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PRESS RELEASE OF IRVING H. PICARD

**TRUSTEE FOR LIQUIDATION OF BERNARD L. MADOFF INVESTMENT  
SECURITIES SEEKS APPROXIMATELY \$100 MILLION  
FROM MANZKE FAMILY AND MAXAM FUND GROUP  
IN CONNECTION WITH MADOFF PONZI SCHEME**

**NEW YORK, NEW YORK – December 8, 2010** – Irving H. Picard, the Trustee for the liquidation for Bernard L. Madoff Investment Securities LLC (“BLMIS”) today announced the filing of a complaint in the United States Bankruptcy Court for the Southern District of New York against Sandra L. Manzke (“Manzke”), members of her family, Maxam Capital Management, LLC (“Maxam Capital”) and related Maxam investment funds. The Trustee seeks recoveries totaling approximately \$100 million in connection with the Madoff Ponzi scheme.

The complaint filed today addresses Manzke’s role in continuing to enable and profit from the Madoff Ponzi scheme after departing from Tremont Group Holdings, which has been named in a separate action brought by the Trustee, in 2005, when she formed her own investment management company, Maxam Capital, which managed the Maxam Absolute Return Fund, L.P. (“Maxam Fund”). Manzke also formed a fund for foreign investors, Maxam Absolute Return Fund, Ltd., (“Maxam Limited”).

“The Maxam organization and funds were established solely to continue Manzke’s collaboration with and enrichment through BLMIS,” said Mr. Picard. “In the less than three years Maxam was in business, it channeled more than \$300 million into BLMIS.”

According to the complaint, Manzke was a self-proclaimed industry “watchdog,” calling for heightened investor protection and due diligence against managers whose main concern was their

own personal gain. Yet, Manzke was among Madoff's most valuable enablers, assisting the fraud for almost 15 years through a number of investment advisory and feeder-fund entities.

“Like Bernard Madoff, Manzke used a veneer of industry respectability to lure investors and enrich herself, her family, and select colleagues,” said Marc D. Powers, a partner at Baker & Hostetler LLP, the court-appointed counsel for the Trustee. “Neither of the companies she founded – Tremont and Maxam – complied with their own due diligence policies. The Maxam defendants’ personal and business relationships with Madoff put them in a unique position to obtain information concerning BLMIS’s operations. Yet they failed to conduct adequate investigation, or made no investigation at all, choosing instead to remain willfully ignorant and collect lucrative fees.”

According to the complaint, Maxam Capital did not follow accepted due diligence procedures. In addition, at Madoff's request, Maxam Capital made numerous exceptions and ignored established industry practices. Defendants Manzke and Suzanne Hammond, a colleague of Manzke's at Tremont and a Managing Partner and partial owner of Maxam Capital, were on inquiry notice of Madoff's scheme while at Tremont, and they carried their knowledge of Madoff's suspicious activities with them to Maxam Capital.

In addition to Mr. Powers, the Trustee acknowledges the contributions of the Baker & Hostetler attorneys who worked on this filing: Jeanine Conley, and Anagha Apte.

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