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PRESS RELEASE OF IRVING H. PICARD AND STEPHEN J. AKERS

**TRUSTEE FOR LIQUIDATION OF BERNARD L. MADOFF INVESTMENT
SECURITIES AND LIQUIDATOR OF MADOFF SECURITIES INTERNATIONAL,
FILE LAWSUIT AGAINST DIRECTORS, OFFICERS, RELATED ENTITIES OF
LONDON-BASED MADOFF SECURITIES INTERNATIONAL LIMITED**

NEW YORK, NEW YORK & LONDON, UK – December 8, 2010 – Irving H. Picard, the Trustee for the liquidation for Bernard L. Madoff Investment Securities LLC (“BLMIS”) and Stephen J. Akers, a Joint Liquidator of Madoff Securities International Ltd. (“MSIL”) today announced the filing of a joint complaint in the United Kingdom’s High Court of Justice Commercial Court, against individuals and entities related to MSIL, Bernard Madoff’s London operation.

Named in today’s complaint are all of the former directors of MSIL, including Madoff’s brother, Peter, and sons Mark and Andrew, lead director Stephen E.J. Raven, Leon Flax, Christopher Dale, Philip Toop, and Malcolm Stevenson. The complaint also names Sonja Kohn, who has been charged separately for other BLMIS-related fraud, and Kohn related entities.

The complaint, based on the investigations of both the Joint Liquidators and the Trustee, seeks aggregate recoveries of at least US\$80 million, which include personal claims brought against the directors and officers for breaching their duties to MSIL, in part by making fraudulent payments to various Madoff-related entities, including payments for luxury goods and services enjoyed by Bernard Madoff and the Madoff family, including a yacht, a home in the south of France, and an Aston Martin car. More than \$27 million was channeled through MSIL to corporate vehicles used by Sonja Kohn, in sham transactions purported to be payments for research and other services but which were actually kickbacks paid out of BLMIS.

“MSIL was part of Madoff’s global shell game. Funds stolen in the Ponzi scheme traveled around the world, but ultimately, ended up in the pockets of Madoff, his family, and confederates like Sonja Kohn,” said Mr. Picard. “The London operation was a critical piece of the façade of legitimacy that Madoff constructed to conceal BLMIS’s lack of actual trading activity. Madoff represented to his customers that BLMIS conducted trades on the over-the-counter market, after hours, and substantiated this misrepresentation by periodically transferring tens of millions of dollars to MSIL. In reality, however, MSIL never used such funds to purchase securities.”

Established in 1983, MSIL, which held a seat on the London International Financial Futures Exchange, conducted some legitimate trading activities at times; however, Bernard Madoff’s purpose in having MSIL carry on such activities was to assist in concealing his fraud and facilitate the illegal distribution of payments to Bernard Madoff, his family and third parties, including in particular Sonja Kohn, the complaint says.

The complaint also asserts that the directors knew that MSIL’s trading activities were insufficient justification for its existence, and that the directors breached their duties as fiduciaries and/or trustees. “The directors had duties, among others, to be honest in recording the purposes and activities of the business,” said Mr. Akers. “They breached their duties to MSIL by signing off on false documents and misrepresenting the true nature of transactions in the records of MSIL, all of which assisted Madoff’s fraudulent scheme.”

“Madoff recruited highly reputable senior members of the London financial community to join his board,” said David J. Sheehan, counsel for the Trustee and a partner at Baker & Hostetler LLP, the court-appointed counsel for Mr. Picard. “All were experienced and sophisticated enough to understand what was happening. In addition, his staff included employees with accounting and trading experience, who clearly had the knowledge to see through the fraud. Yet, all complied with Madoff’s schemes and deceptions.”

“The money flow between MSIL in London and BLMIS in New York showed that the London company’s purpose included acting as a cover to conceal the true nature and source of the monies stolen from BLMIS’s customers and returning it to BLMIS’s market-making and proprietary trading

businesses, run by Madoff's sons Mark and Andrew," said John W. Moscow, a partner at Baker and Hostetler LLP. "The fact that MSIL was supposedly a legitimate, FSA-regulated entity assisted Madoff's dishonest purposes."

The Trustee's investigations confirm that between MSIL's incorporation in 1983 and the public revelation of Bernard Madoff's fraud in December 2008, at least \$600 million was paid into MSIL from BLMIS and from other sources controlled by Bernard Madoff. During that same period, substantial payments were made out of MSIL for the benefit of Bernard Madoff, members of his family, Sonja Kohn and other third parties. More than \$310 million were transferred from BLMIS to MSIL, then back to BLMIS, where the transactions were falsely recorded as trading commissions from London.

In addition to Mr. Sheehan and Mr. Moscow, the Trustee and the Joint Liquidators acknowledge the contributions of the Baker & Hostetler LLP attorneys who worked on this filing: Elizabeth Urda, Timothy Pfeifer and Gonzalo Zeballos, together with the London office of solicitors Taylor Wessing LLP, and John Verrill and his colleagues at Dundas & Wilson. The Trustee and the Liquidator also thank the teams of forensic investigators at Grant Thornton UK LLP, led by Timothy Slater, and FTI Consulting, led by Paul Doxey.

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