

# Bloomberg

## Almost Half of Madoff's Victims Now Fully Paid

By Bill Rochelle and Sherri Toub

**Feb 10, 2015 (Bloomberg)** -- Bernard Madoff's victims are receiving a fifth distribution of \$355.8 million, bringing the total recovery to 48.8 percent for those not already paid in full.

The new distribution of 2.7 percent begun on Feb. 6 was about \$33 million larger than the estimate Irving Picard, the trustee unwinding Bernard L. Madoff Investment Securities LLC, made when seeking court approval for the payments in December.

Made to creditors of record on Jan. 15, the distribution largely became possible thanks to \$642 million recovered in late 2014. This year, Picard said, he looks forward to several court rulings that would allow him to distribute "billions of dollars currently held in reserve."

Of about 2,550 in approved claims, every creditor with a claim of \$976,600 or less has now been paid in full. The 1,160 fully paid creditors represent 45.5 percent of those with approved claims.

Picard has distributed \$7.2 billion from his recoveries. In addition, the Securities Investor Protection Corp. advanced \$823.7 million, which also has been handed out. SIPC pays customer claims of as much as \$500,000 when a trustee's assets are insufficient.

Even were Picard to make no more recoveries, customers eventually should receive more than \$14.5 billion toward claims totaling about \$17 billion, including \$10.55 billion taken in by the trustee and about \$4 billion forfeited to the federal government.

With disputes still in litigation, Picard is holding back some \$3.8 billion, including about \$1.45 billion to abide by the result of an appeal on whether customers are entitled to interest on their claims. The interest matter was argued Oct. 14 before the U.S. Court of Appeals in Manhattan. Picard also holds \$2.36 billion for what he calls "deemed determined" claims that are the subject of litigation.

Picard's fourth distribution, in May, was \$351.6 million, or 3.18 percent of customer claims. From the \$10.55 billion Picard has recovered so far, everything eventually goes to customers because expenses of the liquidation are paid by SIPC.

The average payment in the latest distribution is about \$330,000. The largest is \$67.1 million. Madoff's firm began liquidating in December 2008 with the appointment of Picard as trustee under the Securities Investor Protection Act. Madoff himself went into an involuntary Chapter 7 liquidation in April 2009, and his case was later consolidated with the investment firm's. He's serving a 150-year prison sentence following a guilty plea.

The liquidation is Securities Investor Protection Corp. v. Bernard L. Madoff Investment Securities LLC, 08- ap-01789, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

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