/2005	CHECK WIRE	(17,000)	-	(17,000)	-	-	(890,500)	-	-	(17,000)	-
6/15/2005	CHECK WIRE	(14,000)	-	(14,000)	-	-	(904,500)	-	-	(14,000)	-
8/12/2005	CHECK WIRE	(17,000)	-	(17,000)	-	-	(921,500)	-	-	(17,000)	-

BLMIS ACCOUNT NO. 1L0036 - IRWIN LIPKIN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
Date	Transaction Description	Transaction Amount Reported in Customer Statement	Cash Deposits	Cash Withdrawals	Transfers of Purported Deposits with BLMIS In	Transfers of Purported Deposits with BLMIS Out	Balance of Purported Deposits with BLMIS	90-Day Transfers	2-Year Transfers	6-Year Transfers	Pre Dec. 11, 2002 Transfers
9/15/2005	CHECK WIRE	(16,000)	-	(16,000)	-	-	(937,500)	-	-	(16,000)	-
10/20/2005	CHECK WIRE	(14,000)	-	(14,000)	-	-	(951,500)	-	-	(14,000)	-
11/14/2005	CHECK WIRE	(20,000)	-	(20,000)	-	-	(971,500)	-	-	(20,000)	-
1/3/2006	TRANS TO 1L021430 (1L0214)	(10,000) ⁽³⁾	-	-	-	-	(971,500)	-	-	-	-
1/3/2006	TRANS TO 1L009330 (1L0093)	(10,000) ⁽³⁾	-	-	-	-	(971,500)	-	-	-	-
1/3/2006	TRANS TO 1L020530 (1L0205)	(10,000) ⁽³⁾	-	-	-	-	(971,500)	-	-	-	-
1/3/2006	TRANS TO 1L009430 (1L0094)	(10,000) ⁽³⁾	-	-	-	-	(971,500)	-	-	-	-
2/10/2006	CHECK WIRE	(15,000)	-	(15,000)	-	-	(986,500)	-	-	(15,000)	-
3/15/2006	CHECK WIRE	(12,000)	-	(12,000)	-	-	(998,500)	-	-	(12,000)	-
4/10/2006	CHECK WIRE	(120,000)	-	(120,000)	-	-	(1,118,500)	-	-	(120,000)	-
4/17/2006	CHECK	120,000	120,000	-	-	-	(998,500)	-	-	-	-
5/12/2006	TRANS TO 1L030630 (1L0306)	(10,000) ⁽³⁾	-	-	-	-	(998,500)	-	-	-	-
6/9/2006	CHECK WIRE	(20,000)	-	(20,000)	-	-	(1,018,500)	-	-	(20,000)	-
8/7/2006	CHECK WIRE	(15,000)	-	(15,000)	-	-	(1,033,500)	-	-	(15,000)	-
10/3/2006	CHECK WIRE	(17,000)	-	(17,000)	-	-	(1,050,500)	-	-	(17,000)	-
11/3/2006	CHECK WIRE	(20,000)	-	(20,000)	-	-	(1,070,500)	-	-	(20,000)	-
12/13/2006	CHECK WIRE	(15,000)	-	(15,000)	-	-	(1,085,500)	-	(15,000)	(15,000)	-
1/2/2007	TRANS TO 1L020530 (1L0205)	(10,000) ⁽³⁾	-	-	-	-	(1,085,500)	-	-	-	-
1/2/2007	TRANS TO 1L021430 (1L0214)	(10,000) ⁽³⁾	-	-	-	-	(1,085,500)	-	-	-	-
1/2/2007	TRANS TO 1L009430 (1L0094)	(10,000) ⁽³⁾	-	-	-	-	(1,085,500)	-	-	-	-
1/2/2007	TRANS TO 1L030630 (1L0306)	(10,000) ⁽³⁾	-	-	-	-	(1,085,500)	-	-	-	-
1/2/2007	TRANS TO 1L009330 (1L0093)	(10,000) ⁽³⁾	-	-	-	-	(1,085,500)	-	-	-	-
1/2/2007	TRANS TO 1L009230 (1L0092)	(10,000) ⁽³⁾	-	-	-	-	(1,085,500)	-	-	-	-
2/20/2007	CHECK WIRE	(15,000)	-	(15,000)	-	-	(1,100,500)	-	(15,000)	(15,000)	-
3/26/2007	CHECK WIRE	(12,000)	-	(12,000)	-	-	(1,112,500)	-	(12,000)	(12,000)	-
5/1/2007	CHECK WIRE	(19,000)	-	(19,000)	-	-	(1,131,500)	-	(19,000)	(19,000)	-
6/18/2007	CHECK WIRE	(7,000)	-	(7,000)	-	-	(1,138,500)	-	(7,000)	(7,000)	-
8/15/2007	CHECK WIRE	(25,000)	-	(25,000)	-	-	(1,163,500)	-	(25,000)	(25,000)	-
10/17/2007	CHECK WIRE	(25,000)	-	(25,000)	-	-	(1,188,500)	-	(25,000)	(25,000)	-
12/31/2007	TRANS TO 1L031930 (1L0319)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L020530 (1L0205)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L031930 (1L0319)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L009230 (1L0092)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L009330 (1L0093)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L009430 (1L0094)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L021430 (1L0214)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
1/3/2008	TRANS TO 1L030630 (1L0306)	(10,000) ⁽³⁾	-	-	-	-	(1,188,500)	-	-	-	-
4/16/2008	CHECK WIRE	(35,000)	-	(35,000)	-	-	(1,223,500)	-	(35,000)	(35,000)	-
7/16/2008	CHECK WIRE	(25,000)	-	(25,000)	-	-	(1,248,500)	-	(25,000)	(25,000)	-
Total:			\$ 405,151	\$ (1,437,190)	\$ -	\$ (216,461)	\$ (1,248,500)	\$ -	\$ (178,000)	\$ (845,000)	\$ (592,190)

⁽¹⁾ Although BLMIS statements reflect that funds were transferred into this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred into the account on this date. Accordingly, the account balance has remained unchanged.

⁽²⁾ Although BLMIS statements reflect that a larger transfer was made out of the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the account was transferred out of the account on this date.

⁽³⁾ Although BLMIS statements reflect that funds were transferred out of this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred out of the account on this date. Accordingly, the account balance has remained unchanged.

BLMIS ACCOUNT NO. 1L0092 - ERIC LIPKIN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
<u>Date</u>	<u>Transaction Description</u>	<u>Transaction Amount Reported in Customer Statement</u>	<u>Cash Deposits</u>	<u>Cash Withdrawals</u>	<u>Transfers of Purported Deposits with BLMIS In</u>	<u>Transfers of Purported Deposits with BLMIS Out</u>	<u>Balance of Purported Deposits with BLMIS</u>	<u>90-Day Transfers</u>	<u>2-Year Transfers</u>	<u>6-Year Transfers</u>	<u>Pre Dec. 11, 2002 Transfers</u>
12/5/1994	TRANS FROM LIPKIN INVESTMENT (1L0034)	127,098 ^[1]	-	-	60,380	-	60,380	-	-	-	-
6/27/1995	TRANS FROM LIPKIN INV (1L0034)	597 ^[2]	-	-	-	-	60,380	-	-	-	-
3/14/1996	CHECK	5,000	5,000	-	-	-	65,380	-	-	-	-
5/29/1996	CHECK	2,500	2,500	-	-	-	67,880	-	-	-	-
4/7/1998	CHECK	3,000	3,000	-	-	-	70,880	-	-	-	-
3/10/1999	CHECK	2,000	2,000	-	-	-	72,880	-	-	-	-
10/11/2000	CHECK	(50,000)	-	(50,000)	-	-	22,880	-	-	-	(50,000)
10/16/2000	CHECK	(170,000)	-	(170,000)	-	-	(147,120)	-	-	-	(170,000)
10/9/2001	CHECK	35,000	35,000	-	-	-	(112,120)	-	-	-	-
12/31/2001	TRANS FROM 1L003630 (1L0036)	2,250 ^[2]	-	-	-	-	(112,120)	-	-	-	-
12/31/2001	TRANS FROM 1L003530 (1L0035)	2,250	-	-	2,250	-	(109,870)	-	-	-	-
3/14/2002	CHECK	2,000	2,000	-	-	-	(107,870)	-	-	-	-
3/14/2002	CHECK	4,000	4,000	-	-	-	(103,870)	-	-	-	-
8/29/2002	CHECK WIRE	(175,000)	-	(175,000)	-	-	(278,870)	-	-	-	(175,000)
1/21/2003	TRANS FROM 1L003630 (1L0036)	5,000 ^[2]	-	-	-	-	(278,870)	-	-	-	-
2/20/2003	TRANS FROM 1L003630 (1L0036)	5,000 ^[2]	-	-	-	-	(278,870)	-	-	-	-
2/20/2003	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(278,870)	-	-	-	-
2/25/2003	CHECK	10,000	10,000	-	-	-	(268,870)	-	-	-	-
9/2/2003	CHECK	5,000	5,000	-	-	-	(263,870)	-	-	-	-
9/9/2003	TRANS TO 1L021430 (1L0214)	(5,000) ^[4]	-	-	-	-	(263,870)	-	-	-	-
9/26/2003	CHECK	5,000	5,000	-	-	-	(258,870)	-	-	-	-
10/29/2003	CHECK	5,000	5,000	-	-	-	(253,870)	-	-	-	-
1/5/2004	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(253,870)	-	-	-	-
1/5/2004	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(253,870)	-	-	-	-
3/8/2004	CHECK	10,000	10,000	-	-	-	(243,870)	-	-	-	-
3/15/2004	CHECK	10,000	10,000	-	-	-	(233,870)	-	-	-	-
5/5/2004	CHECK WIRE	(5,000)	-	(5,000)	-	-	(238,870)	-	-	(5,000)	-
8/2/2004	CHECK	5,000	5,000	-	-	-	(233,870)	-	-	-	-
11/18/2004	CHECK	50,000	50,000	-	-	-	(183,870)	-	-	-	-
1/3/2005	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(183,870)	-	-	-	-
1/3/2005	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(183,870)	-	-	-	-
6/24/2005	CHECK	2,500	2,500	-	-	-	(181,370)	-	-	-	-
3/29/2006	CHECK	2,500	2,500	-	-	-	(178,870)	-	-	-	-
10/27/2006	CHECK	7,500	7,500	-	-	-	(171,370)	-	-	-	-
12/6/2006	CHECK	10,000	10,000	-	-	-	(161,370)	-	-	-	-
1/2/2007	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(161,370)	-	-	-	-
1/2/2007	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(161,370)	-	-	-	-
4/5/2007	CHECK	5,000	5,000	-	-	-	(156,370)	-	-	-	-
5/17/2007	CHECK	5,000	5,000	-	-	-	(151,370)	-	-	-	-
9/24/2007	CHECK	2,500	2,500	-	-	-	(148,870)	-	-	-	-
1/3/2008	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(148,870)	-	-	-	-
1/3/2008	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(148,870)	-	-	-	-
5/5/2008	CHECK	30,000	30,000	-	-	-	(118,870)	-	-	-	-
5/28/2008	CHECK WIRE	(100,000)	-	(100,000)	-	-	(218,870)	-	(100,000)	(100,000)	-
9/22/2008	CHECK WIRE	(20,000)	-	(20,000)	-	-	(238,870)	(20,000)	(20,000)	(20,000)	-
Total:			\$ 218,500	\$ (520,000)	\$ 62,630	\$ -	\$ (238,870)	\$ (20,000)	\$ (120,000)	\$ (125,000)	\$ (395,000)

^[1] Although BLMIS statements reflect that a larger transfer was made into the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the originating account was transferred into this account on this date.

^[2] Although BLMIS statements reflect that funds were transferred into this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred into the account on this date. Accordingly, the account balance has remained unchanged.

^[3] Although BLMIS statements reflect that funds were transferred out of this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred out of the account on this date. Accordingly, the account balance has remained unchanged.

BLMIS ACCOUNT NO. 1L0093 - MARC LIPKIN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
Date	Transaction Description	Transaction Amount Reported in Customer Statement	Cash Deposits	Cash Withdrawals	Transfers of Purported Deposits with BLMIS In	Transfers of Purported Deposits with BLMIS Out	Balance of Purported Deposits with BLMIS	90-Day Transfers	2-Year Transfers	6-Year Transfers	Pre Dec. 11, 2002 Transfers
12/5/1994	TRANS FROM LIPKIN INVESTMENT (1L0034)	127,098 ^[1]	-	-	60,380	-	60,380	-	-	-	-
6/27/1995	TRANS FROM LIPKIN INV (1L0034)	597 ^[2]	-	-	-	-	60,380	-	-	-	-
5/31/1996	CHECK	5,000	5,000	-	-	-	65,380	-	-	-	-
3/31/2000	CHECK	(25,000)	-	(25,000)	-	-	40,380	-	-	-	(25,000)
6/7/2000	CHECK WIRE	(150,000)	-	(150,000)	-	-	(109,620)	-	-	-	(150,000)
12/4/2000	CHECK	(25,000)	-	(25,000)	-	-	(134,620)	-	-	-	(25,000)
7/17/2001	CHECK	(25,000)	-	(25,000)	-	-	(159,620)	-	-	-	(25,000)
1/21/2003	TRANS FROM 1L003530 (1L0035)	10,000	-	-	10,000	-	(149,620)	-	-	-	-
3/13/2003	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(149,620)	-	-	-	-
12/16/2003	CHECK WIRE	(10,000)	-	(10,000)	-	-	(159,620)	-	-	(10,000)	-
1/5/2004	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(159,620)	-	-	-	-
1/5/2004	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(159,620)	-	-	-	-
3/25/2004	CHECK WIRE	(25,000)	-	(25,000)	-	-	(184,620)	-	-	(25,000)	-
1/3/2005	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(184,620)	-	-	-	-
1/3/2005	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(184,620)	-	-	-	-
4/13/2005	CHECK WIRE	(6,000)	-	(6,000)	-	-	(190,620)	-	-	(6,000)	-
7/19/2005	CHECK WIRE	(39,500)	-	(39,500)	-	-	(230,120)	-	-	(39,500)	-
12/12/2005	CHECK	(12,500)	-	(12,500)	-	-	(242,620)	-	-	(12,500)	-
1/3/2006	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(242,620)	-	-	-	-
1/3/2006	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(242,620)	-	-	-	-
2/15/2006	CHECK WIRE	(30,000)	-	(30,000)	-	-	(272,620)	-	-	(30,000)	-
10/16/2006	CHECK WIRE	(30,000)	-	(30,000)	-	-	(302,620)	-	-	(30,000)	-
11/7/2006	CHECK WIRE	(5,000)	-	(5,000)	-	-	(307,620)	-	-	(5,000)	-
12/14/2006	CHECK WIRE	(5,000)	-	(5,000)	-	-	(312,620)	-	(5,000)	(5,000)	-
1/2/2007	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(312,620)	-	-	-	-
1/2/2007	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(312,620)	-	-	-	-
1/3/2008	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(312,620)	-	-	-	-
1/3/2008	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(312,620)	-	-	-	-
4/28/2008	CHECK WIRE	(52,000)	-	(52,000)	-	-	(364,620)	-	(52,000)	(52,000)	-
	Total:		\$ 5,000	\$ (440,000)	\$ 70,380	\$ -	\$ (364,620)	\$ -	\$ (57,000)	\$ (215,000)	\$ (225,000)

^[1] Although BLMIS statements reflect that a larger transfer was made into the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the originating account was transferred into this account on this date.

^[2] Although BLMIS statements reflect that funds were transferred into this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred into the account on this date. Accordingly, the account balance has remained unchanged.

BLMIS ACCOUNT NO. 1L0094 - RUSSELL LIPKIN KAREN YOKOMIZO-LIPKIN J/T WROS

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
<u>Date</u>	<u>Transaction Description</u>	<u>Transaction Amount Reported in Customer Statement</u>	<u>Cash Deposits</u>	<u>Cash Withdrawals</u>	<u>Transfers of Purported Deposits with BLMIS In</u>	<u>Transfers of Purported Deposits with BLMIS Out</u>	<u>Balance of Purported Deposits with BLMIS</u>	<u>90-Day Transfers</u>	<u>2-Year Transfers</u>	<u>6-Year Transfers</u>	<u>Pre Dec. 11, 2002 Transfers</u>
12/5/1994	TRANS FROM LIPKIN INVESTMENT (1L0034)	142,985 ^[1]	-	-	67,927	-	67,927	-	-	-	-
6/27/1995	TRANS FROM LIPKIN INV (1L0034)	671 ^[2]	-	-	-	-	67,927	-	-	-	-
8/24/1995	CHECK	(5,000)	-	(5,000)	-	-	62,927	-	-	-	(5,000)
10/15/1997	TRANS TO 1L015730 (1L0157)	(60,000)	-	-	-	(60,000)	2,927	-	-	-	-
10/27/1998	CHECK WIRE	(180,000)	-	(180,000)	-	-	(177,073)	-	-	-	(180,000)
7/17/2001	CHECK	28,134	28,134	-	-	-	(148,938)	-	-	-	-
12/31/2001	TRANS FROM 1L003630 (1L0036)	2,250 ^[2]	-	-	-	-	(148,938)	-	-	-	-
12/31/2001	TRANS FROM 1L003530 (1L0035)	2,250	-	-	2,250	-	(146,688)	-	-	-	-
5/21/2002	CHECK	(37,000)	-	(37,000)	-	-	(183,688)	-	-	-	(37,000)
2/20/2003	CHECK	(3,000)	-	(3,000)	-	-	(186,688)	-	-	(3,000)	-
3/13/2003	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(186,688)	-	-	-	-
3/13/2003	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(186,688)	-	-	-	-
1/5/2004	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(186,688)	-	-	-	-
1/5/2004	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(186,688)	-	-	-	-
1/3/2005	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(186,688)	-	-	-	-
1/3/2005	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(186,688)	-	-	-	-
11/25/2005	CHECK WIRE	(220,000)	-	(220,000)	-	-	(406,688)	-	-	(220,000)	-
1/3/2006	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	(406,688)	-	-	-	-
1/3/2006	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	(406,688)	-	-	-	-
6/27/2006	CHECK WIRE	640,478	640,478	-	-	-	233,789	-	-	-	-
6/28/2006	CHECK WIRE	(75,000)	-	(75,000)	-	-	158,789	-	-	(75,000)	-
1/2/2007	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	158,789	-	-	-	-
1/2/2007	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	158,789	-	-	-	-
4/24/2007	CHECK WIRE	(30,000)	-	(30,000)	-	-	128,789	-	(30,000)	(30,000)	-
5/25/2007	CHECK WIRE	(70,000)	-	(70,000)	-	-	58,789	-	(70,000)	(70,000)	-
7/27/2007	CHECK WIRE	(20,000)	-	(20,000)	-	-	38,789	-	(20,000)	(20,000)	-
10/4/2007	CHECK WIRE	(14,000)	-	(14,000)	-	-	24,789	-	(14,000)	(14,000)	-
1/3/2008	TRANS FROM 1L003630 (1L0036)	10,000 ^[2]	-	-	-	-	24,789	-	-	-	-
1/3/2008	TRANS FROM 1L003530 (1L0035)	10,000 ^[2]	-	-	-	-	24,789	-	-	-	-
7/10/2008	CHECK WIRE	(10,000)	-	(10,000)	-	-	14,789	-	(10,000)	(10,000)	-
10/24/2008	CHECK WIRE	(65,000)	-	(65,000)	-	-	(50,211)	(65,000)	(65,000)	(65,000)	-
Total:			\$ 668,612	\$ (729,000)	\$ 70,177	\$ (60,000)	\$ (50,211)	\$ (65,000)	\$ (209,000)	\$ (507,000)	\$ (222,000)

^[1] Although BLMIS statements reflect that a larger transfer was made into the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the originating account was transferred into this account on this date.

^[2] Although BLMIS statements reflect that funds were transferred into this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred into the account on this date. Accordingly, the account balance has remained unchanged.

BLMIS ACCOUNT NO. 1L0157 - RUSSELL LIPKIN AND KAREN KEI YOKOMIZO LIPKIN J/T WROS

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
		<u>Transaction Amount</u>			<u>Transfers of</u>	<u>Transfers of</u>	<u>Balance of</u>				
	<u>Transaction</u>	<u>Reported in</u>	<u>Cash</u>	<u>Cash</u>	<u>Purported</u>	<u>Purported</u>	<u>Purported</u>				<u>Pre</u>
<u>Date</u>	<u>Description</u>	<u>Customer Statement</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Deposits with</u>	<u>Deposits with</u>	<u>Deposits with</u>	<u>90-Day</u>	<u>2-Year</u>	<u>6-Year</u>	<u>Dec. 11, 2002</u>
					<u>BLMIS In</u>	<u>BLMIS Out</u>	<u>BLMIS</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>
10/15/1997	TRANS FROM 1L009430 (1L0094)	60,000	-	-	60,000	-	60,000	-	-	-	-
10/16/1997	CHECK	5,000	5,000	-	-	-	65,000	-	-	-	-
10/16/1997	CHECK	16,000	16,000	-	-	-	81,000	-	-	-	-
10/16/1997	CHECK	19,000	19,000	-	-	-	100,000	-	-	-	-
2/5/1998	CHECK	8,500	8,500	-	-	-	108,500	-	-	-	-
7/23/1998	CHECK	10,000	10,000	-	-	-	118,500	-	-	-	-
9/4/1998	CHECK WIRE	(25,000)	-	(25,000)	-	-	93,500	-	-	-	(25,000)
10/27/1998	CHECK WIRE	(50,000)	-	(50,000)	-	-	43,500	-	-	-	(50,000)
2/1/1999	CHECK	8,000	8,000	-	-	-	51,500	-	-	-	-
1/7/2000	CHECK	7,000	7,000	-	-	-	58,500	-	-	-	-
6/8/2001	CHECK	(28,134)	-	(28,134)	-	-	30,366	-	-	-	(28,134)
12/8/2004	CHECK WIRE	(5,000)	-	(5,000)	-	-	25,366	-	-	(5,000)	-
12/22/2004	CHECK WIRE	(28,000)	-	(28,000)	-	-	(2,634)	-	-	(28,000)	-
3/29/2005	CHECK WIRE	(3,500)	-	(3,500)	-	-	(6,134)	-	-	(3,500)	-
5/16/2005	CHECK WIRE	(10,000)	-	(10,000)	-	-	(16,134)	-	-	(10,000)	-
9/14/2005	CHECK WIRE	(45,000)	-	(45,000)	-	-	(61,134)	-	-	(45,000)	-
1/13/2006	CHECK WIRE	(6,500)	-	(6,500)	-	-	(67,634)	-	-	(6,500)	-
2/24/2006	CHECK WIRE	(10,000)	-	(10,000)	-	-	(77,634)	-	-	(10,000)	-
6/1/2006	CHECK	(2,000)	-	(2,000)	-	-	(79,634)	-	-	(2,000)	-
12/14/2006	CHECK WIRE	(34,037)	-	(34,037)	-	-	(113,671)	-	(34,037)	(34,037)	-
1/4/2007	CHECK	(6,262)	-	(6,262)	-	-	(119,933)	-	(6,262)	(6,262)	-
Total:			\$ 73,500	\$ (253,433)	\$ 60,000	\$ -	\$ (119,933)	\$ -	\$ (40,299)	\$ (150,299)	\$ (103,134)

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008¹

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

October 8, 2010

CAROLE LIPKIN
15408 STRATHEARN DR.
DELRAY BEACH, FL 33446

Dear CAROLE LIPKIN:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1L0035 designated as Claim Number 12861:

Your claim for a credit balance of \$7,934,500.00 and for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$791,500.00), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of securities (total of \$221,461.03). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

¹ Section 78lll(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78lll(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$570,038.97) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching copies of any documents in support of your position, with the United States Bankruptcy Court and the Trustee within **THIRTY DAYS** after October 8, 2010, the date on which the Trustee mailed this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

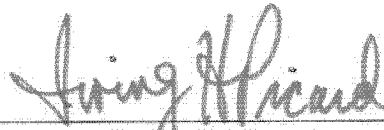
PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10004

and

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111


Irving H. Picard

Trustee for the Liquidation of the Business of
Bernard L. Madoff Investment Securities LLC

cc: Robert J. Kleeblatt, Esq.
Winne, Banta, Hetherington, Basralian & Kahn, P.C.
Court Plaza South - East Wing
21 Main Street, Suite 101
Hackensack, NJ 07601-0647

- Table 1 -			
DEPOSITS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
4/1/1992	TRANS FR IRWIN LIPKIN A/O 2/28	\$207,900.00	\$96,461.03
6/30/1997	CHECK	\$5,000.00	\$5,000.00
7/21/2005	CHECK	\$20,000.00	\$20,000.00
7/25/2005	CHECK WIRE	\$100,000.00	\$100,000.00
Total Deposits:		\$332,900.00	\$221,461.03
WITHDRAWALS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
12/26/2000	CHECK WIRE	(\$5,000.00)	(\$5,000.00)
3/5/2001	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
4/12/2001	CHECK WIRE	(\$30,000.00)	(\$30,000.00)
7/10/2001	CHECK WIRE	(\$22,000.00)	(\$22,000.00)
12/31/2001	TRANS TO 1L009430	(\$2,250.00)	(\$2,250.00)
12/31/2001	TRANS TO 1L009230	(\$2,250.00)	(\$2,250.00)
1/21/2003	TRANS TO 1L009330	(\$10,000.00)	(\$10,000.00)
1/21/2003	TRANS TO 1L020530	(\$10,000.00)	(\$10,000.00)
2/7/2003	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
2/20/2003	TRANS TO 1L009230	(\$10,000.00)	\$0.00
3/10/2003	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
3/13/2003	TRANS TO 1L009430	(\$10,000.00)	\$0.00
10/22/2003	TRANS TO 1L021430	(\$3,000.00)	\$0.00
1/5/2004	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/8/2004	CHECK WIRE	(\$18,000.00)	(\$18,000.00)
2/9/2004	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
6/28/2004	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
1/3/2005	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/11/2005	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
2/16/2005	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
3/16/2005	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
7/11/2005	CHECK WIRE	(\$140,000.00)	(\$140,000.00)
12/15/2005	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
1/3/2006	TRANS TO 1L021430	(\$10,000.00)	\$0.00

1/3/2006	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/3/2006	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/3/2006	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/13/2006	CHECK WIRE	(\$32,000.00)	(\$32,000.00)
5/12/2006	TRANS TO 1L030630	(\$10,000.00)	\$0.00
7/11/2006	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
9/11/2006	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
1/2/2007	TRANS TO 1L030630	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/10/2007	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
7/9/2007	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
9/17/2007	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
11/21/2007	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
12/19/2007	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
12/31/2007	TRANS TO 1L031930	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L031930	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L030630	(\$10,000.00)	\$0.00
1/16/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
2/20/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
3/19/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
5/21/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
6/18/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
8/20/2008	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
9/17/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
10/15/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
11/19/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
Total Withdrawals:		(\$1,104,500.00)	(\$791,500.00)
Total deposits less withdrawals:		(\$771,600.00)	(\$570,038.97)

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008¹

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

April 22, 2010

IRWIN LIPKIN
15408 STRATHEARN DRIVE
DELRAY BEACH, FL 33446

Dear IRWIN LIPKIN:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1L0036 designated as Claim Number 13025:

Your claim for a credit balance of \$1,092,447.43 and for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$1,653,651.03), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of

¹ Section 78III(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78III(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

securities (total of \$405,151.03). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$1,248,500.00) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching copies of any documents in support of your position, with the United States Bankruptcy Court **and** the Trustee within **THIRTY DAYS** after April 22, 2010, the date on which the Trustee mailed this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

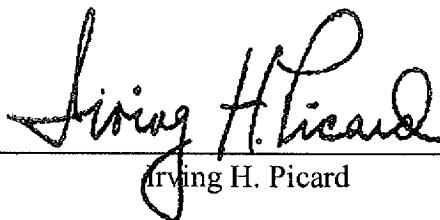
PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10004

and

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111


Irving H. Picard

Trustee for the Liquidation of the Business of
Bernard L. Madoff Investment Securities LLC

cc: Robert J. Kleeblatt, Esq.
Winne, Banta, Hetherington, Basralian & Kahn, P.C.
Court Plaza South - East Wing
21 Main Street, Suite 101
Hackensack, NJ 07601-0647

Table 1			
DEPOSITS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
7/30/1984	CHECK	\$28,250.00	\$28,250.00
3/11/1985	CHECK	\$11,000.00	\$11,000.00
7/12/1985	CHECK	\$638.48	\$638.48
7/12/1985	CHECK	\$638.48	\$638.48
7/15/1985	CHECK	\$638.48	\$638.48
7/15/1985	CHECK	\$170.88	\$170.88
7/30/1985	CHECK	\$1,908.10	\$1,908.10
8/16/1985	CHECK	\$5,000.00	\$5,000.00
11/4/1985	CHECK	\$7,000.00	\$7,000.00
1/20/1986	CHECK	\$5,000.00	\$5,000.00
3/17/1986	TRANS FROM DOLINSKY	\$1,000.00	\$0.00
10/20/1986	TRANS FROM BLM #5	\$5,000.00	\$0.00
1/16/1987	TRANS FROM DOLINSKY	\$1,000.00	\$0.00
7/7/1987	TRANS FROM DOLINSKY	\$2,000.00	\$0.00
1/15/1988	TRANS FROM BLM #5 A/O 1/4/88	\$5,000.00	\$0.00
4/29/1988	TRANS FROM 10040910	\$2,000.00	\$0.00
6/17/1988	CHECK	\$5,000.00	\$5,000.00
8/12/1988	CHECK	\$4,984.20	\$4,984.20
8/18/1988	TRANS FROM DOLINSKY	\$2,000.00	\$0.00
1/24/1989	CHECK	\$11,000.00	\$11,000.00
1/25/1989	TRAN FROM DOLINSKY	\$1,000.00	\$0.00
1/25/1989	TRAN FROM SPECIAL	\$5,000.00	\$0.00
3/23/1989	CHECK	\$60,000.00	\$60,000.00
3/23/1989	no desc	\$23,000.00	\$23,000.00
1/2/1990	CHECK	\$10,000.00	\$10,000.00
1/2/1990	TRANS FROM BLM 5	\$5,000.00	\$0.00
2/9/1990	CHECK	\$35,000.00	\$35,000.00
8/20/1990	TRANS FROM 10170530	\$16,190.00	\$0.00
10/25/1990	CHECK	\$10,000.00	\$10,000.00
2/5/1991	CHECK	\$10,000.00	\$10,000.00
2/8/1991	CHECK	\$3,422.41	\$3,422.41
8/29/1994	TRANS FROM 1L003730	\$2,000.00	\$0.00
2/15/2000	CHECK	\$20,000.00	\$20,000.00
6/30/2000	CHECK	\$7,500.00	\$7,500.00
8/24/2000	CHECK	\$25,000.00	\$25,000.00
4/17/2006	CHECK	\$120,000.00	\$120,000.00
Total Deposits:		\$452,341.03	\$405,151.03

WITHDRAWALS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
7/31/1990	CHECK	(\$16,190.00)	(\$16,190.00)
12/14/1990	TRANS TO LIPKIN INV	(\$60,000.00)	(\$60,000.00)
2/13/1991	TRANS TO 10124110	(\$60,000.00)	(\$60,000.00)
4/1/1992	TRAN TO CAROLE LIPKIN A/O 2/28	(\$207,900.00)	(\$96,461.03)
1/5/1993	CHECK	(\$25,000.00)	(\$25,000.00)
3/11/1994	CHECK	(\$2,000.00)	(\$2,000.00)
3/9/1995	CHECK	(\$2,000.00)	(\$2,000.00)
1/6/1997	CHECK	(\$6,000.00)	(\$6,000.00)
4/14/1997	CHECK	(\$10,000.00)	(\$10,000.00)
6/12/1997	CHECK	(\$50,000.00)	(\$50,000.00)
10/9/1998	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
11/24/1998	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
12/11/1998	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
4/26/1999	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
5/21/1999	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
5/26/1999	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
8/10/1999	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
9/24/1999	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
10/19/1999	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
11/29/1999	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
1/10/2000	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
5/25/2000	CHECK WIRE	(\$5,000.00)	(\$5,000.00)
2/1/2001	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
5/8/2001	CHECK WIRE	(\$16,000.00)	(\$16,000.00)
6/7/2001	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
8/6/2001	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
9/17/2001	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
10/16/2001	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
11/13/2001	CHECK WIRE	(\$18,000.00)	(\$18,000.00)
12/13/2001	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
12/31/2001	TRANS TO 1L009430	(\$2,250.00)	\$0.00
12/31/2001	TRANS TO 1L009230	(\$2,250.00)	\$0.00
1/10/2002	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
1/18/2002	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
2/8/2002	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
3/11/2002	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
4/15/2002	CHECK WIRE	(\$17,000.00)	(\$17,000.00)
5/15/2002	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
6/19/2002	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
7/3/2002	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
7/22/2002	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
8/12/2002	CHECK WIRE	(\$13,000.00)	(\$13,000.00)
9/19/2002	CHECK WIRE	(\$15,000.00)	(\$15,000.00)

10/21/2002	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
11/15/2002	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
12/12/2002	CHECK WIRE	(\$30,000.00)	(\$30,000.00)
1/10/2003	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
1/21/2003	TRANS TO 1L009230	(\$5,000.00)	\$0.00
2/20/2003	TRANS TO 1L009230	(\$5,000.00)	\$0.00
2/20/2003	TRANS TO 1L020530	(\$10,000.00)	\$0.00
3/13/2003	TRANS TO 1L009330	(\$10,000.00)	\$0.00
3/13/2003	TRANS TO 1L009430	(\$10,000.00)	\$0.00
4/10/2003	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
5/16/2003	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
6/13/2003	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
7/9/2003	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
8/13/2003	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
9/10/2003	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
10/10/2003	CHECK WIRE	(\$17,000.00)	(\$17,000.00)
10/22/2003	TRANS TO 1L021430	(\$3,000.00)	\$0.00
11/14/2003	CHECK WIRE	(\$16,000.00)	(\$16,000.00)
12/9/2003	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
1/5/2004	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/5/2004	TRANS TO 1L009430	(\$10,000.00)	\$0.00
3/10/2004	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
4/12/2004	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
5/14/2004	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
6/14/2004	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
7/15/2004	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
8/9/2004	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
9/20/2004	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
10/18/2004	CHECK WIRE	(\$18,000.00)	(\$18,000.00)
11/15/2004	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
12/16/2004	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
1/3/2005	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/3/2005	TRANS TO 1L009430	(\$10,000.00)	\$0.00
4/14/2005	CHECK WIRE	(\$17,000.00)	(\$17,000.00)
5/11/2005	CHECK WIRE	(\$17,000.00)	(\$17,000.00)
6/15/2005	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
8/12/2005	CHECK WIRE	(\$17,000.00)	(\$17,000.00)
9/15/2005	CHECK WIRE	(\$16,000.00)	(\$16,000.00)
10/20/2005	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
11/14/2005	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
1/3/2006	TRANS TO 1L009330	(\$10,000.00)	\$0.00

1/3/2006	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/3/2006	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/3/2006	TRANS TO 1L021430	(\$10,000.00)	\$0.00
2/10/2006	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
3/15/2006	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
4/10/2006	CHECK WIRE	(\$120,000.00)	(\$120,000.00)
5/12/2006	TRANS TO 1L030630	(\$10,000.00)	\$0.00
6/9/2006	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
8/7/2006	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
10/3/2006	CHECK WIRE	(\$17,000.00)	(\$17,000.00)
11/3/2006	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
12/13/2006	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
1/2/2007	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L009230	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/2/2007	TRANS TO 1L030630	(\$10,000.00)	\$0.00
2/20/2007	CHECK WIRE	(\$15,000.00)	(\$15,000.00)
3/26/2007	CHECK WIRE	(\$12,000.00)	(\$12,000.00)
5/1/2007	CHECK WIRE	(\$19,000.00)	(\$19,000.00)
6/18/2007	CHECK WIRE	(\$7,000.00)	(\$7,000.00)
8/15/2007	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
10/17/2007	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
12/31/2007	TRANS TO 1L031930	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L031930	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L021430	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L009430	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L020530	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L030630	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L009330	(\$10,000.00)	\$0.00
1/3/2008	TRANS TO 1L009230	(\$10,000.00)	\$0.00
4/16/2008	CHECK WIRE	(\$35,000.00)	(\$35,000.00)
7/16/2008	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
Total Withdrawals:		(\$2,102,590.00)	(\$1,653,651.03)
Total deposits less withdrawals:		(\$1,650,248.97)	(\$1,248,500.00)

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008¹

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

May 21, 2010

Eric Lipkin
335 Spencer Place
Paramus, New Jersey 07652

Dear Eric Lipkin:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1L0092 designated as Claim Number 13023:

Your claim for a credit balance of \$2,854,880.00 and for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$520,000.00), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of

¹ Section 78III(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78III(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

securities (total of \$281,129.81). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$238,870.19) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching

copies of any documents in support of your position, with the United States Bankruptcy Court **and** the Trustee within **THIRTY DAYS** after May 21, 2010, the date on which the Trustee mailed this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.


PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10004

and

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111



Irving H. Picard

Trustee for the Liquidation of the Business of
Bernard L. Madoff Investment Securities LLC

cc: Robert J. Kleeblatt, Esq.
Kleeblatt, Galler & Abramson LLC
25 Main Street
Hackensack, New Jersey 07601

- Table 1 -

DEPOSITS

DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
12/5/1994	TRANS FROM LIPKIN INVESTMENT	\$127,097.94	\$60,379.81
6/27/1995	TRANS FROM LIPKIN INV	\$596.82	\$0.00
3/14/1996	CHECK	\$5,000.00	\$5,000.00
5/29/1996	CHECK	\$2,500.00	\$2,500.00
4/7/1998	CHECK	\$3,000.00	\$3,000.00
3/10/1999	CHECK	\$2,000.00	\$2,000.00
10/9/2001	CHECK	\$35,000.00	\$35,000.00
12/31/2001	TRANS FROM 1L003530	\$2,250.00	\$2,250.00
12/31/2001	TRANS FROM 1L003630	\$2,250.00	\$0.00
3/14/2002	CHECK	\$4,000.00	\$4,000.00
3/14/2002	CHECK	\$2,000.00	\$2,000.00
1/21/2003	TRANS FROM 1L003630	\$5,000.00	\$0.00
2/20/2003	TRANS FROM 1L003630	\$5,000.00	\$0.00
2/20/2003	TRANS FROM 1L003530	\$10,000.00	\$0.00
2/25/2003	CHECK	\$10,000.00	\$10,000.00
9/2/2003	CHECK	\$5,000.00	\$5,000.00
9/26/2003	CHECK	\$5,000.00	\$5,000.00
10/29/2003	CHECK	\$5,000.00	\$5,000.00
1/5/2004	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/5/2004	TRANS FROM 1L003630	\$10,000.00	\$0.00
3/8/2004	CHECK	\$10,000.00	\$10,000.00
3/15/2004	CHECK	\$10,000.00	\$10,000.00
8/2/2004	CHECK	\$5,000.00	\$5,000.00
11/18/2004	CHECK	\$50,000.00	\$50,000.00
1/3/2005	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2005	TRANS FROM 1L003530	\$10,000.00	\$0.00
6/24/2005	CHECK	\$2,500.00	\$2,500.00
3/29/2006	CHECK	\$2,500.00	\$2,500.00
10/27/2006	CHECK	\$7,500.00	\$7,500.00
12/6/2006	CHECK	\$10,000.00	\$10,000.00
1/2/2007	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/2/2007	TRANS FROM 1L003530	\$10,000.00	\$0.00
4/5/2007	CHECK	\$5,000.00	\$5,000.00
5/17/2007	CHECK	\$5,000.00	\$5,000.00
9/24/2007	CHECK	\$2,500.00	\$2,500.00
1/3/2008	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2008	TRANS FROM 1L003530	\$10,000.00	\$0.00
5/5/2008	CHECK	\$30,000.00	\$30,000.00
Total Deposits:		\$450,694.76	\$281,129.81

WITHDRAWALS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
10/11/2000	CHECK	(\$50,000.00)	(\$50,000.00)
10/16/2000	CHECK	(\$170,000.00)	(\$170,000.00)
8/29/2002	CHECK WIRE	(\$175,000.00)	(\$175,000.00)
9/9/2003	TRANS TO 1L021430	(\$3,000.00)	\$0.00
5/5/2004	CHECK WIRE	(\$5,000.00)	(\$5,000.00)
5/28/2008	CHECK WIRE	(\$100,000.00)	(\$100,000.00)
9/22/2008	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
Total Withdrawals:		(\$523,000.00)	(\$520,000.00)
Total deposits less withdrawals:		(\$72,305.24)	(\$238,870.19)

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008¹

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

May 20, 2010

Marc Lipkin
335 Spencer Place
Paramus, New Jersey 07652

Dear Marc Lipkin:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1L0093 designated as Claim Number 13503:

Your claim for a credit balance of \$1,353,960.00 and for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$440,000.00), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of

¹ Section 78III(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78III(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

securities (total of \$75,379.81). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$364,620.19) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching

copies of any documents in support of your position, with the United States Bankruptcy Court **and** the Trustee within **THIRTY DAYS** after May 20, 2010, the date on which the Trustee mailed this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

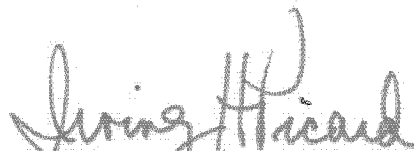
PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10004

and

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111



Irving H. Picard

Trustee for the Liquidation of the Business of
Bernard L. Madoff Investment Securities LLC

cc: Robert J. Kleeblatt, Esq.
Kleeblatt, Galler & Abramson LLC
25 Main Street
Hackensack, New Jersey 07601

- Table 1 -

DEPOSITS

DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
12/5/1994	TRANS FROM LIPKIN INVESTMENT	\$127,097.94	\$60,379.81
6/27/1995	TRANS FROM LIPKIN INV	\$596.82	\$0.00
5/31/1996	CHECK	\$5,000.00	\$5,000.00
1/21/2003	TRANS FROM 1L003530	\$10,000.00	\$10,000.00
3/13/2003	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/5/2004	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/5/2004	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2005	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/3/2005	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2006	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2006	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/2/2007	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/2/2007	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/3/2008	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/3/2008	TRANS FROM 1L003630	\$10,000.00	\$0.00
Total Deposits:		\$252,694.76	\$75,379.81

WITHDRAWALS

DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
3/31/2000	CHECK	(\$25,000.00)	(\$25,000.00)
6/7/2000	CHECK WIRE	(\$150,000.00)	(\$150,000.00)
12/4/2000	CHECK	(\$25,000.00)	(\$25,000.00)
7/17/2001	CHECK	(\$25,000.00)	(\$25,000.00)
12/16/2003	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
3/25/2004	CHECK WIRE	(\$25,000.00)	(\$25,000.00)
4/13/2005	CHECK WIRE	(\$6,000.00)	(\$6,000.00)
7/19/2005	CHECK WIRE	(\$39,500.00)	(\$39,500.00)
12/12/2005	CHECK	(\$12,500.00)	(\$12,500.00)
2/15/2006	CHECK WIRE	(\$30,000.00)	(\$30,000.00)
10/16/2006	CHECK WIRE	(\$30,000.00)	(\$30,000.00)
11/7/2006	CHECK WIRE	(\$5,000.00)	(\$5,000.00)
12/14/2006	CHECK WIRE	(\$5,000.00)	(\$5,000.00)
4/28/2008	CHECK WIRE	(\$52,000.00)	(\$52,000.00)
Total Withdrawals:		(\$440,000.00)	(\$440,000.00)
Total deposits less withdrawals:		(\$187,305.24)	(\$364,620.19)

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008¹

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

July 20, 2010

Russell Lipkin & Karen Yokomizo-Lipkin J/T WROS
2026 Northwest Willow Drive
Camas, Washington 98607

Dear Russell Lipkin & Karen Yokomizo-Lipkin J/T WROS:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1L0094 designated as Claim Number 013502:

Your claim for a credit balance of \$997,468.76 and for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$789,000.00), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of

¹ Section 7811(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 7811(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

securities (total of \$738,789.29). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$50,210.71) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching

copies of any documents in support of your position, with the United States Bankruptcy Court **and** the Trustee within **THIRTY DAYS** after July 20, 2010, the date on which the Trustee mailed this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

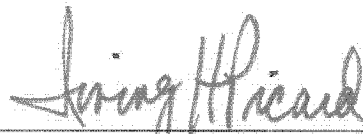
PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10004

and

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111



Irving H. Picard

Trustee for the Liquidation of the Business of
Bernard L. Madoff Investment Securities LLC

cc: Robert Kleeblatt, Esq.
Kleeblatt, Galler & Abramson LLC
25 Main Street
Hackensack, New Jersey 07601

- Table 1 -

DEPOSITS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
12/5/1994	TRANS FROM LIPKIN INVESTMENT	\$142,985.19	\$67,927.29
6/27/1995	TRANS FROM LIPKIN INV	\$671.43	\$0.00
7/17/2001	CHECK	\$28,134.24	\$28,134.24
12/31/2001	TRANS FROM 1L003530	\$2,250.00	\$2,250.00
12/31/2001	TRANS FROM 1L003630	\$2,250.00	\$0.00
3/13/2003	TRANS FROM 1L003530	\$10,000.00	\$0.00
3/13/2003	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/5/2004	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/5/2004	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2005	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/3/2005	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2006	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/3/2006	TRANS FROM 1L003530	\$10,000.00	\$0.00
6/27/2006	CHECK WIRE	\$640,477.76	\$640,477.76
1/2/2007	TRANS FROM 1L003630	\$10,000.00	\$0.00
1/2/2007	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/3/2008	TRANS FROM 1L003530	\$10,000.00	\$0.00
1/3/2008	TRANS FROM 1L003630	\$10,000.00	\$0.00
Total Deposits:		\$936,768.62	\$738,789.29
WITHDRAWALS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
8/24/1995	CHECK	(\$5,000.00)	(\$5,000.00)
10/15/1997	TRANS TO 1L015730	(\$60,000.00)	(\$60,000.00)
10/27/1998	CHECK WIRE	(\$180,000.00)	(\$180,000.00)
5/21/2002	CHECK	(\$37,000.00)	(\$37,000.00)
2/20/2003	CHECK	(\$3,000.00)	(\$3,000.00)
11/25/2005	CHECK WIRE	(\$220,000.00)	(\$220,000.00)
6/28/2006	CHECK WIRE	(\$75,000.00)	(\$75,000.00)
4/24/2007	CHECK WIRE	(\$30,000.00)	(\$30,000.00)
5/25/2007	CHECK WIRE	(\$70,000.00)	(\$70,000.00)

7/27/2007	CHECK WIRE	(\$20,000.00)	(\$20,000.00)
10/4/2007	CHECK WIRE	(\$14,000.00)	(\$14,000.00)
7/10/2008	CHECK WIRE	(\$10,000.00)	(\$10,000.00)
10/24/2008	CHECK WIRE	(\$65,000.00)	(\$65,000.00)
Total Withdrawals:		(\$789,000.00)	(\$789,000.00)
Total deposits less withdrawals:		\$147,768.62	(\$50,210.71)