

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

PRESS RELEASE OF IRVING H. PICARD

**TRUSTEE FOR LIQUIDATION OF MADOFF INVESTMENT SECURITIES
SEEKS \$9 BILLION IN RECOVERIES, AND ADDITIONAL DAMAGES AT TRIAL,
FROM HSBC, RELATED ENTITIES, FEEDER FUNDS IN
MADOFF PONZI SCHEME**

NEW YORK, NY, December 5, 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 24 counts of financial fraud and misconduct against HSBC Holdings plc, HSBC Bank plc, and affiliated entities (collectively “HSBC”).

The complaint alleges that HSBC enabled Madoff’s Ponzi scheme through the creation, marketing and support of an international network of a dozen feeder funds based in Europe, the Caribbean, and Central America, which are also named in the complaint (collectively, the “Feeder Fund Defendants”). Other Defendants named in the filing include the management companies and service providers of those feeder funds, as well as certain of their directors and managers, namely Sonja Kohn, Genevalor, Mario Benbassat and his sons, Albert and Stephane, as well as Bank Medici and Unicredit, who together with other defendants helped fuel and extend Madoff’s Ponzi scheme across international borders.

From these Defendants, the Trustee seeks to recover at least \$9 billion based on theories of contribution to Madoff’s scheme; aiding and abetting Madoff’s fraud; unjust enrichment in the form of millions of dollars; and over \$2.3 billion in fraudulent transfers. All monies recovered will be deposited in the Customer Fund for equitable distribution to BLMIS customers with valid claims.

According to the complaint, the Defendants directed more than \$8.9 billion into BLMIS's fraudulent investment advisory business. The Defendants also earned hundreds of millions of dollars by selling, marketing, lending to, and investing in financial instruments designed to substantially assist Madoff by pumping money into BLMIS and prolonging the Ponzi scheme.

The complaint alleges that the Defendants were well aware of the indicia of fraud surrounding BLMIS. HSBC twice retained KPMG to identify concerns with BLMIS, and KPMG twice reported serious risks already known to HSBC.

“Had HSBC and the Defendants reacted appropriately to such warnings and other obvious badges of fraud outlined in the complaint, the Madoff Ponzi scheme would have collapsed years, billions of dollars, and countless victims sooner,” said Mr. Picard. “The Defendants were willfully and deliberately blind to the fraud, even after learning about numerous red flags surrounding Madoff.”

“All of the Defendants are financial institutions, hedge funds, investment advisers, managers, and promoters whose financial sophistication gave them insight into Madoff's fraud long before his confession and arrest in 2008,” said David J. Sheehan, counsel to the Trustee and a partner at Baker & Hostetler LLP, the court appointed counsel for Mr. Picard. “Each possessed a strong financial incentive to participate in, perpetuate, and stay silent about Madoff's fraudulent scheme.”

“The Defendants engineered a labyrinth of hedge funds, management companies, and service providers that, to unsuspecting outsiders, seemed to compose a formidable system of checks and balances,” said Oren Warshavsky, a partner at Baker & Hostetler LLP. “Yet the purpose of this complex architecture was just the opposite: the Defendants wanted to provide different modes for directing money to Madoff in order to avoid scrutiny and generate more fees. At the core of this architecture was a remarkably small group of individuals and the bank on which they all relied to help project an air of credibility: HSBC. HSBC alone performed due diligence in its multiple capacities giving it a level of insight into BLMIS that was unsurpassed.”

In addition to Mr. Sheehan and Mr. Warshavsky, the Trustee acknowledges the contributions of the Baker & Hostetler LLP team of attorneys who worked on the preparation of the extensive filing against HSBC and the other Defendants: Anjula Garg, Adam Oppenheim, Jennifer Walrath,

Geoffrey North, Marco Serrano, Jessie Schweller, Peter Shapiro, Dominic Gentile, Anthony Stark, Jessica Schichnes, Jocelyn Burgos, Madiha Zuberi and Jacqlyn Rovine. The Trustee also acknowledges Tatiana Markel and Maryanne Stanganelli for their work on the matter.

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