

**Media Contact:**

Amanda Remus  
[aremus@bakerlaw.com](mailto:aremus@bakerlaw.com)  
212-847-2826

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

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

The Securities Investor Protection Act (SIPA) Trustee today filed a motion with the United States Bankruptcy Court for the Southern District of New York seeking enforcement of the automatic stay provisions of the Bankruptcy Code, prior Court orders, as well as a specific injunction to stop a proposed settlement of *Anwar vs. Fairfield Greenwich Ltd.* (“Anwar Action”), a putative class action pending in the Southern District of New York.

The Bankruptcy Code imposes an automatic stay upon the commencement of a bankruptcy case, among other things, against litigation against the debtor or any act seeking to obtain possession of or control over property of the estate. This assures that the Bankruptcy Court can distribute property in an equitable and orderly manner so that one group of creditors is not favored over another and only the court-appointed trustee is allowed to control the debtor’s property. In a SIPA liquidation, the protective order entered by the District Court at the commencement of the liquidation proceeding also provides for a stay against litigation. Once the SIPA liquidation proceeding begins, certain Bankruptcy Code provisions become applicable, including the automatic stay. Frequently, trustees handling liquidations must ask the Court to enjoin third parties who seek to circumvent the Court process by seeking to use litigation to gain control of assets that rightfully belong to an estate.

With respect to the Anwar action, the plaintiffs seek \$80 million in settlement monies that would go to a proposed class of indirect investors rather than customers of Bernard L. Madoff Investment Securities LLC (BLMIS). Were the settlement to be approved, it would circumvent the SIPA Trustee’s efforts and the jurisdiction of the United States Bankruptcy Court for the equitable distribution of funds recovered for the BLMIS customers. Accordingly, the SIPA Trustee, through his counsel at BakerHostetler, has moved to enjoin this proposed settlement which, as a proposed class action, requires court approval.

The proposed Anwar settlement class members already stand to benefit from nearly \$270 million in claims allowed through the SIPA Trustee’s settlements with the FGG Funds in June of 2011, as well as from additional future recovery proceeds.

If settlements like the Anwar Action are allowed to go forward, it would upset the equitable distribution of recovered funds and favor a select group of indirect investors in BLMIS over customers with approved claims.

In 2011, the SIPA Trustee finalized settlement agreements with various Fairfield Greenwich Group funds and entities (“FGG”) and the terms including the SIPA Trustee’s right to the first \$200 million of any recoveries from FGG management. As stated in the SIPA Trustee’s filing, the Anwar Action participants are “... attempting to skim the remaining assets from the pool of funds which are the subject of the Trustee’s litigations, while simultaneously obtaining the benefit of the FGG Funds’ allowed claims and recoveries from the shared litigation claims.”

A Bankruptcy Court hearing has been scheduled for December 13, 2012 at 10 a.m.

The BakerHostetler attorneys who worked on this injunction on behalf of the SIPA Trustee include David J. Sheehan, Keith Murphy, Tom Long, Deborah Renner, Tracy Cole, Mark Kornfeld, Ferve Ozturk, Catherine Woltering, Amy Vanderwal, Jessie Gabriel and Matthew Moody.

Additional information on recoveries, settlements and court filings can be found on the SIPA Trustee's website: [www.madofftrustee.com](http://www.madofftrustee.com).