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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**

**RECOVERY AGREEMENT REACHED WITH DEFENDER FEEDER FUND  
BLMIS CUSTOMER FUND TO BENEFIT BY \$93 MILLION**

**TOTAL RECOVERIES NOW MORE THAN \$10.64 BILLION**

**NEW YORK, NEW YORK** – March 23, 2015 – Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), filed a motion today in the United States Bankruptcy Court for the Southern District of New York seeking approval of a recovery agreement with Defender Limited and related entities. Defender was a Madoff feeder fund that deposited its assets with BLMIS.

Under the terms of the agreement, the BLMIS Customer Fund will benefit by \$93 million, representing 100 percent of the fraudulent transfers and preference payments which the SIPA Trustee sought to recover from Defender. In addition, the SIPA Trustee will allow the Defender BLMIS customer claim in the amount of \$522.8 million.

Once the claim is allowed, Defender is entitled to catch-up payments from the five interim distributions the SIPA Trustee has made to BLMIS victims to date. Out of these catch-up payments, the first \$93 million will be used to pay the amount Defender owes to the BLMIS Customer Fund. As an allowed claimant, Defender will receive future distributions along with all other BLMIS customers with allowed claims who are not yet fully satisfied.

The settlement also will further the SIPA Trustee's avoidance and recovery efforts through additional discovery in other adversary proceedings in which the SIPA Trustee is seeking to recover more than a half-billion dollars of customer property.

"The SIPA Trustee's settlement with the Defendants will result in a significant, direct monetary benefit for the BLMIS Customer Fund," said Keith R. Murphy, partner at BakerHostetler, the court-appointed counsel to the SIPA Trustee. "This agreement furthers the interest of BLMIS customers by recovering all of the fraudulent transfers and preference payments alleged by the SIPA Trustee, resolving claims between the SIPA Trustee and the Defendants, and avoiding the cost and delay of what could otherwise be lengthy and contentious litigation."

One hundred percent of the SIPA Trustee's recoveries will be allocated to the Customer Fund for distribution to BLMIS customers with allowed claims. As of today, the SIPA Trustee has recovered or reached agreements to recover approximately \$10.64 billion and has distributed

more than \$7.2 billion, which includes more than \$823 million in committed advances from the Securities Investor Protection Corporation (SIPC).

The costs associated with the SIPA Trustee's recovery and settlement efforts are paid by SIPC, which administers a fund drawn upon assessments on the securities industry. No fees or other costs of administration are paid from recoveries obtained by the SIPA Trustee for the benefit of BLMIS customers with allowed claims.

The SIPA Trustee's motion – as well as information on overall recoveries to date, ongoing legal actions, settlements, and other issues – can be found on the SIPA Trustee's website: [www.madofftrustee.com](http://www.madofftrustee.com).

The Bankruptcy Court will hold a hearing for approval of the settlement motion on April 16, 2015 at 10 a.m.

In addition to Mr. Murphy, SIPA Trustee Irving H. Picard and his Chief Counsel, David J. Sheehan, would like to thank SIPC counsel Kevin Bell and Nathanael Kelley who worked on this agreement, as well as the BakerHostetler attorneys who worked on both the *Picard v. Defender* adversary proceeding as well as the resulting settlement: Oren J. Warshavsky, Frederick W. Chockley III, John J. Burke, Katherine L. McKnight and Dena S. Kessler.

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