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**Statement from the office of the SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC**

**Attributable to Amanda Remus, spokeswoman for the SIPA Trustee & his Counsel at BakerHostetler:**

**POTENTIAL IMPACT OF PICARD V. KATZ RULING ON RECOVERIES  
AND DISTRIBUTIONS**

The Picard v. Katz, et al. motion to dismiss opinion and order issued in September 2011 by Judge Rakoff of the United States District Court for the Southern District of New York has significant potential ramifications that could affect recoveries as well as distributions to BLMIS customers with allowed claims. The ruling – insofar as it affects the Katz Wilpon case – has changed the look-back period from six years or more, as permitted under New York State law, to two years. If that decision were to be upheld and applied to other pending litigation, the impact, under a worst-case scenario, would be to preclude the Trustee from seeking approximately \$2.6 billion in fictitious profits, as well as an additional \$8.3 billion in principal sought from "bad faith" customers and feeder funds. In addition, the Judge's ruling could preclude the return of approximately \$160 million in preference payments – funds withdrawn during the 90-day period prior to the start of the liquidation. Thus, the total potential reduction in recoveries would be approximately \$11.1 billion. The Trustee believes there are multiple bases to challenge the ruling, and he is seeking authority for immediate appeal of the order.