

**SIPC, MADOFF TRUSTEE ANNOUNCE \$231 MILLION IN FUNDS COMMITTED TO BLMIS CUSTOMERS, WITH AN ADDITIONAL \$2.741 BILLION AUTHORIZED FOR POTENTIAL FUTURE RECOVERY**

***Sum of Commitments Exceeds the Total SIPC Protection Extended in 11 Largest Liquidations; Trustee Picard Makes It Easier For Last-Minute Filers.***

**NEW YORK CITY & WASHINGTON, D.C.///July 1, 2009///**A total of \$231million in Securities Investor Protection Corporation (SIPC) funds has been committed in the determination of 543 claims submitted by Bernard L. Madoff Investment Securities LLC (BLMIS) investors, according to Irving H. Picard, the court-appointed trustee for the liquidation of BLMIS under the Securities Investor Protection Act (SIPA), and SIPC President Stephen Harbeck.

As such, the amount of SIPC funds committed in the Madoff liquidation exceeds the total amount paid in the previous 11 largest SIPA liquidations. The amount reflects major progress since May 14, 2009, when Picard and Harbeck announced a total of \$61.4 million in SIPC funds committed in determination letters sent to 125 BLMIS claimants.

These 543 determined customer claims have been allowed in the total amount of \$2.972 billion, including \$2.741 billion in allowed customer claims that exceed the statutory limit of SIPA protection. Under SIPA, customers with allowed claims share on a pro-rata basis in customer property recovered by the Trustee. SIPC-funded protection is only used to supplement the distribution up to the statutory limit of \$500,000 per customer on allowed claims. For that purpose, SIPC maintains a special reserve fund authorized by Congress to help investors at failed brokerage firms.

The only source of payment for the portion of these and other allowed claims in excess of the \$500,000 from SIPC is the recovery of BLMIS property by the Trustee through the various actions he has and will undertake, including avoidance actions and other recoveries of BLMIS property.

It is the Trustee's intent, pursuant to SIPA, to submit a motion at an appropriate time in the future for an order of the Bankruptcy Court to allocate to the fund of customer property the funds and other property he has recovered and will recover and to distribute customer property pro rata among BLMIS customers with allowed claims.

Picard and Harbeck once again sought to dispel incorrect information surrounding the BLMIS liquidation proceeding: They stressed that trustee expenses are not paid out of customer property. Harbeck said: "Contrary to what has been suggested by some entirely ill-informed parties, all of the expenses of this work have been paid for by SIPC. Customer funds are never used to pay for administrative expenses in a liquidation proceeding."

**LAST MINUTE CLAIMS**

**Claims must be received on or before Thursday, July 2, 2009 by the Trustee's claims agent, AlixPartners LLP.**

**To assure timely receipt, last-minute filers can deliver their claims by hand to AlixPartners LLP c/o the Trustee's law firm, Baker & Hostetler LLP, 45 Rockefeller Plaza, New York, NY 10111 until midnight, Thursday, July 2, 2009.**

**ABOUT SIPC**

The Securities Investor Protection Corporation is the U.S. investor's first line of defense in the event a brokerage firm fails, owing customer cash and securities that are missing from customer accounts. SIPC either acts as trustee or works with an independent court-appointed trustee in a brokerage insolvency case to recover funds.

The statute that created SIPC provides that customers of a failed brokerage firm receive all non-negotiable securities - such as stocks or bonds -- that are already registered in their names or in the process of being registered. At the same time, funds from the SIPC reserve are available to satisfy the remaining claims of each customer up to a maximum of \$500,000. This figure includes a maximum of \$100,000 on claims for cash. From the time Congress created it in 1970 through December 2008, SIPC has advanced \$520 million in order to make possible the recovery of \$160 billion in assets for an estimated 761,000 investors.

For more information about SIPC liquidation proceedings, see "The Investor's Guide to Brokerage Firm Liquidations" at [http://www.sipc.org/pdf/SIPC\\_brochure\\_Investors\\_Guide\\_To\\_BD\\_Liquidations.pdf](http://www.sipc.org/pdf/SIPC_brochure_Investors_Guide_To_BD_Liquidations.pdf).