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Objection Deadline: January 15, 2026

*Attorneys for Irving H. Picard, Trustee
for the Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities LLC
and the Chapter 7 Estate of 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.

In re:

BERNARD L. MADOFF,

Debtor.

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

SIPA Liquidation

(Substantively Consolidated)

**MOTION FOR AN ORDER APPROVING SEVENTEENTH ALLOCATION OF
PROPERTY TO THE FUND OF CUSTOMER PROPERTY AND AUTHORIZING
SEVENTEENTH INTERIM DISTRIBUTION TO CUSTOMERS**

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TO THE HONORABLE LISA G. BECKERMAN,
UNITED STATES BANKRUPTCY JUDGE:

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”),¹ and the substantively consolidated Chapter 7 case of Bernard L. Madoff (“Madoff”) (collectively, “Debtor”), respectfully submits this motion (the “Motion”) 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 seventeenth allocation of property (“Seventeenth Allocation”) to the fund of customer property (“Customer Fund”); and (2) authorizing a seventeenth pro rata interim distribution (“Seventeenth Interim Distribution”) of at least \$87,862,839.75 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 fully satisfied by the first through sixteenth pro rata interim distributions. This Court has jurisdiction over this Motion pursuant to SIPA §§ 78eee(b)(2), 78eee(b)(4), 28 U.S.C. §§ 157 and 1334, and Bankruptcy Rule 5005. This Motion is based upon the law set forth below as well as the facts set forth in the affidavit of Vineet Sehgal (“Sehgal Aff.”), filed herewith. In support of this Motion, the Trustee represents as follows:

I. EXECUTIVE SUMMARY

1. In order to protect customers of an insolvent broker-dealer such as BLMIS, Congress established a statutory framework pursuant to which customers of a debtor in a SIPA liquidation are entitled to preferential treatment in the distribution of assets from a debtor’s estate. The mechanism by which customers receive preferred treatment is through the creation of a fund

¹ For convenience, subsequent references to sections of the Act shall follow the form: “SIPA § ____.”

of “customer property” as defined in SIPA § 78lll(4), which is distinct from a debtor’s general estate. Customers holding allowable claims are entitled to share pro rata in the Customer Fund based on each customer’s “net equity” as of the filing date, to the exclusion of general creditors. SIPA § 78fff-2(c).

2. In order to make distributions from the Customer Fund, the Trustee must determine or be able to sufficiently estimate: (a) the total value of customer property available for distribution, or the “numerator” (including reserves for disputed recoveries), and (b) the total net equity of all allowed claims, or the “denominator” (including reserves for disputed claims). The Trustee calculates reserve amounts on a “worst-case” basis, such that the ultimate resolution of disputed amounts will not adversely affect any customers’ allowed or disputed net equity distributions.

3. In this case, for purposes of determining each customer’s “net equity,” the Trustee credited the amount of cash deposited by the customer into his BLMIS account, less any amounts already withdrawn from that BLMIS customer account (the “cash in, cash out method” or the “Trustee’s Net Investment Method”). Some claimants argued that the Trustee was required to allow customer claims in the amounts shown on the November 30, 2008 customer statements (the “Last Statement Method,” creating the “Net Equity Dispute”). Litigation over the Net Equity Dispute proceeded through this Court,² the Second Circuit,³ and the Supreme Court of the United States (the “Supreme Court”).⁴ The Trustee’s Net Investment Method was upheld.

² *Sec. Inv’r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff Inv. Sec. LLC)*, 424 B.R. 122 (Bankr. S.D.N.Y. 2010).

³ *In re Bernard L. Madoff Inv. Sec. LLC*, 654 F.3d 229 (2d Cir. 2011) (the “Net Equity Decision”).

⁴ Two petitions for writ of certiorari were denied by the Supreme Court of the United States on June 25, 2012. *Sec. Inv’r Prot. Corp. v. Bernard L. Madoff Inv. Sec., LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, 424 B.R. 122 (Bankr. S.D.N.Y. 2010), *aff’d and reh’g and reh’g en banc denied*, 654 F.3d 229 (2d Cir. 2011), *cert. denied sub nom. Ryan v. Picard*, 133 S.Ct. 24 (2012); *Sec. Inv’r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff*

4. The Trustee has successfully recovered approximately \$14.833 billion through October 31, 2025 for the benefit of all BLMIS customers with allowed claims.⁵

5. The Trustee previously filed sixteen motions seeking entry of orders approving allocations of property to the Customer Fund and authorizing pro rata interim distributions of Customer Property. This Court entered orders approving those motions:

No. of Distribution	Date of Distribution	Amount Allocated	Amount Distributed	Percentage Distributed	ECF No. for Motion	ECF No. for Order
1	10/5/2011	\$2.618 billion	\$891.061 million	4.602%	4048	4217
2	9/19/2012	\$5.501 billion	\$6.478 billion	33.556%	4930	4997
3	3/29/2013	\$1.198 billion	\$907.317 million	4.721%	5230	5271
4	5/5/2014	\$477.504 million	\$610.371 million	3.180%	6024	6340
5	2/6/2015	\$756.538 million ⁶	\$526.023 million	2.743%	8860	9014
6	12/4/2015	\$345.472 million ⁷	\$1.578 billion	8.262%	9807 and 11834	12066
7	6/30/2016	\$247.013 million	\$248.530 million	1.305%	13405	13512
8	2/2/2017	\$342.322 million	\$328.782 million	1.729%	14662	14836
9	2/22/2018	\$1.303 billion	\$721.674 million	3.806%	17033	17195
10	2/22/2019	\$515.974 million	\$515.904 million	2.729%	18295	18398
11	2/28/2020	\$988.770 million	\$372.025 million	1.975%	19226	19245

Inv. Sec., LLC), 424 B.R. 122 (Bankr. S.D.N.Y. 2010), *aff'd and reh'g and reh'g en banc denied*, 654 F.3d 229 (2d Cir. 2011), *cert. denied sub nom. Velvel v. Picard*, 133 S.Ct. 25 (2012). A third petition for writ of certiorari was dismissed. *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec., LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, 424 B.R. 122 (Bankr. S.D.N.Y. 2010), *aff'd and reh'g and reh'g en banc denied*, 654 F.3d 229 (2d Cir. 2011), *cert. dismissed sub nom. Sterling Equities Assocs. v. Picard*, 132 S.Ct. 2712 (2012).

⁵ Over \$20 billion of principal was lost in the Ponzi scheme in total. Of the \$20 billion, approximately \$17.5 billion of principal was lost by those who filed claims.

⁶ The total amount allocated in the Fifth Allocation Motion was \$704,395,951.58. Between the filing of that motion and the Fifth Interim Distribution date, an additional \$52,142,279.87 was recovered and included in the numerator.

⁷ This represents the amount allocated to the Customer Fund in the Supplemental Sixth Allocation and Sixth Interim Distribution Motion filed on October 20, 2015. The original Sixth Allocation and Sixth Interim Motion filed on April 15, 2015 did not allocate any additional recoveries to the Customer Fund; the Trustee simply re-allocated \$1,448,717,625.26 of funds that had previously been allocated to the Customer Fund for the Time-Based Damages Reserve.

12	2/26/2021	\$74.325 million	\$233.147 million	1.240%	20066	20209
13	2/25/2022	\$128.570 million	\$113.424 million	0.604%	20963	21036
14	2/24/2023	\$44.229 million	\$49.719 million	0.265%	22697	22819
15	2/23/24	\$66.690 million	\$78.569 million	0.419%	23806	23964
16	2/28/25	\$101.721 million	\$76.847 million	0.410%	24583	24650

6. The Trustee stands ready to make a seventeenth significant distribution to customers with allowed claims—approximately 0.469% on each allowed claim. The practical effect of this determination is to permit a seventeenth interim distribution to customers whose claims have not been fully satisfied because the net equity of their respective accounts as of the Filing Date⁸ exceeded the statutory SIPA protection limit of \$500,000 and were not satisfied by the First through Sixteenth Interim Distributions.

7. Thus, by way of this Motion, the Trustee seeks to distribute at least \$87,862,839.75 (with an additional \$4,867,296.96 available for distribution to certain “net loser” accounts in litigation, if the claims relating to their accounts become allowed prior to the time the distribution is made, or reserved, if not yet allowed).⁹ The Seventeenth Interim Distribution, when combined with the First through Sixteenth Interim Distributions, will provide no less than 72.015% of each customer’s allowed claim amount, plus the SIPC advance of up to \$500,000. The proposed distribution will be paid on claims relating to 767 BLMIS accounts. The average payment amount to those 767 BLMIS accounts will be \$114,553.90. Eight payments will go to claimants who

⁸ In this case, the Filing Date is the date on which the Securities and Exchange Commission commenced its suit against BLMIS, December 11, 2008, which resulted in the appointment of a receiver for the firm. *See* SIPA § 78III(7)(B).

⁹ If all of these “net loser” accounts were allowed prior to the distribution, the total distribution to claimants would be approximately \$92.730 million, based on the net equity amount for deemed determined accounts.

qualified for hardship status under the Trustee's claims Hardship Program.¹⁰ If approved, and when combined with the SIPC payment and the amounts from the First through Sixteenth Interim Distributions, 1,531 accounts (relating to 1,768 claims) will be fully satisfied (all accounts with a net equity of up to \$1,780,000.00).

8. The proposed Seventeenth Allocation and Seventeenth Interim Distribution are interim in nature. The Trustee anticipates recovering additional assets through litigation and settlements. Final resolution of certain disputes will permit the Trustee to reduce the reserves he is required to maintain, which will allow him to make additional distributions to customers in the future. The Trustee will seek authorization for these further allocations and distributions upon the recovery of additional funds and the resolution of significant disputes.¹¹

II. THE LIQUIDATION PROCEEDING

9. Section 78fff(b) of SIPA provides that a SIPA liquidation proceeding "shall be conducted in accordance with, and as though it were being conducted under chapters 1, 3 and 5 and subchapters I and II of chapter 7 of title 11" to the extent these provisions are consistent with SIPA.

10. SIPA affords special protection to "customers," as defined in SIPA § 78lll(2), who receive preferential treatment by having their claims satisfied ahead of general creditors. *See In re Adler Coleman Clearing Corp.*, 198 B.R. 70, 71 (Bankr. S.D.N.Y. 1996) (recognizing that a "person whose claim against the debtor qualifies as a 'customer claim' is entitled to preferential treatment"); *In re Hanover Square Sec.*, 55 B.R. 235, 237 (Bankr. S.D.N.Y. 1985) ("[a]ffording

¹⁰ The Hardship Program was officially terminated and is no longer accepting applications.

¹¹ The Trustee seeks permission to include in the Seventeenth Interim Distribution those claims that are allowed between the time an order is entered on this Motion and the date of the Seventeenth Interim Distribution.

customer status confers preferential treatment"). The amounts owed to each customer are determined by valuing his or her "net equity," defined in SIPA § 78(l)(11), as of the Filing Date.

11. To date, the Trustee has received 16,521 customer claims. All claims have either been determined or deemed determined pending the resolution of active litigation. (Sehgal Aff. ¶ 4). To date, the Trustee has allowed 2,656 claims, and SIPC has advanced \$850,368,412.47 to the Trustee to pay these claims. (*Id.*). To date, the allowed claims total more than \$19.556 billion. (*Id.*). The Trustee denied 2,693 claims by customers who had accounts with BLMIS and 10,734 claims purporting to be customer claims but were in fact claims filed on behalf of claimants without an account at BLMIS. Twelve other claims were filed that asserted no claim. Another 420 claims have been withdrawn. (*Id.*).

12. Six claims (relating to two accounts) are currently categorized as "deemed determined," meaning that the Trustee has instituted litigation against those claimants. (*Id.* ¶ 5). 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.

13. To date, the Trustee has received 428 timely and 22 untimely filed secured priority and unsecured non-priority general creditor claims totaling approximately \$1.7 billion. The claimants include vendors, taxing authorities, employees, and customers filing claims on non-customer proof of claim forms. Of these 450 claims, 95 are general creditor claims and 49 are broker-dealer claims, which together total approximately \$265 million of the \$1.7 billion.¹² (*Id.* ¶

¹² The 450 secured, priority, and non-priority general claims are explicit "general creditor" claims, such as vendor and service claims. (Sehgal Aff. ¶ 6). They do not include "customer" claims, even though each "customer" claim—both those allowed and denied—has a "general creditor" component. All BLMIS creditors, including customers whose claims were allowed, customers whose claims were denied, and general creditors, may have claims as general creditors

6). If the Trustee is able to fully satisfy the net equity claims of the BLMIS customers, any funds remaining will be allocated to the general estate and distributed in the order of priority established in Bankruptcy Code § 726 and SIPA § 78fff(e). All BLMIS customers who filed claims—whether their net equity customer claims were allowed or denied—may be deemed to be general creditors of the BLMIS estate. The Trustee is working diligently on behalf of all creditors and will seek to satisfy all creditor claims.

14. Claimants filed 1,733 objections to the Trustee's claims determinations, relating to 3,253 claims and 699 BLMIS accounts. The objections raised various issues, including the proper interpretation of "net equity" (now resolved), the right to interest or time value of money (now resolved), and whether the Trustee's calculation of allowed claims amounts are correct. To date, 1,724 of the 1,733 objections have been resolved. Nine objections remain, and the Trustee will notice these objections for a hearing as appropriate.

III. ALLOCATION OF PROPERTY & DISTRIBUTION SCHEME UNDER SIPA

A. Allocation of Property

15. SIPA sets forth a bipartite statutory framework that gives customers priority over general creditors of the broker-dealer. Pursuant to SIPA § 78fff-2(c)(1)(B), all customers with allowed claims share ratably in the fund of customer property. Pursuant to SIPA § 78fff-2(c), general creditors and customers, to the extent of their respective unsatisfied net equities, share in any general estate. Estate property not allocable to the fund of customer property is distributed in the order of priority established in section 726 of the Bankruptcy Code. SIPA § 78fff(e). Any

against BLMIS for misrepresentation, fraud, and breach of contract (assuming they filed claims). Customers who filed customer claims need not have specifically filed claims as general creditors to protect such rights.

property allocated to the fund of customer property that is not necessary to satisfy customer and other priority claims will become part of the general estate. SIPA § 78fff-2(c).

16. According to SIPA § 78lll(4), “customer property” consists of “cash and securities . . . at any time received, acquired, or held by or for the account of a debtor from or for the securities accounts of a customer, and the proceeds of any such property transferred by the debtor, including property unlawfully converted.”

17. Among the assets that comprise “customer property” are “any other property of the debtor which, upon compliance with applicable laws, rules and regulations, would have been set aside or held for the benefit of customers . . .” SIPA § 78lll(4)(D). Under SIPA § 78lll(4)(D), a trustee is permitted to look to the property of the debtor to rectify the actions taken by the debtor that resulted in a shortfall in customer property. *See Ferris, Baker, Watts v. Stephenson (In re MJK Clearing, Inc.)*, 286 B.R. 109, 132 (Bankr. D. Minn. 2002) (“Application of the plain meaning of 15 U.S.C. § 78lll(4)(D) provides a means to rectify any actions taken by, or with respect to, the debtor, that results in such a shortfall. Thus, if the debtor failed to set aside or hold for the benefit of customers sufficient property, 15 U.S.C. § 78lll(4)(D) would require the trustee to correct the debtor’s error.”).

18. Thus, if a trustee determines that there is a shortfall in assets such that customer property is insufficient to satisfy net equity claims, then he may look to other assets of the debtor and allocate property to the fund of customer property.

19. SIPA liquidations generally take a broad and inclusive customer-related approach to the allocation of property. For example, in *In re Park South Securities, LLC*, 99% of the debtor’s estate was allocated to customer property. *See Order*, No. 03-08024A (Bankr. S.D.N.Y.

Oct. 30, 2008) (ECF No. 201).¹³ Consistent with prior liquidations, the Trustee expects to allocate the vast majority of the BLMIS estate to the Customer Fund, inasmuch as here, recovered property either belonged to customers or was derived from the misuse of customer property.

B. Distributions Under SIPA

20. The SIPA distribution scheme, while complex, can be distilled to a simple equation. Each customer is entitled to his or her pro rata share of customer property. To determine the percentage that each allowed customer will receive from the fund of customer property in an interim distribution, the aggregate amount collected to date by the Trustee and allocated to customer property is divided by the aggregate amount of net equity claims allowable by the Trustee. The percentage result is then to be applied to each net equity claim to determine a customer's pro rata share. The equation is as follows:

$$\frac{\text{Fund of Customer Property ("Numerator")}}{\text{Allowable Customer Net Equity Claims ("Denominator")}} = \text{Customer Pro Rata Share}$$

21. SIPA § 78fff-2(c)(1) establishes the order of distribution of customer property. The second and third priorities of distribution are relevant here. The second priority is to distribute customer property among customers based on their filing date net equities. SIPA § 78fff-

¹³ *Accord SIPC v. Lehman Bros., Inc.*, Adv. Pro. No. 08-01420, Motion for Order Approving Allocation of Property of the Estate at 27-28, n.33 (Bankr. S.D.N.Y. Oct. 5, 2009) (ECF No. 1866) (allocating "most" of debtor's assets to customer property); *In re Vision Inv. Grp., Inc.*, Adv. Pro. No. 97-1035B, Order Approving Third and Final Report and Final Accounting of the Securities Investor Protection Corporation (Bankr. W.D.N.Y. Dec. 13, 2005) (allocating 95% of debtor's estate to customer property); *In re Klein Maus & Shire, Inc.*, Adv. Pro. No. 00-8193A, Order Approving Trustee's Final Report and Account, Approving Allocation of Property and Distribution of Fund of Customer Property, Finding of No Distribution to General Creditors (Bankr. S.D.N.Y. Dec. 15, 2004) (allocating 99% of debtor's estate to customer property); *In re MJK Clearing*, 286 B.R. at 132 (allocating 100% the debtor's assets as customer property); *In re A.R. Baron & Co., Inc.*, Order Approving Final Report and Account and Related Relief, Adv. Pro. No. 96-8831A (Bankr. S.D.N.Y. Feb. 10, 2004) (allocating 99% of the debtor's assets to customer property); *In re Hanover, Sterling & Co.*, Adv. Pro. No. 96-8396A, Order Approving Trustee's Final Report and Account, Approving Allocation of Property and Distribution of the Fund of Customer Property (Bankr. S.D.N.Y. Aug. 21, 2002) (allocating 75% of debtor's estate to customer property).

2(c)(1)(B). The third priority is to distribute customer property to SIPC as subrogee. SIPA § 78fff-2(c)(1)(C). Thereafter, any customer property remaining becomes part of the general estate.

22. The amount advanced by SIPC to the Trustee in full or partial satisfaction of a customer claim is based on the difference between the customer's net equity and his share of customer property, subject to the \$500,000 limit of SIPA's statutory protection. The SIPC advance does not reduce the customer's net equity or his claim against customer property. If the sum of the amount of a customer's SIPC advance and any subsequent distribution of customer property exceeds the customer's net equity, SIPC has the right to recoup its advance from the excess. In effect, SIPC becomes subrogated to the claims of customers to the extent it has made advances but cannot seek recovery from customer property as to any individual customer until the customer has been fully satisfied. SIPA §§ 78fff-3(a), 78fff-2(c)(1).

C. Allocation of Assets to the Customer Fund and Related Reserves

23. As the Court previously found in its Net Equity Decision, and as numerous courts in civil and criminal proceedings have also found, Madoff did not engage in securities trading on behalf of BLMIS customers. Madoff used customer funds to support operations and fulfill requests for redemptions to perpetuate a Ponzi scheme. Thus, payment of "profits" to any one customer in fact came from another customer's deposit of funds. In essence, all of the funds withdrawn by BLMIS customers were simply other people's money.

24. BLMIS had an obligation to set aside sufficient assets to cover its statutory obligations to customers. *See* Securities Exchange Act Rule 15c3-3, 17 C.F.R. § 240.15c3-3.¹⁴ At this time, the assets of BLMIS and Madoff are insufficient to cover those obligations.

¹⁴ SIPA's definitional paragraphs were amended in 1978 to incorporate in the "customer property" definition any other property of the debtor's estate which, upon compliance with applicable laws, rules, and regulations, would have been set aside or held for the benefit of customers. Thus, to the extent that prior to the Filing Date BLMIS failed to maintain cash and securities in compliance with the Net Capital Rule issued by the SEC (Rule 15c3-1), as affected by the

25. For these reasons, and because it is not uncommon for almost all property available to a broker-dealer to be deemed “customer property,” the Trustee seeks the Court’s approval to allocate to the Customer Fund virtually all cash and cash equivalents currently in his possession that was not previously allocated -- \$123,562,501.07. ECF Nos. 4217, 4997, 5271, 6340, 9014, 12066, 13512, 14836, 17195 and 18398; *see also First Fed. Sav. & Loan Assoc. of Lincoln v. Bevill, Bresler & Schulman, Inc. (In re Bevill, Bresler & Schulman, Inc.)*, 59 B.R. 353, 362-66 (D.N.J. 1986) (describing and approving SIPA allocation and distribution scheme similar to that proposed by Trustee).

26. The Trustee previously sought and obtained approval to allocate the following amounts to the Customer Fund:

No. of Allocation	Amount Allocated	Percentage Distributed	ECF No. for Motion	ECF No. for Order
1	\$2.618 billion	4.602%	4048	4217
2	\$5.501 billion	33.556%	4930	4997
3	\$1.198 billion	4.721%	5230	5271
4	\$477.504 million	3.180%	6024	6340
5	\$756.538 million ¹⁵	2.743%	8860	9014
6	\$345.472 million ¹⁶	8.262%	9807 and 11834	12066
7	\$247.013 million	1.305%	13405	13512
8	\$342.322 million	1.729%	14662	14836
9	\$1.303 billion	3.806%	17033	17195
10	\$515.974 million	2.729%	18295	18398
11	\$988.770 million	1.975%	19226	19245
12	\$74.325 million	1.240%	20066	20209

Customer Protection Rule (Rule 15c3-3) (both issued pursuant to the Exchange Act, 15 U.S.C. § 78o(c)(3)(A)), the Trustee is required to allocate property as necessary to remedy such non-compliance. The Customer Protection Rule effectively requires that a broker-dealer maintain control of all property that would have to be delivered to customers in the event of a liquidation: either the securities themselves or their value in the form of cash (or equivalents), and cash sufficient to pay net cash obligations to customers.

¹⁵ The total amount allocated in the Fifth Allocation Motion was \$704,395,951.58. Between the filing of that motion and the Fifth Interim Distribution date, an additional \$52,142,279.87 was recovered and included in the numerator.

¹⁶ This represents the amount allocated to the Customer Fund in the Supplemental Sixth Allocation and Sixth Interim Distribution Motion filed on October 20, 2015. The original Sixth Allocation and Sixth Interim Motion filed on April 15, 2015 did not allocate any additional recoveries to the Customer Fund; the Trustee simply re-allocated \$1,448,717,625.26 of funds that had previously been allocated to the Customer Fund for the Time-Based Damages Reserve.

13	\$128.570 million	0.604%	20963	21036
14	\$44.229 million	0.265%	22697	22819
15	\$66.690 million	0.419%	23806	23964
16	\$101.721 million	0.410%	24583	24650

27. The amounts previously distributed as outlined in each of the First through Sixteenth Allocation Motions change as additional accounts are determined. Below is a summary of the amounts allocated and distributed:

No.	Amount Allocated	Reserve From Previous Allocations ¹⁷	Funds Received After Allocation Used for Interim Distribution	Amount Available for Distribution	Allocation for Allowed Claims ¹⁸	Allocation for Deemed Determined Claims ¹⁹	SIPC Subrogation	Other Reserves ²⁰
1	\$2.618 billion	N/A	\$86.198 million	\$2.704 billion	\$891.061 million	\$47.760 million	\$8.918 million	\$1.756 billion
2	\$5.501 billion	\$1.756 billion	\$628.519 million	\$7.886 billion	\$6.478 billion	\$348.245 million	\$83.827 million	\$975.787 million
3	\$1.198 billion	\$975.787 million	\$88.426 million	\$2.262 billion	\$907.317 million	\$48.995 million	\$15.934 million	\$1.290 billion
4	\$477.504 million	\$1.290 billion	\$59.563 million	\$1.827 billion	\$610.371 million	\$33.002 million	\$11.518 million	\$1.172 billion
5	\$756.538 million ²¹	\$1.172 billion	\$51.378 million	\$1.980 billion	\$526.023 million	\$28.467 million	\$10.405 million	\$1.415 billion
6	\$345.472 million ²²	\$1.415 billion	\$154.751 million	\$1.915 billion	\$1.578 billion	\$85.743 million	\$37.617 million	\$213.974 million
7	\$247.013 million	\$213.974 million	\$24.443 million	\$485.430 million	\$248.530 million	\$13.543 million	\$6.679 million	\$216.677 million
8	\$342.322 million	\$216.677 million	\$32.385 million	\$591.384 million	\$328.782 million	\$17.944 million	\$9.346 million	\$235.313 million
9	\$1.303 billion	\$235.313 million	\$34.076 million	\$984.665 million	\$721.674 million	\$39.499 million	\$22.637 million	\$200.855 million
10	\$515.974 million	\$200.855 million	\$24.433 million	\$741.263 million	\$515.904 million	\$28.322 million	\$17.786 million	\$179.251 million

¹⁷ Reserve from Previous Allocations represents amounts that were reserved in prior allocations.

¹⁸ Allocation for Allowed Claims represents the amount allocated for claims that have been allowed.

¹⁹ Allocation for Deemed Determined Claims represents amounts allocated and reserved for claims that are currently in litigation with the Trustee.

²⁰ Other Reserves represents all monies that are reserved for various issues.

²¹ The total amount allocated in the Fifth Allocation Motion was \$704,395,951.58. Between the filing of that motion and the Fifth Interim Distribution date, an additional \$52,142,279.87 was recovered and included in the numerator.

²² This represents the amount allocated to the Customer Fund in the Supplemental Sixth Allocation and Sixth Interim Distribution Motion filed on October 20, 2015. The original Sixth Allocation and Sixth Interim Motion filed on April 15, 2015 did not allocate any additional recoveries to the Customer Fund; the Trustee simply re-allocated \$1,448,717,625.26 of funds that had previously been allocated to the Customer Fund for the Time-Based Damages Reserve.

11	\$988.770 million	\$179.251 million	\$480.621 thousand	\$588.134 million	\$372.025 million	\$20.497 million	\$14.211 million	\$181.402 million
12	\$74.325 million	\$181.402 million	\$42.636 million	\$298.363 million	\$233.147 million	\$12.869 million	\$9.351 million	\$42.996 million
13	\$128.570 million	\$42.996 million	\$28.301 million	\$157.533 million	\$113.424 million	\$6.268 million	\$4.696 million	\$33.145 million
14	\$44.229 million	\$33.145 million	\$17.024 million	\$66.244 million	\$49.719 million	\$2.750 million	\$2.105 million	\$11.670 million
15	\$66.690 million	\$11.670 million	\$34.766 million	\$96.165 million	\$78.569 million	\$4.348 million	\$3.372 million	\$9.876 million
16	\$101.721 million	\$9.876 million	\$42.828 million	\$102.451 million	\$76.847 million	\$4.255 million	\$3.334 million	\$18.016 million

28. As reflected in the table above, the amount reserved through the Sixteenth Interim Distribution is \$18,015,517.04. This previously reserved amount, plus the \$123,562,501.07 that the Trustee seeks to allocate in this Motion, less the \$42,828,196.55 received after the sixteenth allocation motion and used for the sixteenth interim distribution, constitutes the total amount available for distribution. Therefore, the total amount available for the Seventeenth Interim Distribution will be \$98,749,821.56. Of this amount, \$1,988,869.32 must be held in reserve for non-liquid asset recoveries and other reserves related to certain settlements, leaving a total of \$96,760,952.24 available for distribution.

29. Of the \$96,760,952.24 numerator, \$87,862,839.75 will be distributed as part of the Seventeenth Interim Distribution to allowed accounts, and SIPC subrogation²³ for allowed accounts in the amount of \$3,854,139.79 will be released to SIPC. For deemed determined accounts, \$4,867,296.96 will be reserved. (Sehgal Aff. ¶ 13).

30. The Trustee does not seek to allocate any funds to the General Estate at this time.

²³ According to the provisions of SIPA, SIPC is reimbursed for its advances to customers once each respective customer claim is fully satisfied.

i. Assets in Trustee's Possession as of October 31, 2025

31. 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 October 31, 2025 ("October 31 SIPC 17 Form"), attached hereto as Exhibit A, the Trustee reports that he has recovered \$14,832,974,077.95.²⁴ These funds were primarily derived from the following sources: (a) the transfer of BLMIS bank accounts to the BLMIS estate; (b) the results of 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.

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

ii. Recoveries to the BLMIS Estate Since the Sixteenth Allocation and Sixteenth Interim Distribution

33. In the Motion on the Sixteenth Allocation and Sixteenth Interim Distribution, the Trustee reported total recoveries of \$101,721,419.89 that were not previously allocated. When combined with prior recoveries, the total recoveries as of the Sixteenth Allocation and Sixteenth Interim Distribution were \$14,709,411,576.88. The Trustee has recovered additional funds for the estate from multiple parties and sources since that time.

34. The Trustee has recovered \$123,562,501.07 since the Sixteenth Allocation and Sixteenth Interim Distribution as a result of settlements, interest income, and other miscellaneous recoveries. (Sehgal Aff. ¶ 10). Therefore, the Trustee seeks approval to allocate the full amount of these recoveries to the Customer Fund.

²⁴ In addition, the Trustee has in his possession a *de minimis* amount of unliquidated assets.

D. Determination of Allowable Net Equity Claims & Related Reserves

35. For distribution purposes, the Customer Fund numerator is only one half of the equation. In order to calculate each customer's pro rata share of customer property, the Trustee also needs to establish the denominator, or the amount of allowable net equity claims.

36. If the Trustee had determined all customer claims and his determinations were final either through the passage of time or judicial determination, the denominator would simply equal the aggregate amount of allowed claims. Because the Trustee seeks to make a Seventeenth Interim Distribution prior to a final determination of all customer claims and certain disputes are pending, the Trustee cannot use as a denominator equal to the amount of allowed claims as of this date. Doing so could result in an uneven distribution to customers, in violation of SIPA and the Bankruptcy Code, because there could be insufficient funds to distribute to claimants whose claims are allowed in the future. Instead, the Trustee must project as to the amount of all allowable net equity claims and establish sufficient reserves to ensure that all possibly eligible claimants receive a pro rata distribution, should their claims be allowed. In order to do so, he must maintain sufficient reserves.

37. Certain accountholders decided against filing a claim in this proceeding, even though they may have had allowable net equity claims. The statutory bar date to file claims was July 2, 2009. SIPA § 78fff-2(a)(3). Thus, a failure to file a claim by that date means that there is no distribution that can be made to these accounts. No reserves are maintained for these accounts.

38. Further, certain accountholders have entered into final settlements not contingent on the net equity dispute. No reserves are maintained for these accounts.

**IV. CALCULATION OF PRO RATA SHARE OF CUSTOMER FUND FOR
SEVENTEENTH ALLOCATION AND SEVENTEENTH INTERIM
DISTRIBUTION**

39. SIPA § 78fff-2(c)(1) establishes, in pertinent part, that a customer is to receive his ratable share from the fund of customer property. To the extent the customer's share has been fully satisfied through an advance of funds by SIPC, SIPC steps into the shoes of the customer as subrogee and receives that customer's share of customer property. In that manner, a customer does not receive a double recovery on his claim that was already fully satisfied by the SIPC advance.

40. As set forth above and in the Sehgal Affidavit, the Trustee proposes to allocate \$123,562,501.07 to the Customer Fund at this time and release \$87,862,839.75 for distribution.

41. Of the \$96,760,952.24 numerator, \$87,862,839.75 will be distributed as part of the Seventeenth Interim Distribution to allowed accounts and SIPC subrogation for allowed accounts in the amount of \$3,854,139.79 will be released to SIPC. For deemed determined accounts, \$4,867,296.96 will be reserved. (Sehgal Aff. ¶ 13).

42. The Denominator is \$20,594,057,324.62. (Sehgal Aff. ¶ 16). 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:

$$\frac{\$96,760,952.24}{\$20,594,057,324.62} = 0.469\%$$

43. Under this scenario, a total of 767 accounts will receive a distribution up to 0.469% of their net equity claims. (Sehgal Aff. ¶ 17). Of these 767 accounts (relating to 896 claims), eight additional accounts will become fully satisfied. Therefore, the total number of fully satisfied account holders will be 1,531 (all accounts with an allowed claim amount of up to \$1,780,000.00).

759 accounts will remain partially satisfied and will be entitled to participate in future distributions. (*Id.*).

44. An additional two accounts (relating to six claims) that are currently “deemed determined” could receive a distribution if and when the status of their claims moves from “deemed determined” to allowed. (*Id.* ¶ 18). Neither of the two accounts would be fully satisfied by the SIPC advance. The remaining two accounts would receive both a SIPC advance and a distribution in accordance with the Trustee’s Motion and the Seventeenth Allocation and Seventeenth Interim Distribution. (*Id.*). Neither of the remaining two accounts would be fully satisfied by the First through Seventeenth Interim Distributions. (*Id.*)

45. SIPC is entitled to receive repayment as to any given customer to the extent the customer’s claim was fully repaid by a combination of the SIPC advance and the Trustee’s distributions. *See In re Bell & Beckwith*, 104 B.R. 842, 852-55 (Bankr. N. D. Ohio 1989), *aff’d*, 937 F.2d 1104 (6th Cir. 1991). SIPC, as subrogee, is entitled to receive partial repayment of its cash advances to the Trustee pursuant to SIPA § 78fff-3(a)(1). To date, a total of \$261,453,379.41 in subrogation payments have been made to SIPC. Based on the “net loser” accounts that have been allowed and have returned a signed Partial Assignment and Release (PAR) through this Seventeenth Interim Distribution, SIPC’s subrogation claim is \$3,854,139.79. This amount will be released to SIPC.

46. Unless otherwise noted, the numbers contained herein are based on recoveries and claims allowed as of October 31, 2025. To the extent additional claims are allowed, the Trustee will distribute funds consistent with the formulas set forth in this Motion.

A. No Interim Distribution for General Estate Claims

47. Under SIPA § 78fff(e), funds from the general estate satisfy the administrative costs and expenses of a Debtor’s estate and a liquidation proceeding. To the extent the general estate is

insufficient, SIPC makes advances to the Trustee for the payment of such costs and expenses. SIPA § 78fff-3(b)(2). All administrative advances made by SIPC are recoverable from the general estate under section 507(a)(2) of the Bankruptcy Code. SIPA §§ 78eee(b)(5)(E), 78fff(e). The general estate is distributed in accordance with section 726 of the Bankruptcy Code, with section 507(a)(2) expenses receiving second priority. SIPA § 78fff(e).

48. As noted previously, the Trustee has received 428 timely and 22 untimely filed secured priority and unsecured non-priority general creditor claims totaling approximately \$1.7 billion. The claimants include vendors, taxing authorities, employees, and customers filing claims on non-customer proof of claim forms. Of these 450 claims, 95 are general creditor claims and 49 are broker-dealer claims which together total approximately \$265.4 million of the \$1.7 billion. Inasmuch as the Trustee proposes to allocate no assets to the General Estate, there are no funds in the General Estate from which to make a distribution to general creditors at this time. Accordingly, “[no] purpose would be served” by the examination of or the institution of actions seeking to disallow such claims. *See* 11 U.S.C. § 704(5). If the Trustee is able to fully satisfy the net equity claims of the BLMIS customers, any funds remaining will be allocated to the general estate and distributed in the order of priority established in Bankruptcy Code § 726 and SIPA § 78fff(e). All BLMIS customers who filed claims—whether their net equity customer claims were allowed or denied—may be deemed to be general creditors of the BLMIS estate. The Trustee is working diligently on behalf of all creditors and will seek to satisfy all creditor claims.

V. MISCELLANEOUS

A. Notice

49. 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.

B. Record Date

50. The Seventeenth Interim Distribution will be made to all record holders as of January 28, 2026.

VI. CONCLUSION

51. This Motion and the relief requested by the Trustee 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.

52. No prior application for the relief sought herein has been made to this or any other Court.

WHEREFORE, the Trustee respectfully requests that this Court enter an order
(a) approving (i) the proposed Seventeenth Allocation of Property to the Customer Fund and to
the General Estate and (ii) the proposed Seventeenth Interim Distribution of the Customer Fund;
and (b) granting such other and further relief as may be deemed just and proper.

Dated: December 11, 2025
New York, New York

Respectfully submitted,

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for the Substantively Consolidated SIPA
Liquidation of Bernard L. Madoff Investment
Securities LLC and the Chapter 7 Estate of
Bernard L. Madoff*

EXHIBIT A

Period Ended October 31, 2025

CASH RECEIPTS:

Report No. 203						
General Cash Receipts		Net Change for Period	Prior Period Cumulative	Total Received	Customer Fund	Cumulative Detail
Beginning Cash Balance		\$91,471,349.34				
Transfer from Debtor's Estate - Securities		0.00	289,841,911.70	289,841,911.70	289,841,911.70	
Transfers from Debtor's Estate - BNY Account		0.00	336,660,934.06	336,660,934.06	336,660,934.06	
Transfers from Debtor's Estate - Chase Account		0.00	235,156,309.36	235,156,309.36	235,156,309.36	
Transfers from Debtor's Estate - Other		0.00	4,036,145.08	4,036,145.08	4,036,145.08	
Interest and Dividends		0.00	1,843,180.59	1,843,180.59	1,843,180.59	
Closeout Proceeds - Broker Dealers		0.00	37,316,297.78	37,316,297.78	37,316,297.78	
Closeout Proceeds - NSCC		0.00	22,014,345.58	22,014,345.58	22,014,345.58	
Closeout Proceeds - DTCC		0.00	18,171,250.49	18,171,250.49	18,171,250.49	
Sale of Debtor's Assets		0.00	47.26	47.26	47.26	
- Sports Tickets		0.00	91,037.20	91,037.20	91,037.20	
- Bank Debt Participations		0.00	7,959,450.94	7,959,450.94	7,959,450.94	
- DTCC Shares		0.00	204,170.51	204,170.51	204,170.51	
- Market Making Business		0.00	1,419,801.63	1,419,801.63	1,419,801.63	
- Abtech		0.00	795,000.00	795,000.00	795,000.00	
- NSX Shares		0.00	100,734.60	100,734.60	100,734.60	
- BLM Air Charter		0.00	6,494,631.95	6,494,631.95	6,494,631.95	
- Auction Sales		0.00	644,579.15	644,579.15	644,579.15	
- Other		0.00	11,428.57	11,428.57	11,428.57	
Administrative Subtenant Rent Revenue		0.00	531,078.49	531,078.49	531,078.49	
Adjusting Administrative Subtenant Rent Revenue		0.00	(531,078.49)	-531,078.49	(531,078.49)	
Refunds - Deposits		0.00	9,841.45	9,841.45	9,841.45	
- Dues/Subscriptions		0.00	177,247.15	177,247.15	177,247.15	
- Car Registrations		0.00	157.00	157.00	157.00	
- Vendors		0.00	62,451.27	62,451.27	62,451.27	
- Transit Cards		0.00	833.61	833.61	833.61	
- Insurance/Workers Comp		0.00	442,311.56	442,311.56	442,311.56	
- Ref. - Political Contributions		0.00	144,500.00	144,500.00	144,500.00	
- Refunds Other		0.00	50.84	50.84	50.84	
Recoveries - Customer Avoidances		0.00	112,392,379.79	112,392,379.79	112,392,379.79	
- Pre-Litigation Settlements		0.00	1,903,783,597.98	1,903,783,597.98	1,903,783,597.98	
- Litigation Settlements		402,235.88	11,623,594,269.72	11,623,996,505.60	11,623,996,505.60	
- Donation Settlements		0.00	875,000.00	875,000.00	875,000.00	
- Vendor Preferences		0.00	809,850.39	809,850.39	809,850.39	
- MSIL Liquidation		0.00	1,034,311.82	1,034,311.82	1,034,311.82	
- Employees		0.00	10,674.74	10,674.74	10,674.74	
- Taxing Authorities		0.00	12,777.56	12,777.56	12,777.56	
- Class Actions		0.00	2,747,542.17	2,747,542.17	2,747,542.17	
- NASDAQ		0.00	308,948.49	308,948.49	308,948.49	
- NYSE		0.00	183,683.79	183,683.79	183,683.79	
- Transaction Fees		0.00	96,816.23	96,816.23	96,816.23	
- Other		0.00	806,530.35	806,530.35	806,530.35	
Miscellaneous		0.00	0.36	0.36	0.36	
Earnings on Trustee's Investments		2,089,087.99	168,491,112.67	170,580,200.66	170,580,200.66	
Interest on Trustee's Savings Accounts		1,388,339.71	50,348,268.98	51,736,608.69	51,736,608.69	
Sub-total SIPC Advances		\$3,879,663.58	\$14,829,094,414.37	\$14,832,974,077.95	\$14,832,974,077.95	
Administration - Advances		36,932,039.25	2,697,838,639.25	2,734,770,678.50	2,734,770,678.50	
Securities - Paid Bank Loans		0.00	0.00	0.00	0.00	
- Cash in Lieu *See Note (4) on Page 3		0.00	850,473,412.47	850,473,412.47	850,473,412.47	
Funds Transferred from Investment Accounts *See Note (2) on Page 3		\$36,932,039.25	\$3,548,312,051.72	\$3,585,244,090.97	\$3,585,244,090.97	
Total Cash Receipts		\$40,811,702.83	\$31,109,847,910.00	\$31,150,659,612.83	\$14,832,974,077.95	\$0.00
						\$3,585,244,090.97

Period Ended October 31, 2025

Report No. 203

CASH DISBURSEMENTS:

Administrative Disbursements	Net Change for Period	Prior Period Cumulative	Cumulative Total Paid	Code
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	9,600.00	9,600.00	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
Insurance - Other	0.00	91,508.44	91,508.44	5039
Fees - Payroll Processing	0.00	8,195.96	8,195.96	5045
Fees - Escrow	0.00	1,221,698.85	1,221,698.85	5046
- Other	0.00	24,168.64	24,168.64	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	67,612.53	3,494,492.73	3,562,105.26	5052
- Bulova	0.00	310,130.75	310,130.75	5053
- Other	0.00	69,725.61	69,725.61	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	670,057.02	670,057.02	5061
Utilities - Electricity	459.77	72,382.82	72,842.59	5070
Office Supplies & Expense - Maint. & Repairs	0.00	79,815.73	79,815.73	5080
- Moving & Storage	4,083.59	656,637.68	660,721.27	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	3,679.80	3,679.80	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	5,189,846.75	5,189,846.75	5110
Foreign Research	0.00	38,975.00	38,975.00	5112
Miscellaneous	0.00	666.91	666.91	5115
Hosting Expense	675,113.20	88,785,645.29	89,460,758.49	5244
Sub-total General Admin. Disbursements	\$747,269.09	\$116,207,497.27	\$116,954,766.36	
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)	6,873,767.35	1,778,422,895.34	1,785,296,662.69	5210
Trustee Counsel Expenses (Baker)	0.00	24,829,858.83	24,829,858.83	5211
Trustee Counsel Fees (Windels)	0.00	120,316,836.31	120,316,836.31	5212
Trustee Counsel Expenses (Windels)	0.00	890,512.76	890,512.76	5213
Special Counsel Fees	0.00	118,551,325.85	118,551,325.85	5220
Special Counsel Expenses	0.00	16,758,670.32	16,758,670.32	5221
Accountant Fees	0.00	0.00	0.00	5230
Accountant Expenses	0.00	0.00	0.00	5231
Consultant Fees	268,070.97	515,501,587.80	515,769,658.77	5240
Consultant Expenses *See Note (1) Below	1,100.00	21,457,519.39	21,458,619.39	5241
Investment Banker Fees	0.00	1,050,000.00	1,050,000.00	5242
Sales Tax	0.00	1,885,425.07	1,885,425.07	5243
Mediator Fees	(4,216.88)	5,977,740.82	5,973,523.94	5245
Mediator Expenses	0.00	26,746.28	26,746.28	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	\$7,138,721.44	\$2,610,686,779.20	\$2,617,825,500.64	
Total Administrative Disbursements	\$7,885,990.53	\$2,726,894,276.47	\$2,734,780,267.00	

Period Ended October 31, 2025

Report No. 203

<u>CASH DISBURSEMENTS:</u>		Net Change for Period	Prior Period Cumulative	Total Paid	Cumulative Totals			Code
<u>Claim Related Disbursements</u>					Customer Fund	General Estate	SIPC	
Customer - Paid Bank Loan								6021
- Securities - Cash in Lieu *See Note (4) below		0.00	14,579,904,533.82	14,579,904,533.82	13,729,931,121.35			849,973,412.47
- Securities - Purchases								6022
- Indemnification								6023
- Cash Balance								6031
Customer -								6041
Customer -								6050
Customer - Trustee Journal Entry								6060
per Allocation								6000
Other - Contractual Commitments								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		\$0.00	\$14,579,904,533.82	\$14,579,904,533.82	\$13,729,931,121.35	\$0.00		\$849,973,412.47
<u>Other Disbursements (except investments)</u>								
SIPC - Refunds - Recoupment								6301
- Indemnification								6310
- Contr. Commitments								6311
- Paid Bank Loan								6321
- Subrogation		0.00	261,453,379.41	261,453,379.41	261,453,379.41			6322
Other -								6400
Other -								6401
Other -								6402
Other -								6403
Other -								6404
Sub-total Other Disbursements		\$0.00	\$261,453,379.41	\$261,453,379.41	\$261,453,379.41	\$0.00		\$0.00
Investments by Trustee - Purchases *See Note (2) Below		\$3,477,427.70	\$13,450,124,370.96	\$13,453,601,798.66				1900
Sub-total Administrative Disb. - page 2		\$7,885,990.53	\$2,726,894,276.47	\$2,734,780,267.00	\$0.00	\$0.00		\$2,734,780,267.00
Total Disbursements		\$11,363,418.23	\$31,018,376,560.66	\$31,029,739,978.89	\$13,991,384,500.76	\$0.00		\$3,584,753,679.47
Total Receipts less Disbursements		\$29,448,284.60	\$91,471,349.34	\$120,919,633.94	\$841,589,577.19	\$0.00		\$490,411.50
Ending Cash Balance *See Note (3) Below								

* Note (2) Two preferred custody accounts and an insured money market account have been established at Citibank for investment purposes and additional investment accounts are maintained at JP Morgan Chase and Goldman Sachs. The Goldman Sachs Account was established in December 2016 in connection with the Chais Settlement. A Broker's account, which was previously established at Morgan Joseph, was closed in January 2012. Since January 20, 2009, \$13,453,601,798.66 of recovered funds have been transferred into these investment accounts and \$12,732,441,443.91 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 \$119,633,411.32 balance in the Citibank Business Checking Account and \$1,286,222.62 in the Citibank Distribution Account.

* Note (4) The difference between Customer Claim payments of \$849,973,412.47 and SIPC Advances of \$850,473,412.47 is the result of timing differences between the date the claim was paid and the date the advance was requested.

Period Ended October 31, 2025

Report No. 203

SUMMARY INFORMATION ON STATUS OF LIQUIDATION

	Customer Claimants	Broker/Dealer Claimants	General Estate Claimants
Claims received	<u><u>16,521</u></u>	<u><u>49</u></u>	<u><u>95</u></u>
Claims satisfied by distribution of cash and/or securities:			
a. As part of the transfer in bulk	1,759		
b. On an account by account basis-Fully Satisfied	896		
c. On an account by account basis-Partially Satisfied	<u><u>2,655</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Claims Determined - no claims	12		
Claims Deemed Determined - pending litigation	6		
Claims Determined - withdrawn	420		
Claims Determined but not yet satisfied	1		
Claims under review	-	49	95
Claims Denied:			
a. Other Denials for which no objections were filed	10,338		
b. Denials for which objections were filed:			
- Trustee's Determinations Affirmed	3,081		
- Hearing not yet set	8		
- Set for Hearing	<u><u>13,866</u></u>	<u><u>49</u></u>	<u><u>95</u></u>

Filing Date Value

Customer name securities distributed	
Customer fund securities distributed	\$ <u><u> </u></u>

Inver H. Picard / by Denis O'Connor
(Trustee's Signature)

11/17/2025

William C Kingsford
(Accountant's Signature)

11/17/2025
(Date)

Period Ended October 31, 2025

Report No. 203

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

	Citibank Preferred Custody Account				Citibank		
	Cash Assets/Mutual Funds (6)	U.S. Treasury Bills (5)	Accrued Interest (5)	Account Balance	IMMA Account	Certificate of Deposits	Total Citibank
Balance September 30, 2025	13,554	193,968,187	44	193,981,785	2,543,856	112,602,351	309,127,992
Maturing of U.S. Treasury Bills	129,366,102	(129,366,102)		-			-
Purchase of U.S. Treasury Bills	(129,449,587)	129,449,587		-			-
Purchase of Certificate of Deposit				-			-
Realized Gains (Losses)				-			-
Unrealized Gain or (Loss)		629,382		629,382			629,382
Interest and Dividends Earned							
Interest	70,942		154	71,096	1,485	394,684	467,265
Dividends				-			
Transfer of Funds from the Citibank Operations Account							-
Balance October 31, 2025	1,011	194,681,054	198	194,682,263	2,545,341	112,997,035	310,224,639
JP Morgan Chase				Goldman Sachs			
Cash Assets (6)	Savings/Commercial (6)	U.S. Treasury Bills (5)	Account Balance	Cash Assets/Mutual Funds (6)	Alternative Investments (6)	Account Balance	
Balance September 30, 2025	-	409,914,222	-	409,914,222	159,998	89,566	249,564
Maturing of U.S. Treasury Bills				-			-
Purchase of U.S. Treasury Bills				-			-
Annual Bank Fee							-
Distributions Received							-
Proceeds of Tender Offer for Securities							-
Unrealized Gain or (Loss)				-	225	225	
Interest and Dividends Earned	62	1,386,855		1,386,917	533		533
Transfer to the JPM Savings/Commercial Account	(62)	62		-			-
Balance October 31, 2025	-	411,301,139	-	411,301,139	160,531	89,791	250,322

* Note (5) The summation of U.S. Treasury Bills is \$194,681,252.

* Note (6) The summation of these short-term investments, money market funds, savings accounts, certificate of deposit, mutual fund accounts and other investments, including alternative investments is \$527,094,848.

Period Ended October 31, 2025

Report No. 203

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

	Net Change for Period	Prior Period Cumulative	Cumulative Total Paid
Postage / Handling / Preparation	0.00	550,804.91	550,804.91
Printing	0.00	44,945.40	44,945.40
Reproduction Costs	0.00	762,418.30	762,418.30
Supplies	0.00	102,509.45	102,509.45
Total *See Note Below	<u>\$0.00</u>	<u>\$1,460,678.06</u>	<u>\$1,460,678.06</u>

Page 6

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

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Seanna R. Brown
Heather R. Wlodek

Hearing Date: January 28, 2026
Hearing Time: 10:00 a.m. (EST)
Objection Deadline: January 15, 2026

*Attorneys for Irving H. Picard, Trustee
for the Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities LLC
and the Chapter 7 Estate of 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.

In re:

BERNARD L. MADOFF,

Debtor.

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

SIPA Liquidation

(Substantively Consolidated)

**NOTICE OF MOTION FOR AN ORDER APPROVING SEVENTEENTH
ALLOCATION OF PROPERTY TO THE FUND OF CUSTOMER PROPERTY AND
AUTHORIZING SEVENTEENTH INTERIM DISTRIBUTION TO CUSTOMERS**

PLEASE TAKE NOTICE that 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 Chapter 7 estate of Bernard L. Madoff (“Madoff”) (collectively, “Debtor”), will move (the “Motion”) before the Honorable Lisa G. Beckerman, United States Bankruptcy Judge,

at the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004, on **January 28, 2026 at 10:00 a.m.**, or as soon thereafter as counsel may be heard, seeking entry of an order (1) approving the seventeenth allocation of property (“Seventeenth Allocation”) to the fund of customer property (“Customer Fund”); and (2) authorizing a seventeenth pro rata interim distribution (“Seventeenth Interim Distribution”) to customers whose claims for customer protection under SIPA have been allowed for amounts exceeding the SIPC statutory advance limits and not already satisfied by the interim pro rata interim distributions to date. A proposed order is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that pursuant to the Court’s directive, all hearings will be conducted remotely pending further Order of the Court. All parties who wish to participate in the Hearing must refer to Judge Beckerman’s guidelines for remote appearances and are required to make arrangements to appear via ZoomGov. For further details on ZoomGov, please call the Courtroom Deputy at (845) 451-6367. Further instructions regarding remote appearances via ZoomGov can be found on the Court’s website at <https://www.nysb.uscourts.gov/zoom-video-hearing-guide>. Pro se parties may participate telephonically in hearings free of charge.

PLEASE TAKE FURTHER NOTICE that written objections to the Motion must be filed with the Clerk of the United States Bankruptcy Court, One Bowling Green, New York, New York 10004 by no later than **4:00 p.m. on January 15, 2026** (with a courtesy copy delivered to the Chambers of the Honorable Lisa G. Beckerman) and must be served upon (a) Baker & Hostetler LLP, counsel for the Trustee, 45 Rockefeller Plaza, New York, New York 10111, Attn: David J. Sheehan, Esq., and (b) the Securities Investor Protection Corporation, 1667 K St. N.W., Suite 1000, Washington, DC 20006, Attn: Kevin H. Bell, Esq. Any objections

must specifically state the interest that the objecting party has in these proceedings and the specific basis of any objection to the Motion.

Dated: December 11, 2025
New York, New York

Respectfully submitted,

/s/ David J. Sheehan
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Tel: (212) 589-4200
Fax: (212) 589-4201
David J. Sheehan
Email: dsheehan@bakerlaw.com
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Email: sbrown@bakerlaw.com
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Email: hwlodek@bakerlaw.com

*Attorneys for Irving H. Picard, Trustee
for the Substantively Consolidated SIPA
Liquidation of Bernard L. Madoff Investment
Securities LLC and the Chapter 7 Estate of
Bernard L. Madoff*

EXHIBIT A

**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 (LGB)

SIPA Liquidation

(Substantively Consolidated)

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

Upon consideration of the motion (the “Motion”)¹, dated December 11, 2025, filed by Irving H. Picard, as trustee (“Trustee”) for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.*, and the substantively consolidated estate of Bernard L. Madoff (collectively, “Debtor”), for an Order Approving the Trustee’s Seventeenth Allocation of Property to the Fund of Customer Property and Authorizing Seventeenth Interim Distribution to Customers (ECF No. __), and the Affidavit of Vineet Sehgal, executed December 11, 2025 (ECF No. __), and it appearing that due and proper notice of the Motion and the relief requested therein having been given, and no other or further notice needing to be given; and the Court having reviewed the Motion and the Court having considered the Affidavit of Vineet Sehgal in support of the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the

relief granted herein; and it further appearing the relief sought in the Motion is appropriate based upon the Certificate of No Objection filed in this case on January __, 2026; 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 all holders of current and future allowed customer claims for amounts still due to them are eligible to receive a distribution consistent with the relief granted herein; and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

DATED: _____
NEW YORK, NEW YORK

HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE

¹ All capitalized terms not defined herein shall have the meaning ascribed in the Motion.