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PRESS RELEASE OF IRVING H. PICARD

**TRUSTEE FOR LIQUIDATION OF BERNARD L. MADOFF INVESTMENT
SECURITIES SEEKS \$1 BILLION FROM SEVEN GLOBAL FINANCIAL
INSTITUTIONS IN MADOFF PONZI SCHEME**

***INCLUDES \$425 MILLION IN CLAIMS AGAINST CITI AND
\$400 MILLION IN CLAIMS AGAINST NATIXIS***

NEW YORK, NEW YORK – December 8, 2010 – Irving H. Picard, the Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) today announced the filing of complaints under seal in the United States Bankruptcy Court for the Southern District of New York against seven global banking institutions – Citibank, Natixis, Fortis, ABN AMRO, Banco Bilbao Vizcaya Argentaria, Merrill Lynch, and Nomura.

Through these suits, the Trustee seeks to recover more than \$1 billion in total for equitable distribution to BLMIS customers with valid claims. According to the seven complaints, these banks received transfers of money from BLMIS through numerous Madoff feeder funds at times when they either knew or should have known of Madoff’s fraud.

The complaints allege that the banks enabled the Madoff Ponzi scheme by opening a spigot of new money into the Madoff feeder fund network, by creating and offering derivative investment products linked to various Madoff feeder funds, including the Fairfield Greenwich, Kingate and Tremont families of funds. Often, the derivative products were developed in conjunction with the Madoff feeder funds. With the derivative products promising returns based on the performance of the feeder funds, the financial institutions hedged their exposure to the derivative investors by purchasing shares of the feeder funds.

The Citi filing names Citibank, N.A., Citibank North America, Inc. and Citigroup Global Markets Limited (collectively “Citi”). Of the \$425 million sought in the Citi action, \$300 million is connected with a credit facility Citibank made available to a large Madoff feeder fund, Rye Select Broad Market Prime Fund, L.P. (“Prime Fund”); the remaining \$125 million is sought in connection with a swap transaction linked to the performance of another large Madoff feeder fund, Fairfield Sentry Limited.

“Armed with considerable non-public information about Madoff, Citi either knew or should have known that Madoff’s investment advisory business was a fake, and that the funds Citi received from these two Madoff feeder funds came from Madoff’s fraudulent activities,” said Mr. Picard. Warning signs to Citi included an email from and a meeting with early Madoff whistleblower, Harry Markopoulos, alerting a Citi managing director to the fact that the Madoff operation was a Ponzi scheme.

“Evidence of awareness of the fraud is clear. As Citi became concerned about Madoff’s legitimacy, it took steps to back away from Madoff, including refusing to increase the amount of the existing Prime Fund loan and ultimately cancelling the Citibank-Prime Fund lending relationship,” said David J. Sheehan, counsel for the Trustee and a partner at Baker & Hostetler LLP, the appointed counsel for Mr. Picard. “However, even as suspicion grew about Madoff, Citi still took monies from Madoff that rightfully belong to BLMIS customers, and the bank must return those funds.”

“Just months before the Madoff fraud was revealed, CGML redeemed Sentry shares, with specific knowledge and profound concerns about Madoff’s very legitimacy,” said Thomas Long, a partner at Baker & Hostetler and a member of the team which prepared today’s filings. “CGML submitted its Sentry redemptions and received millions of dollars when, in fact, it had been advised specifically that Madoff was likely running a massive Ponzi scheme. Prior to submitting the redemptions, CGML had also earned many hundreds of thousands, if not millions, of dollars in fees and charges from the Swiss hedge fund swap.”

In the action against global investment bank Natixis and related entities, the Trustee seeks to recover at least \$400 million received by the bank in connection with numerous structured products, including several different Natixis swaps and notes hedged using shares of various Madoff feeder funds, which Natixis subsequently redeemed. These alternative investment financial instruments

promised an opportunity for lucrative future returns for investors based upon the performance of a Madoff feeder fund, which in structured products like swaps and notes is often referred to as a “reference fund.” By investing in these leveraged structured products, investors, most often institutions, could multiply their returns.

“Armed with knowledge of many badges of fraud, Natixis and its related entities nevertheless provided substantial momentum furthering Madoff’s Ponzi scheme, especially in Europe,” said Mark Kornfeld, a partner at Baker & Hostetler and a member of the team which prepared today’s filings. “Over time, this international collaboration became critical to sustaining the fraud.”

Other banks included in today’s filing are:

Fortis Prime Fund Solutions Bank (Ireland) Ltd. (“Fortis”) and related entities: The Trustee seeks to recover in excess of \$230 million transferred to Fortis in connection with swap transactions.

ABN AMRO BANK N.V. (“ABN”) and related entities: With this complaint, the Trustee seeks to recover in excess of \$270 million, from this bank’s investments in Madoff feeder funds to hedge risk exposure arising from two swap agreements.

Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA”): This action seeks the return of approximately \$45 million from BBVA, in connection with structured notes issued by BBVA using Madoff feeder funds as underlying assets.

Nomura Bank International plc (“Nomura”): This action seeks the return of at least \$35 million from Nomura, in connection with structured notes issued by Nomura using Madoff feeder funds as underlying assets.

Merrill Lynch International & Co. C.V. (“MLI”): The action filed today seeks the return of at least \$16 million, in connection with structured note and warrant offerings made by MLI, and its affiliates, using two Madoff feeder funds as underlying assets.

“Although many of these banks questioned Madoff’s trading strategy and returns, they continued to structure transactions seeking to exploit Madoff’s consistent returns,” said Ryan Farley, an attorney at Baker & Hostetler and a member of the team which prepared today’s filings. “For instance, MLI’s parent company, Merrill Lynch, raised serious concerns and suspicions about the Madoff organization all of which were deliberately ignored by the MLI unit which went ahead with its trading involving Madoff feeder funds.”

In addition to Mr. Sheehan, Mr. Long, Mr. Kornfeld and Mr. Farley, the Trustee acknowledges the contributions of several Baker & Hostetler attorneys in the preparation of these filings: Catherine Woltering, Keith Murphy, Geraldine Ponto, Marc Skapof and George Klidonas.

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