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Hearing Date: November 18, 2015
Hearing Time: 10:00 A.M. (EST)
Objection Deadline: November 11, 2015

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

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

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

SIPA Liquidation

(Substantively Consolidated)

**NOTICE OF HEARING AND SUPPLEMENTAL FILING IN FURTHER SUPPORT OF
THE TRUSTEE'S MOTION FOR AN ORDER APPROVING SIXTH ALLOCATION OF
PROPERTY TO THE FUND OF CUSTOMER PROPERTY AND AUTHORIZING
SIXTH INTERIM DISTRIBUTION TO CUSTOMERS**

Irving H. Picard, as trustee ("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"), and the substantively consolidated estate of Bernard L. Madoff

(“Madoff”), respectfully submits this Notice of Hearing and Supplemental Filing (the “Supplemental Filing”) in Further Support of the Trustee’s Motion for an Order Approving Sixth Allocation of Property to the Fund of Customer Property and Authorizing Sixth Interim Distribution to Customers (“Sixth Allocation Motion”), ECF No. 9807, and the Affidavit of Vineet Sehgal in support, ECF No. 9808, pursuant to SIPA §§ 78III(4), 78fff(a)(1)(B), 78fff-2(b), and 78fff-2(c)(1), and Rule 9013 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seeking entry of an order: (1) approving the sixth allocation of property (“Sixth Allocation”) to the fund of customer property (“Customer Fund”); and (2) authorizing a sixth pro rata interim distribution (“Sixth Interim Distribution”) to customers whose claims for customer protection under SIPA have been allowed for amounts exceeding the SIPA statutory advance limits and which have not already been satisfied by the first, second, third, fourth, and fifth pro rata interim distributions. In support of this Notice of Hearing and Supplemental Filing in Further Support of the Sixth Allocation Motion, and upon the accompanying affidavit of Vineet Sehgal (“Sehgal Aff.”), the Trustee alleges and represents as follows:

BACKGROUND

1. On April 15, 2015, the Trustee filed the Sixth Allocation Motion, seeking approval to release approximately \$1.249 billion held in reserve and distribute approximately \$904 million to customers with allowed claims. Sixth Allocation Motion, ECF No. 9807. These funds became available for distribution following the decision of the United States Court of Appeals for the Second Circuit on the “time-based damages” issue. *In re Bernard L. Madoff Inv. Sec. LLC*, 779 F.3d 74 (2d Cir. Feb. 20, 2015) (the “Time-Based Damages Decision”).
2. The Trustee could not distribute these funds until the time limit to file a petition for certiorari with the United States Supreme Court expired with no petition being filed or a final, non-appealable order was entered on the Time-Based Damages Decision.

3. At the time the Trustee filed his Sixth Allocation Motion, no petitions for certiorari had been filed on the Time-Based Damages Decision. The time period to file a petition for certiorari was due to expire on May 21, 2015. The hearing date on the Sixth Allocation Motion was set for May 28, 2015, which would permit the hearing to go forward if no petitions for certiorari were filed by the May 21 deadline. The Trustee indicated in his Sixth Allocation Motion that the hearing may not be able to go forward if a petition for certiorari was filed. *See* Sixth Allocation Motion at ¶ 8.

4. A group of claimants represented by Helen Davis Chaitman, Esq., moved for an extension of time within which to file a petition for certiorari with the Supreme Court. The Supreme Court granted that request on April 28, 2015, extending the time to file a petition for certiorari to July 20, 2015. *Marsha Peshkin v. Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC*, No. 14A1099 (2015).

5. Following the extension of time to file the petition for a writ of certiorari, the Trustee filed a notice of adjournment of the hearing on the Sixth Allocation Motion, adjourning the hearing from May 28, 2015 to July 29, 2015. ECF No. 10037. The purpose of the adjournment was to allow the extended time period within which to file a petition for certiorari to expire. If no petition was filed, the Trustee would seek the Court's approval to allocate and distribute funds from the fund of customer property, as outlined in the Trustee's Sixth Allocation Motion.

6. On July 20, 2015, the group of claimants represented by Helen Chaitman filed a petition for a writ of certiorari with the Supreme Court. Accordingly, the hearing on the Trustee's Sixth Allocation Motion was adjourned *sine die*, pending the determination of the petition for a writ of certiorari by the Supreme Court.

7. On October 5, 2015, the Supreme Court denied the petition for certiorari, paving the way for the Trustee to request authorization from the Court to make a sixth, significant distribution to customers of more than \$1.18 billion—up to 8.186% of each customer’s allowed claim amount. Accordingly, the Trustee is making this Supplemental Filing and has requested a hearing date from the Court on the Sixth Allocation Motion, which has been set for **November 18, 2015 at 10:00 a.m.**

8. Thus, by way of this Supplemental Filing and the Sixth Allocation Motion, the Trustee seeks to distribute approximately \$1.18 billion. The proposed distribution will be paid on claims relating to 1,063 BLMIS accounts. The average payment amount to those 1,063 BLMIS accounts will be \$1,110,423.34. *See* Sehgal Aff. ¶ 16. Twenty payments will go to claimants who qualified for hardship status under the Trustee’s claims Hardship Program. *See* Sehgal Aff. ¶ 18. If approved, and when combined with the SIPC payments and the amounts from the First through Fifth Interim Distributions, 1,264 BLMIS accounts will be fully satisfied (all accounts with a net equity of up to \$1,161,193.87). *See* Sehgal Aff. ¶ 16.

9. If the Sixth Allocation Motion is approved, and when combined with the prior five distributions, the Trustee will have distributed more than \$8.3 billion from the Customer Fund to BLMIS customers or up to 56.988% of each customer’s allowed claim. *See* Sehgal Aff. ¶ 19.

SUPPLEMENTAL SIXTH ALLOCATION MOTION FIGURES

10. To date, the Trustee has received 16,519 claims. *See* Sehgal Aff. ¶ 4. As of the filing of the Sixth Allocation Motion in April, the Trustee had determined 16,397 claims and 122 claims were categorized as “deemed determined,” meaning that the Trustee has litigation pending against those claimants. *See* Sixth Allocation Motion at ¶ 14. The complaints filed by the Trustee in those litigations set forth the express grounds for disallowance of customer claims

under section 502(d) of the Bankruptcy Code. Accordingly, such claims will not be allowed until the avoidance action is resolved by settlement or otherwise and any judgment rendered against the claimant in the avoidance action is satisfied.

11. Since the Sixth Allocation Motion was filed in April, the Trustee has determined an additional 13 claims, bringing the total number of claims determined to 16,410. *See* Sehgal Aff. ¶ 4. These 13 additional claims relate to 11 accounts. There are 109 claims that are currently classified as “deemed determined.” *See* Sehgal Aff. ¶ 5.

12. As set forth in the Sixth Allocation Motion, the Trustee set a Time-Based Damages reserve and allocated such reserve to the Customer Fund as part of the total amount allocated to the Customer Fund in the Second through Fifth Allocations and Interim Distributions. Of the total amount allocated to the Customer Fund from the First through the Fifth Allocations, the Trustee reserved \$1,444,937,833.62 for Time-Based Damages. *See* Sehgal Aff. ¶ 7. In the Sixth Allocation Motion, the Trustee sought to re-allocate that amount, plus an additional \$3,779,791.64 that was added to the Time-Based Damages reserve, for a total of \$1,448,717,625.26 to be allocated to the Customer Fund in the Sixth Allocation Motion. The Trustee also sought to maintain a general reserve of \$200,000,000.00. Thus, the amount available for distribution as of the date of the filing of the Sixth Allocation Motion was \$1,248,717,625.26. *See* Sehgal Aff. ¶ 7.

13. In addition to the recoveries reported in the Sixth Allocation Motion, as of September 30, 2015, the Trustee has recovered \$345,472,293.08 as a result of settlements, interest income, and other miscellaneous recoveries. *See* Sehgal Aff. ¶ 7. The more significant settlements that have been reached since the filing of the Sixth Allocation Motion were in the below adversary proceedings, resulting in the recovery of approximately \$268 million:

- *Picard v. Plaza Investments International Limited, et al.*, Adv. Pro. No. 10-04284 (Bankr. S.D.N.Y.) (SMB) (ECF No. 82);
- *Picard v. Defender Ltd.*, Adv. No. 10-05229 (Bankr. S.D.N.Y.) (SMB) (ECF No. 116);
- *Picard v. J. Ezra Merkin*, Adv. No. 09-01182 (BRL) (Bankr. S.D.N.Y.) (ECF No. 270) (settlements with defendants Ariel Fund Ltd. and Gabriel Capital LP).

14. Also available for distribution is \$1,829,950.00, derived from a release from the net equity reserve. *See* Sehgal Aff. ¶ 8. The net equity reserve is maintained for certain settlements containing a clause stating if the Trustee's definition of Net Equity is altered by the courts, the claims relating to those settlements will be re-determined accordingly.¹ After a review of the terms of these settlements, the Trustee and his professionals determined that the reserve related to three accounts does not need to be maintained and can be released for distribution.

15. Also available for distribution is \$9,197,955.40, derived from adjustments made following the Bankruptcy Code section 546(e) ruling. *See* Sehgal Aff. ¶ 9. The Trustee reached agreements with certain accountholders to return preference payments to those accountholders if a final court order issued concluding that section 546(e) applies to this SIPA liquidation. Following the denial of the petition for certiorari by the Supreme Court on the Second Circuit's decision upholding the application of section 546(e), *Picard v. Ida Fishman Revocable Trust*, 773 F.3d 411 (2d Cir. 2014), *cert. denied*, 135 S.Ct. 2858 (2015), the Trustee re-determined certain accounts in accordance with those agreements.

¹*See, e.g.*, Motion for an Order Approving Second Allocation of Property to the Fund of Customer Property and Authorizing Second Interim Distribution to Customers at ¶ 58 n.13, 08-1789 (SMB) (Bankr. S.D.N.Y. July 26, 2012), ECF No. 4930.

16. The re-determinations resulted in three adjustments for each account. First, the Trustee credited the preference payments to the accountholders in the amount of \$18,847,496.86. Second, the Trustee reduced their allowed claim amount by the same amount that was credited to them. Third, the Trustee calculated the difference in distribution payments for each account as to the first through fifth distributions between their prior allowed claim amount and their re-determined claim amount. Because their re-determined claim amount was lower than their prior claim amount, those accountholders needed to refund the BLMIS estate \$9,810,591.00. The Trustee offset this payment against the credit amount of \$18,847,496.86 and refunded \$9,036,905.86 to these claimants. Of the \$9,810,591.00 credit to the BLMIS estate, \$9,197,955.40 is available for the sixth distribution and \$612,635.60 will be returned to SIPC. The \$612,635.60 relates to a decrease in the amount of the SIPC advance to which the accountholders were entitled in the amount of \$344,660.66; and an increase in SIPC's subrogation payment in the amount of \$267,974.94 related to these accounts. *See* Sehgal Aff. ¶ 9.

17. Of the total recoveries since the Sixth Allocation Motion, \$102,287,153.38 was used for catch-up payments for recently-determined accounts to bring those accounts up to the 48.802% (cumulative first through fifth interim distribution percentage) distributed to all accounts on their allowed amount. *See* Sehgal Aff. ¶ 10.

18. The Trustee wishes to maintain the \$200,000,000 general reserve requested in the Sixth Allocation Motion.

19. Therefore, the total amount available for the Sixth Interim Distribution is now \$1,502,930,670.36, a difference of \$254,213,045.10 from the amount (\$1,248,717,625.26) available on the filing date of the Sixth Allocation Motion. *See* Sehgal Aff. ¶ 12. Through the

Sixth Allocation Motion, the Trustee allocated \$10,551,459,551.74 to the customer fund. The Trustee seeks approval to allocate the additional \$345,472,293.08 that has been recovered since that time. A chart summarizing this information is below:

Description	Amount
ORIGINAL SIXTH ALLOCATION MOTION	
Amount Allocated in Allocation Motions 1 through 5	\$10,551,459,551.74
Amount Re-Allocated in Sixth Allocation Motion	\$1,448,717,625.26
General Reserve	(\$200,000,000.00)
Amount Available for Distribution in Sixth Allocation Motion	\$1,248,717,625.26
Numerator	\$1,248,717,625.26
Denominator	\$18,141,936,238.30
Distribution %	6.883%
UPDATES IN SUPPLEMENTAL FILING	
Amount Available for Distribution from Sixth Motion	\$1,248,717,625.26
Additional Recoveries to be Allocated	\$345,472,293.08
Catch-Up Distribution for Newly-Determined Accounts	(\$102,287,153.38)
Amount Available from Net Equity Reserve	\$1,829,950.00
Amount Available from 546(e) Ruling	\$9,197,955.40
Amount Available for Distribution	\$1,502,930,670.36
Numerator	\$1,502,930,670.36
Denominator	\$18,358,218,522.68
Distribution %	8.186%

20. As of September 30, 2015, the Trustee's Net Investment Method denominator is \$18,358,218,522.68. *See* Sehgal Aff. ¶ 13. To determine the percentage of each allowed customer net equity claim that can be satisfied from the Customer Fund, the Net Customer Fund is divided by the Denominator, resulting in the following percentage:

$$\frac{\$1,502,930,670.36 \text{ (Net Customer Fund)}}{\$18,358,218,522.68 \text{ (Denominator)}} = 8.186\%$$

21. Of the \$1,502,930,670.36 numerator, \$1,180,380,014.84 will be distributed as part of the Sixth Interim Distribution to allowed accounts, and SIPC subrogation for allowed

accounts in the amount of \$36,212,744.51 will be released to SIPC. For deemed determined accounts, \$286,211,009.04 will be reserved, bringing the total deemed determined reserve related to 1 through 6 interim distributions to \$1,992,498,532.04. *See* Sehgal Aff. ¶ 14.

22. If approved, a total of 1,063 accounts will receive a distribution up to 8.186% of their net equity claims. Of these 1,063 accounts, 101 will become fully satisfied, bringing the total of fully satisfied account holders to 1,264 (962 accounts will remain partially satisfied and will be entitled to participate in future distributions). *See* Sehgal Aff. ¶ 16.

23. The numbers contained herein are based on recoveries as of September 30, 2015 and claims allowed as of September 30, 2015. The Form SIPC 17 completed by the Trustee each month lists all of the recoveries and assets in the Trustee's possession. In the Trustee's Form SIPC 17 for the period ending on September 30, 2015, attached hereto as Exhibit A, the Trustee reports that he has recovered approximately \$10.9 billion.² These funds were primarily derived from the following sources: (a) the transfer of BLMIS bank accounts to the BLMIS estate; (b) pre-litigation and litigation settlements; (c) customer preference recoveries; (d) the sale of assets; (e) refunds; and (f) earnings on the Trustee's investment and money market accounts.

24. The relief requested by the Trustee in this Supplemental Filing and the Sixth Allocation Motion are consistent with the policy and purposes underlying SIPA and are in the best interests of the customers of BLMIS, the Estate, and its creditors.

25. To the extent additional settlements are reached and/or become final prior to the entry of an order on the Sixth Allocation Motion, the Trustee will allocate and distribute those recoveries in accordance with the formula set forth herein.

²In addition, the Trustee has in his possession a *de minimis* amount of unliquidated assets.

NOTICE OF HEARING

26. Notice is hereby given that a hearing will be held on the Trustee's Sixth Allocation Motion on **November 18, 2015 at 10:00 a.m.** before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004.

MISCELLANEOUS

27. Pursuant to Bankruptcy Rules 2002(a)(6), 2002(f)(8), and 2002(h), the Trustee has given notice of the hearing on the Trustee's Motion by first class mail, postage prepaid, to all claimants that filed a claim. Pursuant to the Order Establishing Notice Procedures (ECF No. 4650), the Trustee has given notice of the hearing on the Trustee's Motion via email and/or U.S. Mail to (i) SIPC; (ii) the SEC; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; and (v) all persons who have filed notices of appearance in the BLMIS proceeding. The Trustee believes that no further notice need be given of this or any further matter in the proceeding.

28. The Sixth Interim Distribution will be made to all record holders as of November 18, 2015.

CONCLUSION

The Trustee respectfully requests that this Court enter an order, substantially in the form annexed hereto as Exhibit B, approving: (i) the proposed Sixth Allocation of Property to the Customer Fund and to the General Estate; (ii) the proposed Sixth Interim Distribution of the Customer Fund; and (iii) granting such other and further relief as may be deemed just and proper.

Dated: New York, New York
October 20, 2015

Respectfully submitted,

/s/ David J. Sheehan

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

EXHIBIT A

SECURITIES INVESTOR PROTECTION CORPORATION
Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities, LLC

Report No. 82

Period Ended September 30, 2015
CASH RECEIPTS:

	Net Change for Period	Prior Period Cumulative	Total Received	Cumulative Detail		Code
				Customer Fund	General Estate	
General Cash Receipts						
Beginning Cash Balance	\$27,896,848.04			289,841,908.00		4011
Transfer from Debtor's Estate - Securities	0.00	289,841,908.00	289,841,908.00	336,660,934.06		4014
Transfers from Debtor's Estate - BNY Account	0.00	336,660,934.06	336,660,934.06	235,156,309.36		4016
Transfers from Debtor's Estate - Chase Account	0.00	235,156,309.36	235,156,309.36	4,036,145.08		4018
Transfers from Debtor's Estate - Other	0.00	4,036,145.08	4,036,145.08	1,843,180.59		4040
Interest and Dividends	0.00	1,843,180.59	1,843,180.59	37,316,297.78		4030
Closeout Proceeds - Broker Dealers	0.00	37,316,297.78	37,316,297.78	21,783,082.40		4031
Closeout Proceeds - NSCC	0.00	21,783,082.40	21,783,082.40	18,001,787.96		4032
Closeout Proceeds - DTCC	0.00	18,001,787.96	18,001,787.96	47.26		4070
Sale of Debtor's Assets	0.00	47.26	47.26	91,037.20		4071
- Sports Tickets	0.00	91,037.20	91,037.20	7,956,852.79		4072
- Bank Debt Participations	0.00	7,956,852.79	7,956,852.79	204,170.51		4073
- DTCC Shares	0.00	204,170.51	204,170.51	1,416,279.52		4075
- Market Making Business	0.00	1,416,279.52	1,416,279.52	795,000.00		4076
- Abtech	0.00	795,000.00	795,000.00	100,734.60		4077
- NSX Shares	0.00	100,734.60	100,734.60	6,494,631.95		4074
- BLM Air Charter	0.00	6,494,631.95	6,494,631.95	644,579.15		4078
- Auction Sales	0.00	644,579.15	644,579.15	11,428.57		4079
- Other	0.00	11,428.57	11,428.57	531,078.49		4111
Administrative Subtenant Rent Revenue	0.00	531,078.49	531,078.49	(531,078.49)		4111a
Adjusting Administrative Subtenant Rent Revenue	0.00	(531,078.49)	(531,078.49)	9,841.45		4091
Refunds - Deposits	0.00	9,841.45	9,841.45	177,247.15		4092
- Dues/Subscriptions	0.00	177,247.15	177,247.15	157.00		4093
- Car Registrations	0.00	157.00	157.00	62,450.65		4094
- Vendors	0.00	62,450.65	62,450.65	833.61		4095
- Transit Cards	0.00	833.61	833.61	442,311.56		4096
- Insurance/Workers Comp	0.00	442,311.56	442,311.56	144,500.00		4097
- Ref - Political Contributions	0.00	144,500.00	144,500.00	50.84		4099
- Refunds Other	0.00	50.84	50.84	0.00		4101
Recoveries - Litigation Related				112,392,379.79		4020
- Customer Avoidances		112,392,379.79	112,392,379.79	1,903,783,597.98		4021
- Pre-Litigation Settlements	0.00	1,903,783,597.98	1,903,783,597.98	7,876,641,622.73		4022
- Litigation Settlements	9,087,470.95	7,867,554,151.78	7,876,641,622.73	875,000.00		4023
- Donation Settlements	0.00	875,000.00	875,000.00	809,850.39		4024
- Vendor Preferences	0.00	809,850.39	809,850.39	10,674.74		4102
- Employees	0.00	10,674.74	10,674.74	12,777.56		4103
- Taxing Authorities	0.00	12,777.56	12,777.56	1,733,488.32		4104
- Class Actions	0.00	1,733,488.32	1,733,488.32	308,948.49		4105
- NASDAQ	0.00	308,948.49	308,948.49	183,683.79		4106
- NYSE	0.00	183,683.79	183,683.79	96,816.23		4107
- Transaction Fees	0.00	96,816.23	96,816.23	796,298.73		4109
- Other	0.00	796,298.73	796,298.73	0.36		4110
Miscellaneous	1,814,706.62	32,657,815.02	34,472,521.64	34,472,521.64		4120
Earnings on Trustee's Investments	19,302.87	1,603,082.16	1,622,385.03	1,622,385.03		4140
Interest on Trustee's Savings Accounts				\$10,896,931,844.82		
Sub-total General Cash Receipts	\$10,921,480.44	\$10,886,010,364.58	\$10,896,931,844.82	\$10,896,931,844.82		
Advances from SIPC						
Administration - Advances	2,132,142.05	1,216,320,802.65	1,218,452,944.70			2901
Securities - Paid Bank Loans	0.00	0.00	0.00			2921
- Cash in Lieu *See Note (4) on Page 3	0.00	822,880,056.04	822,880,056.04			2922
Sub-total SIPC Advances	\$2,132,142.05	\$2,039,200,858.69	\$2,041,333,000.74	\$2,041,333,000.74		
Funds Transferred from Investment Accounts *See Note (2) on Page 3	0.00	7,487,837,154.23	7,487,837,154.23			1901
Total Cash Receipts	\$13,053,622.49	\$20,413,048,377.30	\$20,426,101,999.79	\$10,896,931,844.82	\$0.00	
						\$2,041,333,000.74
						\$2,041,333,000.74

Period Ended September 30, 2015

Report No. 82

CASH DISBURSEMENTS:

Administrative Disbursements

	Net Change	Prior Period	Cumulative	Code
	for Period	Cumulative	Total Paid	
General Administrative Disbursements				
Computer - Rental	0.00	11,121.59	11,121.59	5011
- Software Support	0.00	55,159.20	55,159.20	5012
- Equipment Leases	0.00	204,159.01	204,159.01	5013
Employee Related - Salaries-Net	0.00	4,361,844.80	4,361,844.80	5020
- FICA-Employer	0.00	318,550.60	318,550.60	5021
- Fed. & St. Unemploy.	0.00	4,296.08	4,296.08	5023
- Temporary Help	0.00	29,612.50	29,612.50	5024
- Employee Medical Plan	0.00	830,103.99	830,103.99	5025
- Employee LTD	0.00	6,887.03	6,887.03	5026
- Employee Expense Reimbursement	0.00	1,125.87	1,125.87	5027
- Employee Life/AD&D	0.00	9,006.83	9,006.83	5028
- Other	0.00	1,622.90	1,622.90	5029
Insurance - Trustee Bond	0.00	3,600.00	3,600.00	5030
Insurance - Surety & Fidelity Bonds	0.00	37,400.00	37,400.00	5031
Insurance Workers Comp	0.00	12,578.00	12,578.00	5032
- Other	0.00	25,860.74	25,860.74	5039
Fees - Payroll Processing	0.00	8,195.96	8,195.96	5045
Fees - Escrow	0.00	1,218,198.85	1,218,198.85	5046
- Other	1,941.73	12,411.45	14,353.18	5047
Expenses for Asset Sales	0.00	48,429.09	48,429.09	5048
Rent - Office	0.00	3,987,347.17	3,987,347.17	5050
- Adjustment for Administrative Subtenant Rent Revenue	0.00	(531,078.49)	(531,078.49)	5050a
- Equipment	0.00	1,695.89	1,695.89	5051
- Warehouse	14,399.50	1,034,778.50	1,049,178.00	5052
- Bulova	0.00	310,130.75	310,130.75	5053
- Other	0.00	63,185.27	63,185.27	5059
Costs - Vacating 885 Third Avenue	0.00	20,179.46	20,179.46	5111
Telephone and Telegraph	0.00	360,456.68	360,456.68	5060
Communication Fees	0.00	651,432.76	651,432.76	5061
Utilities - Electricity	786.75	29,028.41	29,815.16	5070
Office Supplies & Expense - Maint. & Repairs	0.00	79,338.86	79,338.86	5080
- Moving & Storage	0.00	311,600.14	311,600.14	5081
- Postage/Handling/Preparation	0.00	40,961.12	40,961.12	5082
- Reproduction	0.00	183,889.65	183,889.65	5083
- Locksmith	0.00	5,811.39	5,811.39	5084
- Security	0.00	249,897.70	249,897.70	5085
- Supplies	0.00	3,865.31	3,865.31	5086
- Temporary Help	0.00	4,588,642.69	4,588,642.69	5087
- Process Server - Complaint	0.00	244,026.52	244,026.52	5088
- Other	0.00	36,250.63	36,250.63	5089
Taxes	0.00	555.51	555.51	5090
NYC Commercial Rent Tax	0.00	154,269.47	154,269.47	5091
Claims Related Costs - Mailing Costs	0.00	23,053.28	23,053.28	5101
- Publication	0.00	163,961.13	163,961.13	5102
- Supplies	0.00	16,244.58	16,244.58	5103
- Printing	0.00	2,207.42	2,207.42	5104
Court Related Noticing - Postage/Handling/Preparation *See Note (1) Below	0.00	0.00	0.00	5106
- Reproduction	0.00	0.00	0.00	5107
- Supplies	0.00	0.00	0.00	5108
Scanning - Investigation	0.00	5,159,463.07	5,159,463.07	5110
Foreign Research	0.00	38,975.00	38,975.00	5112
Miscellaneous	0.00	666.91	666.91	5115
Hosting Expense	350,100.55	27,188,071.39	27,538,171.94	5244
Sub-total General Admin. Disbursements	\$367,228.53	\$51,619,072.66	\$51,986,301.19	
Professional Fees and Expenses				
Trustee Fees	0.00	4,377,662.10	4,377,662.10	5200
Trustee Expenses	0.00	2,549.25	2,549.25	5201
Trustee Counsel Fees (Baker)	7,209,245.72	704,058,667.94	711,267,913.66	5210
Trustee Counsel Expenses (Baker)	67,618.56	13,679,325.45	13,746,944.01	5211
Trustee Counsel Fees (Windels)	0.00	37,122,384.15	37,122,384.15	5212
Trustee Counsel Expenses (Windels)	0.00	398,953.88	398,953.88	5213
Special Counsel Fees	0.00	55,207,142.40	55,207,142.40	5220
Special Counsel Expenses	0.00	12,133,245.20	12,133,245.20	5221
Consultant Fees	2,217,130.36	339,623,542.42	341,840,672.78	5240
Consultant Expenses *See Note (1) Below	33,736.90	15,591,258.83	15,624,995.73	5241
Investment Banker Fees	0.00	1,050,000.00	1,050,000.00	5242
Sales Tax	109.90	1,489,834.75	1,489,944.65	5243
Mediator Fees	71,362.00	2,163,333.17	2,234,695.17	5245
Mediator Expenses	0.00	12,246.24	12,246.24	5246
Receiver Counsel Fees	0.00	300,000.00	300,000.00	5260
Receiver Counsel Expenses	0.00	6,449.08	6,449.08	5261
Receiver's Consultants Fees	0.00	316,000.00	316,000.00	5262
Receiver's Consultants Expenses	0.00	15,000.00	15,000.00	5263
Sub-total Professional Fees and Expenses	\$9,599,203.44	\$1,187,547,594.86	\$1,197,146,798.30	
Total Administrative Disbursements	\$9,966,431.97	\$1,239,166,667.52	\$1,249,133,099.49	

* Note (1) See Supporting Schedule on Page 6

Report No. 82

Period Ended September 30, 2015

CASH DISBURSEMENTS:

Claim Related Disbursements

	Net Change for Period	Prior Period Cumulative	Total Paid	Customer Fund	General Estate	SIPC	Code
Customer - Paid Bank Loan							6021
- Securities - Cash in Lien *See Note (4) Below	7,468,828.80	7,934,455,146.19	7,941,923,974.99	7,117,388,579.61		824,535,395.38	6022
- Securities - Purchases							6023
- Indemnification							6031
- Cash Balance							6041
Customer -							6050
Customer -							6060
Customer - Trustee Journal Entry							6000
Other - Contractual Commitments per Allocation							6111
- Pd. Bank Loan							6121
- Indemnification							6131
Other -							6140
Other -							6150
Other -							6160
Other - Trustee Journal Entry							6100
per Allocation							6200
General Creditor							
Sub-total Claim Disbursements	\$7,468,828.80	\$7,934,455,146.19	\$7,941,923,974.99	\$7,117,388,579.61	\$0.00	\$824,535,395.38	

Other Disbursements (except investments)

SIPC - Refunds - Recoupment							6301
- Indemnification							6310
- Contr. Commitments							6311
- Paid Bank Loan	0.00	125,330,632.84	125,330,632.84	125,330,632.84			6321
- Subrogation							6322
Other -							6400
Other -							6401
Other -							6402
Other -							6403
Other -							6404
Sub-total Other Disbursements	\$0.00	\$125,330,632.84	\$125,330,632.84	\$125,330,632.84	\$0.00	\$0.00	

Investments by Trustee - Purchases *See Note (2) Below

	\$1,834,009.49	\$11,086,199,082.71	\$11,088,033,092.20				1900
Sub-total Administrative Disb. - page 2	\$9,966,431.97	\$1,239,166,667.52	\$1,249,133,099.49	\$0.00	\$0.00	\$1,249,133,099.49	
Total Disbursements	\$19,469,270.26	\$20,385,151,529.26	\$20,404,420,799.52	\$7,242,719,212.45	\$0.00	\$2,073,668,494.87	

Total Receipts less Disbursements

	(\$6,215,647.77)	\$27,896,846.04	\$21,681,200.27	\$3,654,212,632.37	\$0.00	(\$32,335,494.13)	
Ending Cash Balance *See Note (3) Below	\$21,681,200.27						

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* Note (2) Two preferred custody accounts and an insured money market account have been established at Citibank for investment purposes and an additional investment account is maintained at JP Morgan Chase. A Broker's account, which was previously established at Morgan Joseph, was closed in January 2012. Since January 20, 2009, \$11,088,033,092.20 of recovered funds have been transferred into these investment accounts and \$7,487,837,154.23 of these funds have subsequently been used for interim distributions to customers with allowed claims and for operations. (See Page 5 for more details).

* Note (3) The ending cash balance includes a \$ 16,524,355.65 balance in the Citibank Business Checking Account and \$ 5,156,844.62 in the Citibank Distribution Account.

* Note (4) The difference between Customer Claim payments of \$824,535,395.38 and SIPC Advances of \$822,880,056.04 is the result of timing differences between the date the claim was paid and the date the advance was requested.

Period Ended September 30, 2015

Report No. 82

SUMMARY INFORMATION ON STATUS OF LIQUIDATION

	Customer Claimants	Broker/Dealer Claimants	General Estate Claimants
Claims received	16,519	49	94
Claims satisfied by distribution of cash and/or securities:			
a. As part of the transfer in bulk			
b. On an account by account basis-Fully Satisfied	1,323		
c. On an account by account basis-Partially Satisfied	1,229		
	<u>2,552</u>	<u>-</u>	<u>-</u>
Claims Determined - no claims	12		
Claims Deemed Determined - pending litigation	110		
Claims Determined - withdrawn	402		
Claims Determined but not yet satisfied	11		
Claims under review	-	49	94
Claims Denied:			
a. Other Denials for which no objections were filed	9,882		
b. Denials for which objections were filed:			
- Trustee's Determinations Affirmed	2,197		
- Hearing not yet set	1,305		
- Set for Hearing	48		
	<u>13,967</u>	<u>49</u>	<u>94</u>
Accounts with cash and/or securities which were transferred in bulk			
Filing Date Value			
Customer name securities distributed			
Customer fund securities distributed			
	<u>\$</u>		



(Trustee's Signature)

10/13/2015
(Date)



(Accountant's Signature)

10/12/2015
(Date)

Period Ended September 30, 2015

Report No. 82

IRVING H. PICARD, TRUSTEE FOR THE LIQUIDATION OF ELMIS LLC
Investment Accounts

	Citibank Preferred Custody Account-Original Account						Citibank Preferred Custody Account-#2	Citibank Preferred IMMA Account	Total Citibank
	Cash Assets/Mutual Funds (6)	U.S. Treasury Bills (5)	U.S. Treasury Notes (5)	Equities (6)	Certificates (6)	Accrued Interest (6)			
Balance August 31, 2015	1,085,363	616,327,585	325,627,021	222	5,885,681	689,029	949,614,901	1,692,017,829	
Maturing of T Bills	133,340,000	(133,340,000)							
Maturing of Certificates									
Purchase of U.S. Treasury Bills	(133,339,043)	133,339,043							
Unrealized Gain or (Loss)		264,460	148,405	(33)	696		413,528	413,528	
Realized Gain or (Loss)									
Interest and Dividends Earned	814,338					(675,652)	138,686	219,906	
Interest Dividends									
Funds Transferred to the Citibank Operating Account									
Balance September 30, 2015	1,900,658	616,591,088	325,775,426	189	5,886,377	13,377	950,167,115	1,692,651,263	

JP Morgan Chase

	JP Morgan Chase		Account Balance
	Cash/Excess Fund (6)	U.S. Treasury Bills (5)	
Balance August 31, 2015	567,298	1,241,213,618	1,908,520,916
Maturing of U.S. Treasury Bills	512,210,000	(512,210,000)	
Purchase of U.S. Treasury Bills	(512,716,437)	512,716,437	
Unrealized Gain or (Loss)		224,599	224,599
Interest and Dividends Earned	621,626		621,626
Interest Dividends			
Funds Transferred to the Citibank Operating Account			
Balance September 30, 2015	682,487	1,241,944,654	1,906,612,002

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* Note (5) The summation of U.S. Treasury Bills and Notes is \$2,848,296,031.

* Note (6) The summation of these short-term investments, money market, escrow, custody, IMMA, certificates of deposit, mutual fund accounts, accrued interest and other minor investments is \$ 750,967,236.

Period Ended September 30, 2015

Report No. 82

**IRVING H. PICARD, TRUSTEE FOR THE LIQUIDATION OF BLMIS LLC
Consultant Expenses for Court Related Noticing**

	Net Change for Period	Prior Period Cumulative	Cumulative Total Paid
Postage / Handling / Preparation	3,803.45	523,248.44	527,051.89
Printing		44,945.40	44,945.40
Reproduction Costs		762,418.30	762,418.30
Supplies		95,600.81	95,600.81
Total *See Note Below	<u>3,803.45</u>	<u>1,426,212.95</u>	<u>1,430,016.40</u>

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*Note: All of the expenses above were incurred by consultants in connection with court related noticing procedures, and are included in the Consultant Expenses line (Account #5241) on Page 2 of the SIPC Form 17.

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

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

SIPA Liquidation

(Substantively Consolidated)

**[PROPOSED] ORDER APPROVING A SIXTH ALLOCATION OF PROPERTY TO
THE FUND OF CUSTOMER PROPERTY AND AUTHORIZING SIXTH INTERIM
DISTRIBUTION TO CUSTOMERS**

Upon consideration of the motion, dated April 15, 2015, for an Order Approving the Trustee's Sixth Allocation of Property to the Fund of Customer Property and Authorizing Sixth Interim Distribution to Customers, the Affidavit of Vineet Sehgal, executed April 15, 2015 (the "Motion"), and the Notice of Hearing and Supplemental Filing in Further Support of the Trustee's Motion for an Order Approving Sixth Allocation of Property to the Fund of Customer Property and Authorizing Sixth Interim Distribution to Customers, dated October 20, 2015 (the "Supplemental Filing," together with the Motion, the "Motion"), filed by Irving H. Picard, as trustee ("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"), and the substantively consolidated estate of Bernard L. Madoff ("Madoff") (collectively, "Debtor"), it appearing that due and proper notice of the Motion and the relief requested therein have been given, and no other or further notice needing to be given; and a

hearing having been held on the Motion; and the Court having reviewed the Motion, responsive pleadings, the arguments of counsel and the record in this case; and the Court, as set forth in the transcript of the hearing on the Motion, having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein, and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY:**

ORDERED, that the relief requested in the Motion is hereby granted; and it is further

ORDERED, that any objections to the Motion are hereby overruled; and it is further

ORDERED, that all holders of current and future allowed claims are eligible to receive a distribution consistent with the relief granted herein; and it is further

ORDERED, that the Trustee is permitted to distribute the additional amounts received by the estate since the filing of the Motion consistent with the relief granted herein.

Dated: New York, New York
November __, 2015

HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE