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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:**

On December 21, 2011, the SIPA Trustee filed a motion – with the United States Bankruptcy Court for the Southern District of New York – for approval of an approximately \$326 million settlement with the United States of America, on behalf of the Internal Revenue Service. The settlement was approved by the Honorable Judge Burton R. Lifland of the United States Bankruptcy Court for the Southern District of New York on December 21, 2011. The funds will be added to the BLMIS Customer Fund.

The SIPA Trustee had determined that BLMIS falsely debited the accounts of 145 foreign accountholders for alleged income tax withholding and paid to the IRS such withheld amounts related to alleged dividends. However, because no securities were purchased on which the alleged dividends were paid, no taxes should have been withheld.

The SIPA Trustee will credit each foreign account holder's BLMIS account, where appropriate, for the debited amounts of the withholding payments made to the IRS. Credits to the accounts will not be made until the Trustee receives the settlement payment.

Upon entry of a final and unappealable order, which will include a channeling injunction, all claims against the IRS with respect to such withholdings will have to be pursued in the Bankruptcy Court.