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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 Wednesday, November 28, 2012, the Securities Investor Protection Act (SIPA) Trustee and his Counsel at BakerHostetler filed their Tenth Interim Fee Application with the United States Bankruptcy Court for the Southern District of New York for their February 1, 2012 to June 30, 2012 work on the global liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS).

- The Application seeks approval of fees representing 179,055 hours of professional and paraprofessional services, which were billed at an average, public interest discounted rate of approximately \$382.70 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 five-month compensation period of \$6,852,394.65. In addition to the public interest discount, the SIPA Trustee and BakerHostetler also adjusted fees by writing off an additional \$2,640,131.50 for the five-month period as well as expenses in the amount of \$519,326.17.
- 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 \$61,671,551.85, representing an average of 35,811 hours worked per month on the international and domestic investigations, negotiations and litigation resulting from the largest financial fraud of its kind in U.S. 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, 2012, the SIPA Trustee has recovered or entered into agreements to recover more than \$9.2 billion, representing nearly 53 percent of the estimated \$17.3 billion in principal lost in the Ponzi scheme by BLMIS customers who filed claims. This recovery far exceeds any prior restitution effort related to Ponzi schemes both in terms of dollar value and percentage of stolen funds recovered.

To date, the SIPA Trustee has distributed more than \$3.694 billion to BLMIS customers with allowed claims, which includes distributions from the Customer Fund and funds advanced by SIPC. The first pro rata interim distribution commenced on October 5, 2011, and to date equals approximately \$350.7 million. A second pro rata interim distribution commenced on September 19, 2012,

which to date equals approximately \$2.539 billion. In addition, SIPC has committed approximately \$803.7 million in advances to BLMIS customers with accounts whose claims have been allowed.

The Bankruptcy Court hearing for approval of the Fee Application has been scheduled for December 19, 2012 at 10 a.m.

The BakerHostetler attorneys who worked with the SIPA Trustee Irving H. Picard on the Fee Application include David J. Sheehan and Seanna Brown.

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