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*As a follow-up to the press release issued March 19, 2012, David J. Sheehan, Chief Counsel to the SIPA Trustee, made an additional statement the same day, as part of the announcement of the settlement of Picard v. Katz, et al.:*

“In reaching this settlement agreement, or any settlement agreement, the SIPA Trustee takes an array of circumstances, factors and other strategic issues into consideration with the benefit of the BLMIS Customer Fund always top of mind. Here, consistent with the Memorandum of Understanding entered into the Court record this morning, the Trustee took into account many and various factors – including the uncertainty, cost and time-consuming nature of the litigation, a review of the evidence, and the personal and financial circumstances of the parties – to determine that he will no longer pursue the willful blindness claims against the Sterling parties to trial and possibly beyond.

“The recovery of the full \$162 million of six years of fictitious profits – especially given that the Court had limited the Trustee’s recovery in this case to roughly half that figure – provided the best outcome to enhance the Customer Fund for the victims of Madoff’s fraud.

“The SIPA Trustee has repeatedly said that, where possible, he would rather negotiate than litigate. Most important in any negotiation is the willingness and the spirit to compromise by both sides. That is what occurred here.”

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PRESS RELEASE OF IRVING H. PICARD

**SETTLEMENT REACHED IN PICARD V. KATZ, ET AL.**

New York, New York – March 19, 2012 – A settlement has been announced in the United States District Court for the Southern District of New York regarding the dispute between the SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS) and the partners of Sterling Equities and related persons and entities.

The essential terms of the agreement, which are subject to certain approvals, are that the Sterling parties have agreed to pay a sum to the BLMIS Customer Fund equal to 100 percent of the fictitious profits of approximately \$162 million that were withdrawn by the Sterling parties during the six-year period prior to the BLMIS liquidation proceeding -- the District Court had previously ruled that the Sterling parties were liable for fictitious

profits spanning only the two-year period prior to the liquidation proceeding -- and that the SIPA Trustee has elected to dismiss the amended complaint that alleged that the Sterling parties were willfully blind to the fraud conducted by Bernard L. Madoff.

The Sterling parties' customer claims – which total approximately \$178 million – will be allowed in full and will be entitled to recovery on the same basis as other BLMIS customers. The Sterling parties' allowed claims are now assigned to the SIPA Trustee and any pro rata distributions will be used to reduce the Sterling parties' settlement obligation.

David J. Sheehan, Chief Counsel to the SIPA Trustee states, “The SIPA Trustee believes that this settlement represents the best possible outcome for BLMIS Customers with allowed claims, as it provides for the recovery of 100 percent of the \$162 million in fictitious profits for the six-year period. We believe that this is a fair and just settlement. At the same time, the SIPA Trustee has withdrawn all willful blindness claims against any Sterling party. All settlements negotiated by the SIPA Trustee are predicated on the fact that the SIPA Trustee works for the best interests of BLMIS customers. Settlement terms are reached to create the maximum recovery for the BLMIS Customer Fund, taking into consideration factors such as the vicissitudes of time-consuming litigation and the financial situation of the parties involved.”

The SIPA Trustee thanks Governor Mario Cuomo, who was appointed by the United States Bankruptcy Court for the Southern District of New York to mediate the dispute between the SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS) and the partners of Sterling Equities and related persons and entities, over the past year. He also thanks the Wilpon and Katz families and the other Sterling Partners for setting a positive example by returning 100 percent of the six-year fictitious profits to the Customer Fund.

At the appropriate time, the SIPA Trustee will file a Bankruptcy Rule 9019 motion with the court, which will include details of the settlement.

In addition to Mr. Sheehan, the Baker & Hostetler Counsel to the SIPA Trustee who worked on Picard v. Saul Katz et al. include: Fernando Bohorquez, Regina Griffin, Tracy Cole, Karin Scholz Jenson, Lauren Resnick, Mark Kornfeld, Timothy Susanin, Kathryn Zunno, Jody Schechter, Stacey Bell, Melissa Kosack, Amanda Fein and Brian Song.

Additional information and updates will be available on the SIPA Trustee's website:

[www.madofftrustee.com](http://www.madofftrustee.com).