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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 Chapter 7 Estate of Bernard L. Madoff

Hearing Date: June 24, 2026
Hearing Time: 10:00 a.m.
Objections Due: June 17, 2026

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant.	Adv. Pro. No. 08-01789 (LGB) SIPA Liquidation (Substantively Consolidated)
In re: BERNARD L. MADOFF, Debtor.	
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, Plaintiff, v. MERITZ FIRE & MARINE INSURANCE CO., LTD., Defendant.	Adv. Pro. No. 11-02539 (LGB)

MOTION FOR ENTRY OF ORDER PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING SETTLEMENT AGREEMENT BY AND BETWEEN THE TRUSTEE AND DEFENDANT

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

Irving H. Picard (the "Trustee"), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS") under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-lll ("SIPA")[1] and the substantively consolidated chapter 7 estate of Bernard L. Madoff, by and through his undersigned counsel, submits this motion (the "Motion") seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving a settlement, the terms and conditions of which are set forth in an agreement (the "Settlement Agreement")[2] by and between the Trustee, on the one hand, and Meritz Fire & Marine Insurance Co., Ltd. ("Defendant"), on the other hand. The Trustee and Defendant collectively shall be referred to herein as the "Parties."

In support of the Motion, the Trustee respectfully represents as follows:

PRELIMINARY STATEMENT

The Settlement Agreement resolves this action, in which the Trustee seeks to recover $21,855,898 in alleged customer property (the "Subsequent Transfers") that Defendant allegedly received from BLMIS through Fairfield Sentry Limited. The Trustee's settlement with Defendant provides for a $5.5 million payment to the Trustee and represents a complete, good faith settlement of the Trustee's claims in this adversary proceeding for the benefit of the customer property fund. The Trustee respectfully requests that the Court enter an order approving the Settlement Agreement, substantially in the form of the proposed Order attached as Exhibit B.

[1] Further citations to SIPA will omit "15 U.S.C." and refer only to the relevant sections of SIPA.

[2] The Settlement Agreement is attached hereto as Exhibit "A."

<u>THE TRUSTEE'S CLAIMS AND STATUS OF THE ACTION</u>

On August 18, 2011, the Trustee commenced this adversary proceeding (the "Action") by filing a complaint in an action captioned *Picard v. Meritz Fire & Marine Insurance Co., Ltd.*, Adv. Pro. No. 11-02539 (LGB), to recover from Defendant alleged subsequent transfers from BLMIS through Fairfield Sentry Limited. ECF No. 1.

On April 11, 2022, Defendant filed a motion to dismiss the Trustee's complaint under Federal Rule of Civil Procedure 12(b)(6). ECF Nos. 119-122. Following full briefing, with the Parties agreeing to waive oral argument, the Court entered a decision and order denying Defendant's Motion. ECF Nos. 135-136.

Defendant filed its answer to the complaint on November 1, 2022. ECF No. 138.

The Parties subsequently commenced discovery, entering into a Case Management Plan on February 15, 2023. ECF No. 140. Since that time, the Parties have exchanged written discovery and document productions and amended the Case Management Plan on two occasions. ECF Nos. 158, 163. The Parties were recently preparing to engage in depositions, however, they agreed to a mediation that culminated in the Settlement Agreement.

<u>OVERVIEW OF THE SETTLEMENT AGREEMENT</u>

In light of the delay, expense, and uncertainties associated with litigation, the Parties desire to settle the Trustee's claims. The Settlement Agreement should be reviewed for a complete account of its terms. The principal terms, however, are summarized as follows:[3]

- Within 10 business days after the effective date of the Settlement Agreement, Defendant shall pay or cause to be paid to the Trustee $5,500,000.00 (the "Settlement Payment") in

[3] This summary is provided for purposes of convenience. To the extent any of the terms described herein are inconsistent or conflict with the Settlement Agreement, the Settlement Agreement shall control in all respects.

final satisfaction of the Trustee's claims against it as set forth in the Settlement Agreement;

- The Trustee will release, acquit, and absolutely discharge Defendant and its affiliates as set forth in the Settlement Agreement;
- Defendant will release, acquit, and absolutely discharge the Trustee and his agents and BLMIS and its consolidated estate as set forth in the Settlement Agreement; and
- The Parties shall submit for entry by the Court of a stipulation and order dismissing the Action with prejudice and without costs to any party as set forth in the Settlement Agreement.

LEGAL BASIS

Bankruptcy Rule 9019 provides, in pertinent part, that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." To approve a settlement under Rule 9019(a), a bankruptcy court should find that the proposed settlement is fair and equitable, reasonable, and in the best interest of a debtor's estate. *In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 426 (S.D.N.Y. 1993), aff'd, 17 F.3d 600 (2d Cir. 1994) (citing *Protective Comm. For Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)).

The bankruptcy court, in determining whether to approve a settlement, should not decide the numerous questions of law and fact raised by the settlement, but rather should "canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness." *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983) (cleaned up); *see also Masonic Hall & Asylum Fund v. Official Comm. of Unsecured Creditors (In re Refco, Inc.)*, No. 05-60006 (RMB), 2006 WL 3409088, at *7 (S.D.N.Y. Nov. 16, 2006), *aff'd*, 505 F.3d 109 (2d

Cir. 2007); *In re Ionosphere Clubs*, 156 B.R. at 426. "[T]he court need not conduct a 'mini-trial' to determine the merits of the underlying litigation." *In re Purified Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993).

In deciding whether a settlement falls within the "range of reasonableness," the bankruptcy court considers the following factors: (i) the probability of success in the litigation; (ii) the difficulties associated with collection; (iii) the complexity of the litigation, and the attendant expense, inconvenience, and delay; and (iv) the paramount interests of the creditors (or in this case, BLMIS's defrauded customers). *In re Refco, Inc.*, 2006 WL 3409088, at *7; *Nellis v. Shugrue*, 165 B.R. 115, 122 (S.D.N.Y. 1994) (citing *In re Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285, 292 (2d Cir. 1992), *cert. denied*, 506 U.S. 1088 (1993)).

The bankruptcy court may consider and credit the opinions of the trustee of the debtor and his or her counsel in determining whether a settlement is fair and equitable. *See In re Purified Down Prods.*, 150 B.R. at 522; *In re Drexel Burnham Lambert Grp.*, 134 B.R. at 505. Even though the bankruptcy court has discretion to approve settlements and must independently evaluate the reasonableness of the settlement, *In re Rosenberg*, 419 B.R. 532, 536 (Bankr. E.D.N.Y. 2009), the court should consider the business judgment of the trustee and his counsel in determining whether a settlement is fair and equitable. *In re Chemtura Corp.*, 439 B.R. 561, 594 (Bankr. S.D.N.Y. 2010). The court may also consider the competency and experience of counsel supporting the settlement. *Nellis*, 165 B.R. at 122. Finally, the court should be mindful of the principle that "the law favors compromise." *In re Drexel Burnham Lambert Grp.*, 134 B.R. at 505 (quoting *In re Blair*, 538 F.2d 849, 851 (9th Cir. 1976)).

The settlement with Defendant is fair and equitable, reasonable, and in the best interest of the BLMIS estate. While the Trustee believes he would ultimately prevail, continuing to prosecute the Action poses significant litigation risks and costs, the latter of which would be substantial in a case where remaining discovery, including depositions of fact witnesses and expert discovery would be extensive. By contrast, the settlement with Defendant brings substantial benefits to the BLMIS estate without further expense or risk. It would immediately augment the customer property fund via the Settlement Payment and may encourage settlement discussions with other defendants from whom the Trustee is seeking to recover BLMIS subsequent transfers. Accordingly, in an exercise of his business judgment, the Trustee believes the Settlement Agreement represents a fair and reasonable compromise and settlement of the Trustee's claims against Defendant. *See* Declaration of the Trustee in Support of the Motion, a true and accurate copy of which is attached as Exhibit C.

CONCLUSION

Because the Settlement Agreement is well within the "range of reasonableness" and confers an immediate benefit on the BLMIS estate and the victims of the Madoff Ponzi scheme, the Trustee respectfully requests that the Court enter the proposed Order approving the Settlement Agreement.

NOTICE

In accordance with Federal Rules of Bankruptcy 2002 and 9019, notice of this motion has been given to: (i) the Securities Investor Protection Corporation; (ii) the U.S. Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; and (v) Defendant's counsel at Sheppard, Mullin, Richter & Hampton LLP. Notice of this motion will also be provided via email and/or U.S. Mail to all persons who have filed notices of appearance in the BLMIS liquidation proceeding pursuant to the Order Establishing Notice Procedures and Limiting Notice, Adv. Pro. No. 08-01789 (LGB), ECF No. 4560. The Trustee submits that no other or further notice is required.

WHEREFORE, the Trustee respectfully requests that the Court enter an order substantially in the form of the proposed Order attached as Exhibit B approving the Settlement Agreement.

Date: June 1, 2026
New York, New York

Respectfully submitted

BAKER & HOSTETLER LLP

By: */s/ Eric R. Fish*

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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 Chapter 7 Estate of Bernard L. Madoff

Hearing Date: June 24, 2026
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant.	Adv. Pro. No. 08-01789 (LGB) SIPA Liquidation (Substantively Consolidated)
In re: BERNARD L. MADOFF, Debtor.	
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, Plaintiff, v. MERITZ FIRE & MARINE INSURANCE CO., LTD., Defendant.	Adv. Pro. No. 11-02539 (LGB)

NOTICE OF MOTION FOR ENTRY OF ORDER
APPROVING SETTLEMENT AGREEMENT
BY AND BETWEEN THE TRUSTEE AND DEFENDANT

PLEASE TAKE NOTICE that Irving H. Picard (the "Trustee"), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa–*lll* ("SIPA"), and the substantively consolidated chapter 7 estate of Bernard L. Madoff, by and through his undersigned counsel, will move before the Honorable Lisa G. Beckerman, United States Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New York 10004, on **June 24, 2026, at 10:00 a.m.**, or as soon thereafter as counsel may be heard, seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving the settlement, the terms of which are set forth in the Settlement Agreement by and between the Trustee and Meritz Fire & Marine Insurance Co., Ltd., as more particularly set forth in the motion annexed hereto (the "Motion").

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 the Procedures for All Hearings Before Beckerman Being Held by Zoom Video 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 if you object to the relief requested in the Motion you are required to file a written objection ("Objection") with the Clerk of the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004 by no later than **June 17, 2026** (the "Objection Deadline"). The Objection 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 Street, NW, Suite 1000, Washington, DC 20006, Attn: Kevin H. Bell, Esq. and Nathanael Kelley, Esq. Any Objection must specifically state the interest that the objecting party has in these proceedings and the basis of the Objection to the Motion.

PLEASE TAKE FURTHER NOTICE that if no Objections are timely served with respect to the Motion, the Trustee may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed hereto, which may be entered without further notice or an opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that you need not appear at the hearing if you do not object to the relief requested in the Motion.

Date: June 1, 2026
New York, New York

Respectfully submitted

BAKER & HOSTETLER LLP

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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 Chapter 7 Estate of Bernard L. Madoff

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (this "Agreement") is entered into as of June 1, 2026, between Irving H. Picard, in his capacity as the trustee (the "Trustee") for the liquidation proceeding (the "SIPA Proceeding") under the Securities Investor Protection Act ("SIPA"), 15 U.S.C. §§ 78aaa—*lll,* of Bernard L. Madoff Investment Securities LLC ("BLMIS") and the substantively consolidated chapter 7 estate of Bernard L. Madoff ("Madoff") pending before the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and defendant Meritz Fire & Marine Insurance Co., Ltd. ("Defendant"). The Trustee and Defendant shall together be referred to herein as the "Parties" and each, individually, as a "Party."

RECITALS

WHEREAS, on August 18, 2011, the Trustee commenced an adversary proceeding by filing a complaint (the "Complaint") in the Bankruptcy Court against Defendant in an action now captioned *Picard v. Meritz Fire & Marine Insurance Co., Ltd.*, Adv. Pro. No. 11-02539 (LGB) (the "Adversary Proceeding"), to recover alleged subsequent transfers from BLMIS under the Bankruptcy Code, the New York Debtor and Creditor Law, and other applicable laws;

WHEREAS, the Trustee alleged in the Complaint that Defendant received subsequent transfers of customer property (as defined in SIPA section 78*lll*(4)) in the amount of $21,855,898 (the "Subsequent Transfers") from BLMIS through Fairfield Sentry Limited ("Fairfield Sentry");

WHEREAS, the Foreign Representatives for and Joint Liquidators of Fairfield Sentry and the other Fairfield funds (collectively, the "Joint Liquidators") also have asserted claims against Defendant and related entities in another proceeding before the Bankruptcy Court to recover alleged transfers received by Defendant from Fairfield Sentry, *see Fairfield Sentry Ltd. (In*

Liquidation) et al. v. Meritz Fire & Marine Insurance Company Ltd., et al., Adv. Pro. No. 10-03507 (JPM) (the "Fairfield Action");

WHEREAS, Defendant denies the all of the allegations in the Adversary Proceeding and the Fairfield Action; and

WHEREAS, to avoid the time, expense, and risk of litigation, the Parties wish to compromise and resolve their disputes on the terms set forth herein, without admission of liability, any alleged wrongdoing, or any issue of fact or law.

NOW THEREFORE, for the good and valuable consideration set forth herein, the adequacy and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

1. Recitals.

The foregoing Recitals are incorporated into, and are a material part of, this Agreement.

2. Settlement Payment and Dismissal of the Adversary Proceeding.

(a) Within ten (10) business days of full execution by the Parties of this Agreement, the Trustee shall file a motion under Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Rule 9019 Motion") in the Adversary Proceeding seeking entry of an order from the Bankruptcy Court approving this Agreement (the "Settlement Order"). The Rule 9019 Motion shall be filed to provide at least 21 days' notice prior to the return date of the Rule 9019 Motion, and the Rule 9019 Motion also shall provide that, unless otherwise directed by the Bankruptcy Court, any objections thereto must be timely filed in compliance with the applicable Federal Rules of Bankruptcy Procedure.

(b) This Agreement shall become effective only when both of the following have been satisfied: ten (10) days after the Settlement Order becomes a final, non-appealable order; and (ii) the Joint Liquidators and Defendant have fully executed a settlement agreement and release in connection with the Fairfield Action that the Joint Liquidators have represented to Defendants either the Eastern Caribbean Supreme Court (High Court) has approved the Liquidators' Agreement or that such approval is not required (the "Effective Date").

(c) Within ten (10) business days after the Effective Date, Defendant shall, in consideration of the releases by the Trustee in Section 3(a) of this Agreement and the Joint Liquidators by separate agreement, pay or cause to be paid to the Trustee the sum of Five Million Five Hundred Thousand United States Dollars ($5,500,000.00) (the "Settlement Payment") by wire transfer using the instructions set forth in Schedule 1 to this Agreement. Satisfaction of the Trustee's obligations hereunder shall be conditioned on the receipt of the Settlement Payment by the Trustee.

(d) Within five (5) business days after the Trustee's written confirmation of receipt of the Settlement Payment to counsel for Defendant, counsel for the Trustee and Defendant shall execute, and the Trustee shall submit for entry to the Bankruptcy Court, a stipulation dismissing the Adversary Proceeding with prejudice and without costs to any Party, substantially in the form attached hereto as Exhibit 1.

3. Releases.

(a) In consideration for the covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged for purposes of this settlement only, immediately upon the occurrence of the Effective Date, the Trustee, on behalf of BLMIS, the Madoff estate, and the consolidated BLMIS/Madoff estate, hereby releases and forever discharges Defendant, its respective affiliates (as defined in 17 C.F.R. § 230.405), and its respective direct or indirect, past or present officers, trustees, directors, principals, managers, members, related entities, stockholders, parents, subsidiaries, beneficiaries, investors, representatives, employees, staff, consultants, attorneys, professional advisors, agents, heirs, predecessors, successors, and assigns (collectively the

"Releasees"), from any and all past, present, or future claims or causes of action (including any suit, petition, demand, or other claim in law, equity or arbitration) and from any and all allegations of liability or damages (including any allegation of duties, debts, reckonings, contracts, controversies, agreements, promises, damages, responsibilities, covenants, or accounts) of whatever kind, nature or description, direct or indirect, in law, equity or arbitration, absolute or contingent, liquidated or unliquidated, matured or unmatured, disputed or undisputed, secured or unsecured, foreseen or unforeseen, suspected or unsuspected, whether or not accrued, regardless of any state or federal law to the contrary, in tort, contract, statutory liability or otherwise, based on strict liability, negligence, gross negligence, fraud, breach of fiduciary duty or otherwise (including attorneys' fees, costs, or disbursements) known or unknown (including Unknown Claims, as defined in Section 4 herein), that are, have been, could have been, or might in the future be, asserted by the Trustee on behalf of BLMIS, the Madoff estate, and/or the consolidated BLMIS/Madoff estate, against the Releasees based on, arising out of, or relating in any way to BLMIS, the Madoff estate, and/or the consolidated BLMIS/Madoff estate, the Subsequent Transfers, the Adversary Proceeding, any allegation made in the Complaint, any investment made by Defendant and/or its affiliates with Fairfield Sentry, or any of its affiliates, or any other transfers made from Fairfield Sentry, or any of its affiliates, to Defendant and/or Defendant's affiliates (the "Trustee's Released Claims"). Notwithstanding the foregoing, the Trustee's Released Claims shall in no way be construed to include or apply to any other defendant or its affiliates in any other adversary proceeding currently pending in the SIPA Proceeding, *In re Bernard L. Madoff Investment Securities LLC*, Case No. 08-01789 (LGB). The Trustee acknowledges and agrees that Defendant is entering into this Agreement based on the releases provided herein and the full enforceability of the same, and that Defendant would not have entered into this Agreement without the releases provided herein.

(b) In consideration for the covenants and agreements in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Defendant, on behalf of itself and its executors, administrators and assigns, hereby releases and forever discharges: (i) the Trustee; (ii) the Trustee's attorneys, professionals, agents and consultants; and (iii) BLMIS and its consolidated estate from any and all past, present, or future claims or causes of action (including any suit, petition, demand, or other claim in law, equity, or arbitration) and from any and all allegations of liability or damages (including any allegation of duties, debts, reckonings, contracts, controversies, agreements, promises, damages, responsibilities, covenants, or accounts) of whatever kind, nature or description, direct or indirect, in law, equity or arbitration, absolute or contingent, in tort, contract, statutory liability, or otherwise, based on strict liability, negligence, gross negligence, fraud, breach of fiduciary duty, or otherwise (including attorneys' fees, costs, or disbursements) known or unknown (including Unknown Claims, as defined in Section 4 herein), that are, have been, could have been, or might in the future be, asserted by Defendant against the Trustee based on, arising out of, or relating in any way to BLMIS, the Madoff estate, and/or the consolidated BLMIS/Madoff estate, the Adversary Proceeding, any investment made by Defendant and/or its affiliates with Fairfield Sentry, or any of its affiliates., the Subsequent Transfers, or any other transfers made from Fairfield Sentry, or any of its affiliates P. to Defendant and/or Defendant's affiliates.

4. Unknown Claims.

"Unknown Claims" shall mean any claim released under Section 3 of this Agreement (the "Released Claims") that a Party does not know of or suspect to exist as of the Effective Date of this Agreement. With respect to any and all Released Claims, the Parties hereby expressly waive the provisions, rights, and benefits of California Civil Code section 1542 (to the extent it applies herein), which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties also hereby waive any and all provisions, rights, and benefits conferred by any law of any domestic or foreign jurisdiction that would have the effect of limiting the application of the terms of the releases set forth herein at Section 3 of this Agreement.

5. No Admissions.

In connection with this Agreement, Defendant does not admit or concede, and expressly denies, any liability or wrongdoing and further expressly denies the factual basis and legal validity of the claims and allegations in the Adversary Proceeding and the Fairfield Action.

6. General Representations and Warranties.

(a) The Trustee represents and warrants that, as of the date hereof: (i) he has the full power, authority, and legal right to execute and deliver this Agreement and to perform his obligations hereunder; (ii) this Agreement has been duly authorized, executed, and delivered by the Trustee and constitutes the valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms; (iii) the Trustee has executed this Agreement with the full knowledge of any and all rights that the Trustee may have with respect to the controversies herein compromised, and the Trustee has received independent legal advice from his counsel with regard to the facts relating to said controversies and with respect to the rights arising out of said facts; and (iv) no other person or entity, other than those specifically identified herein, has any interest in the matters that the Trustee releases herein, and the Trustee has not assigned or transferred or purported to assign or transfer to any such third person or party all or any portion of the matters that the Trustee releases herein.

(b) Defendant represents and warrants that, as of the date hereof: (i) Defendant has the full power, authority, and legal right to execute and deliver this Agreement and to perform its obligations hereunder; (ii) this Agreement has been duly authorized, executed, and delivered by Defendant and constitutes the valid and binding agreement, enforceable against Defendant in accordance with its terms; (iii) Defendant has executed this Agreement with the full knowledge of any and all rights that Defendant may have with respect to the controversies herein compromised, and Defendant has received independent legal advice from its counsel with regard to the facts relating to said controversies and with respect to the rights arising out of said facts; and (iv) no other person or entity, other than those identified herein, has any interest in the matters that Defendant releases herein, and Defendant has not assigned or transferred or purported to assign or transfer to any such third person or party all or any portion of the matters that Defendant releases herein.

(c) Defendant further represents and warrants, to the best of its knowledge, information and belief, that other than the Subsequent Transfers and any transfers included in Defendant's separate settlement agreement and release with the Joint Liquidators, neither it nor its affiliates have received, either directly or indirectly, any other money allegedly from BLMIS or Madoff.

7. Further Assurances.

Each Party shall execute and deliver any document or instrument reasonably requested by the other Party after the date of this Agreement to effectuate the intent of this Agreement.

8. Entire Agreement.

This Agreement constitutes the entire agreement and understanding among the Parties pertaining to the subject matter hereof and supersedes any and all prior or contemporaneous agreements, representations, and understandings of the Parties concerning the subject matter hereof.

9. Amendment; Waiver.

This Agreement may not be terminated, amended, or modified in any way except by written instrument signed by all Parties. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision hereof; nor shall any such waiver constitute a continuing waiver.

10. Successors.

This Agreement shall be binding upon, inure to the benefit of and be enforceable against the Parties and their respective estates, personal representatives, executors, successors, and permitted assigns.

11. Negotiated Agreement.

This Agreement has been fully negotiated by the Parties. Each Party acknowledges and agrees that this Agreement has been drafted jointly, and the rule that ambiguities in an agreement or contract may be construed against the drafter shall not apply in the construction or interpretation of this Agreement.

12. Severability.

In the event that any term or provision of this Agreement or any application thereof is deemed to be invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision shall not be affected thereby.

13. Counterparts; Electronic Copy of Signatures.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which, taken together, shall constitute one and the same document. Each Party may evidence its execution of this

Agreement by delivery to the other Parties of scanned or faxed copies of its signature, or by use of DocuSign, with the same effect as the delivery of an original signature.

14. Governing Law.

This Agreement and any claim related directly or indirectly to this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to the principles of conflicts of law thereof), the Bankruptcy Code, and SIPA. Each Party hereby waives on behalf of itself and its successors and assigns any and all right to argue that the choice of New York law provision is or has become unreasonable in any legal proceeding.

15. JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT. IN THE EVENT THE SIPA PROCEEDING IS CLOSED BY A FINAL DECREE AND NOT REOPENED, THE PARTIES AGREE THAT ANY DISPUTE ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR THE SUPREME COURT OF THE STATE OF NEW YORK IN NEW YORK COUNTY.

(b) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Expenses.

Each Party shall bear its respective expenses relating to or arising out of the Adversary Proceeding and this Agreement, including, but not limited to, fees for attorneys, experts, consultants, accountants, and other advisors.

17. Notices.

All notices or communications hereunder shall be in writing and delivered by hand or sent by registered or certified mail, return receipt requested, by overnight mail with confirmation, by facsimile (receipt confirmed) or by electronic means (receipt confirmed), in each case addressed and copied as set forth on the applicable signature page hereto. A Party may change its address for receiving notice by giving notice of a new address in the manner provided herein.

18. No Third-Party Beneficiaries.

Except as expressly provided in Section 3, the Parties do not intend to confer any benefit by or under this Agreement upon any person or entity other than the Parties hereto and their respective successors and permitted assigns.

19. Captions and Rules of Construction.

The captions in this Agreement are inserted for convenience and reference and neither define nor limit the scope or content of any of the provisions herein. The Parties acknowledge that no Party shall be deemed to be the principal drafter of this agreement, and no ambiguities herein may be construed against any Party.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES TO FOLLOW]**

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed and delivered as of the date set forth above.

<u>TRUSTEE</u>

IRVING H. PICARD, AS TRUSTEE FOR THE LIQUIDATION PROCEEDINGS OF BERNARD L. MADOFF INVESTMENT SECURITIES LLC AND THE SUBSTANTIVELY CONSOLIDATED CHAPTER 7 BANKRUPTCY CASE OF BERNARD L. MADOFF

Signed by:

By: Irving H. Picard

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Irving H. Picard, Trustee

Address:

Irving H. Picard
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Facsimile: (212) 589-4201
Email: ipicard@bakerlaw.com

With copies to:

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Attention: Eric R. Fish
Facsimile: (212) 589-4201
Email: efish@bakerlaw.com

DEFENDANT

MERITZ FIRE & MARINE INSURANCE CO., LTD.

Ryu, Seung Wha

By: [SeungWha Ryu]
Its: [Executive Vice President & Chief Investment Officer]

Address:
825-2 Yeoksam-dong, Gangnam-gu
Seoul 06232
KOREA
Attention: Eun-young Lee
Facsimile : +82-505-021-0574
Email : eylee@meritz.co.kr

With copies to:

Sheppard, Mullin, Richter & Hampton LLP
30 Rockefeller Plaza
New York, NY 10112
Attention: Michael T. Driscoll
Email: mdriscoll@sheppard.com

Citi Private Bank
153 East 53rd Street, 23rd Fl
New York, NY 10022

ABA No.: [redacted]

Swift Code: [redacted]

Account Name: Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC
Account No.: [redacted]

EXHIBIT I

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant,	Adv. Pro. No. 08-01789 (LGB) SIPA Liquidation (Substantively Consolidated)
In re: BERNARD L. MADOFF, Debtor.	
IRVING H. PICARD, Trustee for the Substantively Consolidated SIPA Liquidation of Bernard L. Madoff Investment Securities LLC and Bernard L. Madoff, Plaintiff, v. MERITZ FIRE & MARINE INSURANCE CO., LTD., Defendant.	Adv. Pro. No. 11-02539 (LGB)

STIPULATION AND ORDER OF VOLUNTARY DISMISSAL OF ADVERSARY PROCEEDING WITH PREJUDICE

Plaintiff Irving H. Picard, as trustee (the "Trustee") for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa–*lll*, and the chapter 7 estate of Bernard L. Madoff, and defendant Meritz Fire & Marine Insurance Co., Ltd. ("Meritz" and, together with the Trustee, the

"Parties," and each individually, a "Party"), by and through their respective undersigned counsel, hereby stipulate and agree to the following:

1. On August 18, 2011, the Trustee filed a Complaint against Meritz in the above-captioned adversary proceeding (ECF No. 1).

2. On November 1, 2022, Meritz filed and served its Answer to the Complaint (ECF No. 138).

3. On ____________, 2026, the Parties entered into a settlement agreement that settled the Trustee's claims against Meritz, which agreement was approved by order of this Court on ________, ____ (ECF No. __).

4. In accordance with Federal Rule of Bankruptcy Procedure 7041, and Federal Rule of Civil Procedure 41(a)(1), the Parties hereby stipulate to dismissal of the Trustee's claims against Meritz in the above-captioned adversary proceeding with prejudice and without costs to any Party.

5. The provisions of this Stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns and upon all creditors and parties in interest.

6. This Stipulation may be signed by the Parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic, or electronic copy of this Stipulation shall be deemed an original.

Date: _________, 2026
New York, New York

By: /s/ DRAFT
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
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 Chapter 7 Estate of Bernard L. Madoff

By: /s/ DRAFT
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Attorneys for Meritz Fire & Marine Insurance, Co., Ltd.

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.	Adv. Pro. No. 08-01789 (LGB) SIPA Liquidation (Substantively Consolidated)
In re: BERNARD L. MADOFF, Debtor.	
IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC, Plaintiff, v. MERITZ FIRE & MARINE INSURANCE CO., LTD., Defendant.	Adv. Pro. No. 11-02539 (LGB)

[*PROPOSED*] ORDER PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING SETTLEMENT AGREEMENT BY AND BETWEEN THE TRUSTEE AND DEFENDANT

Upon the motion (the "Motion") of Irving H. Picard (the "Trustee"), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa–*lll*, and the substantively consolidated chapter 7 estate of Bernard L. Madoff, seeking entry of an order, pursuant to section 105(a) of title 11, United States Code, 11 U.S.C. §§ 101 *et seq.*, and Rules 2002(a)(3) and 9019(a) of the Federal Rules of

Bankruptcy Procedure, approving the settlement agreement (the "Settlement Agreement") by and between the Trustee and Meritz Fire & Marine Insurance Co., Ltd. ("Defendant"); and it appearing that due and sufficient notice of the Motion and the relief requested therein has been given to all parties in interest as required by Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure and no other or further notice need be given; and the Court having considered the Motion and the Trustee's declaration in support of the Motion; and it further appearing that this Court has jurisdiction to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334; and after due deliberation; and sufficient cause appearing therefor; **IT IS HEREBY**:

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Settlement Agreement between the Trustee and Defendant is approved and authorized in its entirety; and it is further

ORDERED, that the Trustee and Defendant shall comply with and carry out the terms of the Settlement Agreement; and it is further

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

SO ORDERED.

Dated: ______________________
New York, New York

____
Honorable Lisa G. Beckerman
United States Bankruptcy Judge

EXHIBIT C

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant.	Adv. Pro. No. 08-01789 (LGB) SIPA Liquidation (Substantively Consolidated)
In re: BERNARD L. MADOFF, Debtor.	
IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC, Plaintiff, v. MERITZ FIRE & MARINE INSURANCE CO., LTD., Defendant.	Adv. Pro. No. 11-02539 (LGB)

DECLARATION OF IRVING H. PICARD, TRUSTEE, IN SUPPORT OF MOTION FOR ENTRY OF ORDER, PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, APPROVING SETTLEMENT AGREEMENT BY AND BETWEEN THE TRUSTEE AND DEFENDANT

1. I am the trustee (the "Trustee") for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS") under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa–*lll*, and the substantively consolidated chapter 7 estate of Bernard L. Madoff (together with BLMIS, the "Debtors"). I am familiar with the affairs of the Debtors. I respectfully submit this Declaration in support of the motion seeking entry of an order, pursuant to section 105(a) of

the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving the settlement agreement (the "Settlement Agreement") by and between the Trustee and Meritz Fire & Marine Insurance Co., Ltd. ("Defendant").[1]

2. I make this Declaration based upon my own personal knowledge or upon information I believe to be true.

3. In my business judgment, I believe the terms of the Settlement Agreement fall well within the range of reasonableness and, accordingly, this Court should approve the Settlement Agreement. The Settlement Agreement provides that Defendant shall pay or cause payment to be made to the Trustee in the amount of $5,500,000.00 in full and final satisfaction of the Trustee's asserted claims against Defendant in accordance with the terms of the Settlement Agreement. The Settlement Agreement resolves all issues between the Trustee and Defendant without the need for protracted and costly litigation, the outcome of which is uncertain. Litigating the claims would undoubtedly be complex, create further delay, and involve litigation risks associated with the unique facts of this case.

4. Given the complexities involved in proceeding with further litigation, I have determined, in my business judgment, that the Settlement Agreement represents a fair compromise and settlement of the Trustee's claims against Defendant.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 1, 2026.

<u>/s/ Irving H. Picard</u>
Irving H. Picard, Trustee

[1] To the extent any of the terms described herein are inconsistent or conflict with the Settlement Agreement, the Settlement Agreement shall control in all respects.