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PRESS RELEASE OF IRVING H. PICARD

**TRUSTEE FOR LIQUIDATION OF BERNARD L. MADOFF INVESTMENT
SECURITIES SEEKS ADDITIONAL \$555 MILLION IN RECOVERIES
FROM UBS AG, RELATED ENTITIES, AND OTHER RELATED DEFENDANTS IN
MADOFF PONZI SCHEME**

Second filing against UBS brings total recoveries sought to \$2.5 billion

NEW YORK, NY, December 7, 2010 – Irving H. Picard, the Trustee for the liquidation of 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 alleging an additional 26 counts of financial fraud and misconduct against UBS AG and related entities (collectively, the UBS Defendants), other management and advisory entities, feeder funds and individuals for collaboration in the Bernard Madoff Ponzi scheme.

In the complaint filed today, the Trustee seeks to recover at least \$555 million for equitable distribution to BLMIS customers with valid claims, with an exact amount to be determined at trial. The recoveries sought include BLMIS-related redemptions, fees, partnership distributions, profits, and assets, as well as the disgorgement of all funds, properties and assets by which the Defendants were unjustly enriched. Every cent the Defendants either redeemed from BLMIS, directly or indirectly, or purportedly earned in fees, must be returned to the Trustee for equitable distribution to BLMIS customers with valid claims.

On November 24, 2010, the Trustee filed the first action against UBS AG and related entities for 23 counts of malfeasance linked to Madoff-related activities. The additional filing today brings the total counts of alleged financial fraud against UBS, related entities and other related Defendants to 49 and the total recoveries and damages sought in the two actions to approximately \$2.5 billion.

The Defendants named in the complaint allegedly funneled more than \$1 billion into the Madoff fraud predominantly through two “feeder funds” and not only aided and sustained the massive Ponzi scheme but also reaped extraordinary financial benefit for themselves.

Collectively, the Defendants received approximately \$555 million from BLMIS's investment advisory business and collected millions of dollars in management, performance, custodial, advisory, subscription, and administration fees – the exact amount to be determined at trial – for helping deposit and channel money to Madoff.

The UBS Defendants, including, but not limited to, UBS (Luxembourg) S.A. (“UBS SA”), capitalized on the Ponzi scheme in the face of clear indications of fraud regarding BLMIS. The UBS Defendants sponsored the LIF-U.S. Equities Plus sub-fund (Defendant “LIF-USEP”), lending its name to that feeder sub-fund to lull the outside world into believing LIF-USEP was legitimate. The UBS Defendants created LIF-USEP for the sole purpose of investing assets with BLMIS.

The UBS Defendants purported to serve various functions for LIF-USEP, such as custodian, manager, and administrator, but in reality, relinquished their custodial and managerial duties to BLMIS. The UBS Defendants ignored the lack of checks and balances on BLMIS, generating millions in “fees” while deliberately looking the other way.

Also named in today's filing is Defendant M&B Capital Advisers Sociedad de Valores, S.A. (“M&B”), which helped found LIF-USEP with the UBS Defendants and received millions of dollars for serving as the distributor of LIF-USEP. M&B eventually formed its own BLMIS feeder fund, Defendant Landmark Investment Fund Ireland (“Landmark”). While M&B and its related entities (collectively, the “M&B Defendants”) purportedly acted as Landmark's investment manager and herded new investors into BLMIS as Landmark's distributor, the M&B Defendants obtained millions in fees for also ignoring red flags of fraud.

Another distributor, as well as investment advisor, of LIF-USEP – Defendants Reliance Management (BVI) Limited, Reliance International Research, LLC, and Reliance Management (Gibraltar) Limited (collectively, the “Reliance Group Defendants”) – followed the same path. As the complaint states, the Reliance Group Defendants were repeatedly willing to cut corners on due diligence and consciously disregarded warnings that Madoff was engaging in fraudulent activity.

The Reliance Group Defendants furthered the Ponzi scheme in their quest for coveted access to Madoff and a direct avenue to millions more in fees and profits by creating another BLMIS feeder fund with M&B, Defender Limited (“Defender”), which has been sued in a separate action brought by the Trustee.

The full complaints were filed with the Bankruptcy Court under seal. Only a redacted version is available at this time to the public. The Trustee is moving to have the confidential designations removed from the documents and transcripts and the complaints made public as soon as possible.

“The Defendants’ financial sophistication, as well as their extensive access to BLMIS’s financial information placed them individually, and collectively, in a position to recognize indicia of fraud,” said Mr. Picard. “Even though the Defendants were on notice of many red flags strongly indicating that BLMIS was a fraud, they continued to justify the investment of hundreds of millions with BLMIS.”

“The Defendants were more than content to reap millions in management, advisory, and distribution fees and a share of the profits that typically would be paid to BLMIS,” said David J. Sheehan, counsel for the Trustee and a partner at Baker & Hostetler LLP, the appointed counsel for Picard. “Taken together, the two complaints filed against UBS and the other named Defendants demonstrate a willful disregard of basic, ethical conduct by UBS and its confederates in the fraud.”

“These Defendants, who were experienced investment professionals, identified key hallmarks of fraud that had no legitimate business explanation,” said Oren Warshavsky, partner at Baker & Hostetler LLP. “Yet, rather than react with skepticism by performing meaningful due diligence, it was more profitable for them to simply turn a blind eye, which they deliberately and willingly did.”

In addition to Mr. Sheehan and Mr. Warshavsky, the Trustee acknowledges the contributions of the following Baker & Hostetler attorneys who also worked on the preparation of the filing: Melissa Kosack, Marianna Shelenkova, Geraldine Ponto and Keith Murphy.

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