

Media Contact:
Kevin McCue
kmccue@bakerlaw.com
216-861-7576

MADOFF TRUSTEE, CHARITIES NEGOTIATING SETTLEMENTS

AGREEMENTS ALLOW CHARITIES TO CONTINUE GOOD WORKS

NEW YORK, NEW YORK – December 10, 2010 – Irving H. Picard, a partner with Baker & Hostetler LLP and the SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) today announced that he has reached settlements with a number of charities and nonprofit organizations. To date, settlements total more than \$80 million and resolve potential claims against charities which withdrew more than they deposited in the Madoff Ponzi scheme and, in some cases, were the recipients of donations that were made with other people’s money.

“We are pleased that a number of nonprofit organizations came forward to negotiate with us,” said Mr. Picard. “Through these settlements, these admirable groups can continue with their good works and social programs. By settling, these charities remove the uncertainty generated by either potential claims or litigation, and, importantly, their donors can continue to contribute with confidence to their favorite charities.

“While it is our legal and fiduciary duty to recover funds for distribution to BLMIS customers with valid claims, we are mindful of the philanthropic missions of the charities which were drawn into the Madoff deception,” said Mr. Picard. “We consider the good works of the charities involved, as well as special circumstances such as restricted gift structures, when we negotiate with these groups. We don’t want to compound the damage done by Madoff or hamper the work of these worthy organizations.

“Not only do the charities benefit by putting the Madoff fraud behind them, but also, by settling rather than litigating, they enable us to recover funds that belong to other BLMIS customers sooner,” Mr. Picard said.

“The law and basic fairness require that, to the degree possible, these funds be recovered and returned,” said David J. Sheehan, counsel for the Trustee and a partner at Baker & Hostetler LLP, the court-appointed counsel for the Trustee.

SIPC’s President Stephen Harbeck stated, “SIPC believes the settlements are practical and equitable solutions to the terrible problems caused by Bernard Madoff. The settlements balance the genuine concerns of both the charities that innocently received stolen funds, and the people who will receive distributions as a result of these agreements.”

The Trustee noted that one recent charity settlement was with the American Jewish volunteer women’s organization, Hadassah. Subject to Bankruptcy Court approval, the settlement will add \$45 million to the Customer Fund for equitable distribution among Madoff customers with valid claims. Settlements such as this one obviate the need for litigation and resolve all claims by the Trustee against the charities.

“Among the many sad realities of Madoff’s massive crime is the fact that charities lost millions of dollars in donor contributions that they deposited with Madoff and never withdrew,” said Mr. Sheehan. “In addition, there are charities which unknowingly withdrew, over time, more than they had deposited and, as difficult as it is, we must work with these organizations to recover excess withdrawals. As the Hadassah agreement illustrates, when working with nonprofit organizations, we seek to craft settlements that avoid the costs and delays of litigation, provide significant recoveries for the customer fund, and still allow these charities to move forward with their important charitable endeavors.”

Mr. Picard again encouraged all BLMIS customers – individuals as well as businesses and nonprofits – who are subject to recoveries by the Trustee to come forward and try to reach an amicable solution that takes into consideration financial circumstances, case by case.

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