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Statement from the Office of Irving H. Picard,
SIPA Trustee for the Liquidation Of Bernard L. Madoff Investment Securities (“BLMIS”)

MADOFF TRUSTEE FILES AMENDED COMPLAINT AGAINST UBS

NEW YORK, NEW YORK – August 17, 2011 –The SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities today filed an amended complaint against UBS AG and related Defendants, including Luxalpha SICAV (“Luxalpha”) and Groupement Financier Ltd. (“Groupement Financier,” and together with Luxalpha, the “Feeder Fund Defendants”).

The amended complaint includes new factual allegations that provide additional support for the Trustee’s contention that the Defendants are liable for at least \$2 billion for their roles in masking BLMIS’s fraud and perpetuating the Ponzi scheme, with an exact amount to be determined at trial. The Trustee seeks the recovery of redemptions, fees, compensation and assets, as well as damages caused by the Defendants’ misconduct, and the disgorgement of all funds by which the Defendants were unjustly enriched at the expense of BLMIS’s customers.

Misleading Authorities about Hand-off of Custodial Obligations to Madoff

The amended complaint alleges that UBS intentionally misled the Luxembourg regulator, the Commission de Surveillance du Secteur Financier (CSSF), and the U.S. Securities and Exchange Commission (SEC).

UBS had abdicated all of its custodial obligations to Madoff through a sub-custodian agreement with BLMIS. UBS concealed Madoff’s role as the true custodian of Luxalpha investments from the CSSF, and had to know that Madoff’s fraudulent conduct could not pass the scrutiny of the CSSF.

In 2006, when the SEC’s Enforcement Staff attempted to verify whether any of UBS’s European affiliates served as an OTC option counterparty for Madoff, UBS’s U.S. offices avoided providing the SEC with a direct answer, claiming to be unable to access the data. However, the UBS Defendants knew in 2006 that they were not – and never had been – Madoff counterparties.

Enabling and Profiting from Feeder Funds, Handing Custodial Obligations Back to Madoff and Secretly Indemnifying Themselves

The UBS Defendants lent their name – and thus an air of legitimacy – to the Feeder Fund Defendants, allowing the UBS Defendants to profit for years from the Feeder Fund Defendants. All the while, the UBS Defendants provided no real oversight or protection and secretly delegated their key responsibility of custodian to BLMIS and disclaimed any liability for the funds in undisclosed indemnity agreements.

At the same time, the UBS Defendants consistently refused to market or recommend either of the Feeder Fund Defendants to their own clients for investment, and had no exposure, or no significant exposure, themselves to BLMIS.

Without the UBS Defendants' participation in the fraud, the Ponzi scheme would have been deprived of more than \$1 billion in investments, and Madoff's fraud would have been diminished in both scope and duration.

The Baker & Hostetler LLP attorneys involved with the filing of the amended complaint include: David J. Sheehan, Deborah Renner, Keith Murphy, Gonzalo Zeballos, Marc Skapof, Benjamin Pergament, Michelle Marck, Deborah Kaplan, Jocelyn Burgos, and Sammantha Clegg.

A copy of the amended complaint is available on the Trustee's website at www.madofftrustee.com or on the Bankruptcy Court's website at www.nysb.uscourts.gov; Case No. 11-CV-1412-CM.

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