

LIQUIDATION PROCEEDING FOR BERNARD L. MADOFF INVESTMENT SECURITIES LLC UNDERTAKEN BY SECURITIES INVESTOR PROTECTION CORPORATION

Trustee Appointed By Court; SIPC Taking Action to Protect Customer Assets.

WASHINGTON, D.C. – December 15, 2008 – The Securities Investor Protection Corporation (SIPC), which maintains a special reserve fund authorized by Congress to help investors at failed brokerage firms, announced today that it is liquidating Bernard L. Madoff Investment Securities LLC of New York, NY, under the Securities Investor Protection Act (SIPA).

SIPC today filed an application with the United States District Court for the Southern District of New York for a declaration that the customers of Bernard L. Madoff Investment Securities LLC are in need of the protections available under the Securities Investor Protection Act (SIPA). The United States District Court for the Southern District of New York granted the application and appointed Irving H. Picard as trustee for the liquidation of the brokerage firm, and further appointed the law firm of Baker & Hostetler LLP as counsel to Mr. Picard.

SIPC President and CEO Stephen Harbeck said: "Upon information provided by the United States Securities and Exchange Commission and the Financial Industry Regulatory Authority, it is clear that the customers of the Madoff firm need the protections available under federal law. Mr. Picard has served as trustee in more brokerage firm liquidations than any other individual. SIPC and the trustee are dedicated to returning assets to customers as promptly as possible."

Mr. Harbeck cautioned, however, that the scope of the misappropriation and the state of the defunct firm's records will make this more difficult than in most prior brokerage firm insolvencies. "It is unlikely that SIPC and the Trustee will be able to transfer the customer accounts of the firm to a solvent brokerage firm. The state of the firm's records may preclude a transfer of customer accounts. Also, because the size of the misappropriation has not yet been established, it is impossible to determine each customer's pro rata share of 'customer property'."

The trustee is charged with giving notice of the proceeding and mailing claim forms to the customers and other creditors of the firm. Information about the case also will be made available on the Web at www.sipc.org.

Mr. Picard stated that he is acutely aware of the concern of investors who have been caught up in this financial scandal. "I will work with SIPC to do what the law allows to ameliorate the losses to customers."

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 2007, SIPC has advanced \$507 million in order to make possible the recovery of \$15.7 billion in assets for an estimated 626,000 investors.

For more information about SIPC, see "The Investor's Guide to Brokerage Firm Liquidations" at http://www.sipc.org/pdf/SIPC_brochure_Investors_Guide_To_BD_Liquidations.pdf.

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