

**Media Contact:**

Amanda Remus

[aremus@bakerlaw.com](mailto:aremus@bakerlaw.com)

212-847-2826

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

**Attributable to Amanda Remus, spokeswoman for the SIPA Trustee & Counsel at Baker Hostetler:**

On Friday, February 17, 2012, the SIPA Trustee and his Counsel filed their eighth Fee Application with the United States Bankruptcy Court for the Southern District of New York for their June 1, 2011 to September 30, 2011 work on the global liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS).

- The Application seeks approval of fees representing 130,596 hours of professional and paraprofessional services, which were billed at an average, public interest discounted rate of approximately \$367.29 per hour.
- The public interest discount applied represents a reduction of 10 percent from standard rates and it resulted in a total voluntary reduction during the four-month compensation period of \$5,329,707.95. In addition to the public interest discount, the Trustee and Baker Hostetler also adjusted fees by writing off an additional \$1,252,054.50 for the four-month period as well as expenses in the amount of \$501,366.42.
- The fees requested are reasonable based on the customary compensation charged by comparably skilled practitioners in Chapter 11 matters as well as comparable bankruptcy and non-bankruptcy cases in the competitive national legal market.
- After applying the public interest discount, the total fees requested for the period were \$47,967,371.55, representing an average of 32,649 hours worked per month on the international investigations, negotiations and litigation resulting from the largest financial fraud in US history.

**The professional fees of the SIPA Trustee and his Counsel, as well as the fees of other professionals retained by the SIPA Trustee, are not paid from any funds recovered for the BLMIS Customer Fund. All fees and expenses approved by the Court will be paid by the Securities Investor Protection Corporation (SIPC), a membership organization funded by the securities industry.**

**As of September 30, 2011**, the SIPA Trustee had recovered approximately \$8.7 billion (which includes approximately \$6.4 billion subject to appeals and other reserves), representing more than 50 percent of the approximately \$17.3 billion in principal estimated to have been lost in the Ponzi scheme by customers who filed claims. The \$8.7 billion in recoveries equates to more than \$263 million recovered per month since the

fraud was uncovered in December 2008 and the SIPA Trustee and his Counsel were appointed by the Court to begin the work of the liquidation. These recoveries exceed all prior restitution efforts related to Ponzi schemes both in terms of dollar value and percentage of stolen funds recovered.

**As of February 17, 2012**, the SIPA Trustee has recovered or entered into agreement to recover more than \$9 billion (which includes approximately \$6.4 billion subject to appeals and other reserves).

**All funds recovered by the SIPA Trustee and his team are recovered wholly for the Customer Fund, for pro rata interim distributions to BLMIS customers with allowed claims.** An initial pro rata interim distribution commenced on October 5, 2011, and to date, \$325.7 million has been distributed to BLMIS customers, relating to 1,232 accounts. Additionally, as of September 30, 2011, SIPC had committed to advance to the SIPA Trustee approximately \$795 million for payment to BLMIS customers with allowed claims. More than \$1.1 billion has now been distributed to aid defrauded BLMIS customers.

A Bankruptcy Court hearing for approval of the Fee Application has been scheduled for March 15, 2012.

The Baker Hostetler attorneys who worked on the Fee Application include David Sheehan, Seanna Brown and Jacquelyn Rovine.

The filing is available on the Bankruptcy Court's website: [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov); Case No. 08-01789. The Fee Application as well as additional information on recoveries, settlements and filings can be found on the SIPA Trustee's website: [www.madofftrustee.com](http://www.madofftrustee.com).