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

FIFTH PRO RATA INTERIM DISTRIBUTION OF RECOVERED FUNDS TO MADOFF CLAIMS HOLDERS COMMENCED; TOTALS APPROXIMATELY \$355.8 MILLION

Aggregate Distributions of More Than \$7.2 Billion

NEW YORK, NEW YORK – February 9, 2015 – Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC, said today that the fifth pro rata interim distribution of recoveries from the Customer Fund to eligible BLMIS customers commenced on Friday, February 6, 2015.

In the fifth interim distribution, the SIPA Trustee distributed approximately \$355.8 million on a pro rata basis to BLMIS account holders with allowed claims, which brought the total amount distributed to eligible claimants to more than \$7.2 billion, which includes \$823.7 million in committed advances from the Securities Investor Protection Corporation (SIPC).

“Every distribution of recovered funds marks another significant step forward for the victims of Madoff’s Ponzi scheme,” said Mr. Picard. “The efforts of my global team continue unabated and we remain committed and highly motivated to recover further substantial funds which were stolen in the Madoff fraud and return them to their rightful owners.”

SIPC President and CEO Stephen P. Harbeck said, “The excellent results to date show that the Bankruptcy Code and the Securities Investor Protection Act give the Trustee the ability to recover assets for the investors who lost their funds in this financial tragedy. SIPC supports the Trustee fully in his efforts to maximize the returns to the victims. To that end, SIPC pays for all of the administrative expenses necessary to recover assets for distribution in the Madoff proceeding. All of the funds recovered are distributed to customers. No customer money is used for administrative expenses. We look forward to additional distributions as soon as possible.”

“2015 will be another significant year for the Madoff Recovery Initiative,” said David J. Sheehan, Chief Counsel to the SIPA Trustee. “Not only do we anticipate substantial recoveries for the BLMIS Customer Fund, we are also looking ahead to several critical legal rulings which have the potential to release billions of dollars, currently held in reserve, for immediate distribution to eligible claimants.”

The fifth distribution was paid on claims relating to 1,077 BLMIS accounts, to record holders of allowed claims as of January 15, 2015. The fifth pro rata interim distribution resulted in the return of 2.743 percent of the allowed claim amount for each individual account, unless the allowed claim has been fully satisfied. The average payment for an allowed claim issued in the fifth distribution totaled approximately \$330,000.00, the smallest payment totaled approximately \$431.00 and the largest approximately \$67.1 million.

Funds for the fifth distribution were primarily generated from recent settlements negotiated by the SIPA Trustee’s BakerHostetler legal team with feeder funds Herald/Primeo and Senator. The SIPA Trustee’s

special counsel at Windels Marx reached a settlement with the Blumenfeld defendants in the same period. Together, more than \$642 million was recovered for the BLMIS Customer Fund through these settlements. In addition, other settlement recoveries through December 31, 2014 were also included in the fifth distribution. The Bankruptcy Court approved the SIPA Trustee's allocation and distribution motion on January 15, 2015.

Currently, the SIPA Trustee has allowed 2,551 claims related to 2,216 BLMIS accounts. Of these accounts, 1,160 accounts were fully satisfied following the fifth interim distribution. All allowed claims totaling \$976,592.00 or less were also fully satisfied. The fifth interim distribution, when combined with the four prior interim distributions, satisfied up to 48.802 percent of each customer's allowed claim amount unless the account was fully satisfied.

As of December 31, 2014, the SIPA Trustee had recovered or reached agreements to recover more than \$10.5 billion since his appointment in December 2008. These recoveries exceed similar efforts related to prior Ponzi scheme recoveries, in terms of dollar value and percentage of stolen funds recovered. Ultimately, 100 percent of the SIPA Trustee's recoveries will be allocated to the Customer Fund for distribution to BLMIS customers with allowed claims.

Prior distributions by the SIPA Trustee (as of February 6, 2015) to BLMIS accounts with allowed claims were as follows:

- The first pro rata interim distribution, which commenced on October 5, 2011, has distributed approximately \$605.2 million, representing 4.602 percent of the allowed claim amount of each individual account, unless the claim was fully satisfied.
- The second pro rata interim distribution, which commenced on September 19, 2012, has distributed approximately \$4.395 billion, representing 33.556 percent of the allowed claim amount of each individual account, unless the claim was fully satisfied.
- The third pro rata interim distribution, which commenced on March 29, 2013, has distributed approximately \$614.3 million, representing 4.721 percent of the allowed claim amount of each individual account, unless the claim was fully satisfied.
- The fourth pro rata interim distribution, which commenced on May 5, 2014, has distributed approximately \$413.0 million, representing 3.180 percent of each individual account, unless the claim was fully satisfied.

More information on overall recoveries to date and the ongoing liquidation can be found on the SIPA Trustee's website: www.madofftrustee.com.

Messrs. Picard, Harbeck and Sheehan would like to thank Seanna Brown and Heather Wlodek, who worked on the fifth pro rata interim distribution and its related filings, as well as the legal firms of BakerHostetler and Windels Marx, and all of the attorneys and professionals whose work has led to the distribution. They would also like to thank Vineet Sehgal and his colleagues at AlixPartners, as well as Kevin Bell and his colleagues at SIPC, for their ongoing work and participation in the Madoff Recovery Initiative distributions.

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