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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 Irving H. Picard, SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS) and his counsel:

The SIPA Trustee and his Counsel are aware of and respect the decision of the Supreme Court. Approximately \$5 billion of potential recoveries still remain and the SIPA Trustee and his Counsel continue to pursue these amounts in the Bankruptcy Court.

For a more detailed explanation of the potential recoverable amount of \$5 billion, please see the letter from Chief Counsel David Sheehan on the SIPA Trustee's website: <http://www.madofftrustee.com/statements-counsel-33.html#564>. The key paragraphs are the 7th and 8th:

Current law permits the SIPA Trustee to recover fictitious profits – net amounts withdrawn from BLMIS in excess of principal invested – for the two-year period preceding the liquidation, from December 2006 to December 2008. Fictitious profits are comprised of the principal investments of other customers, and the SIPA Trustee has a responsibility to recover these funds, place them in the Customer Fund, and distribute the recoveries to eligible customers of BLMIS who have not yet recovered the initial principal they entrusted to Madoff. The current two-year total sought by the SIPA Trustee under this category is approximately \$1.6 billion.

There are also cases where the SIPA Trustee alleges that BLMIS customers knew or should have known of fraud at BLMIS. These cases involve feeder funds and other sophisticated investors who claimed to have conducted due diligence on BLMIS. Current law permits the SIPA Trustee, in these cases, to pursue principal deposited in BLMIS for the two years prior to the liquidation in addition to fictitious profits. For these cases, the SIPA Trustee is seeking approximately \$3.7 billion.