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Press release from the offices of Irving H. Picard, SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), and Stephen P. Harbeck, President and Chief Executive Officer of the Securities Investor Protection Corporation (SIPC)

**MADOFF TRUSTEE REQUESTS RELEASE OF \$1.5 BILLION
FROM CUSTOMER FUND**

**Supreme Court Decision Permits Request for Court Approval of
Sixth Interim Pro Rata Distribution to Bring
Aggregate Customer Payout in Global Madoff Liquidation to Approximately \$9.13 Billion**

Nearly 57 Percent of Losses Will Be Returned to Customers

NEW YORK, NEW YORK and WASHINGTON, DC – October 20, 2015 – Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), filed a supplemental motion today in the United States Bankruptcy Court for the Southern District of New York seeking approval for an allocation of recoveries to the BLMIS Customer Fund and an authorization for a sixth pro rata interim distribution from the Customer Fund to BLMIS customers with allowed claims. A hearing has been scheduled for Wednesday, November 18, 2015 at 10:00 a.m.

Plans for a sixth interim pro rata distribution may now proceed after the Supreme Court's decision on October 5, 2015 not to review lower court decisions regarding the applicability of so-called "time-based damages" in the ongoing liquidation of the Madoff firm. The Court's action affirmed the SIPA Trustee's position on this issue. In the motion, the SIPA Trustee seeks the release of funds that include reserves held under a September 2012 Bankruptcy Court order and more than \$345 million in settlements and new recoveries that have been secured since the fifth distribution, which commenced in February 2015.

If the motion is approved, the SIPA Trustee will allocate \$1.5 billion, with \$1.18 billion available for immediate distribution to customers with allowed claims and approximately \$320 million held in reserve for claims that are *deemed determined* pending the resolution of litigation, as well as other issues. This will bring the amount distributed to eligible BLMIS customers to approximately \$9.13 billion, which includes more than \$827 million in advances committed by the Securities Investor Protection Corporation (SIPC).

Stephen P. Harbeck, President and CEO of SIPC, said, "The courts have upheld the Trustee's and SIPC's application of SIPA. The Supreme Court's decision not to review the Second Circuit's decision allows Irving Picard to move forward with the distribution as soon as possible, while his global legal team continues to pursue additional, significant recoveries for BLMIS customers.

“Recoveries for the BLMIS Customer Fund now total nearly \$11 billion,” continued Mr. Harbeck. “That is much more than anyone could have expected at the start of the case in 2008. The legal strategy, and the execution of that strategy by the SIPA Trustee and his counsel, led by David J. Sheehan, will maximize the return to Madoff’s customers. The result here, fully funded by SIPC at no cost to customers, shows that the Securities Investor Protection Act functions as Congress intended. I congratulate the SIPA Trustee and his counsel as they continue to make distributions and increase the return to the victims of this enormous theft.”

The sixth pro rata interim distribution will result in the return of 8.186 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 sixth distribution is \$1,110,423.34. The smallest payment totals \$1,286.84 and the largest payment is \$200,367,708.98.

Currently, the SIPA Trustee has allowed 2,564 claims related to 2,227 BLMIS accounts. Of these accounts, 1,264 accounts with allowed claims totaling \$1,161,193.87 or less – or more than 56 percent – will be fully satisfied following the sixth interim distribution. The sixth interim distribution, when combined with the prior interim distributions, will satisfy up to 56.988 percent of each customer’s allowed claim unless the account is fully satisfied. In addition, SIPC will be reimbursed for its advances to accounts that the sixth interim distribution fully satisfies.

As of October 20, 2015, the SIPA Trustee has recovered or reached agreements to recover approximately \$10.9 billion since his appointment in December 2008. These outcomes exceed similar efforts related to prior Ponzi scheme recoveries, in terms of dollars 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 as of October 20, 2015 are as follows:

- The first pro rata interim distribution, which commenced on October 5, 2011, has distributed approximately \$675.3 million, representing 4.602 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied.
- The second pro rata interim distribution, which commenced on September 19, 2012, has distributed approximately \$4.906 billion, representing 33.556 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied.
- The third pro rata interim distribution, which commenced on March 29, 2013, has distributed approximately \$686.1 million, representing 4.721 percent of the allowed claim amount of each individual account, unless the claim is fully satisfied.
- The fourth pro rata interim distribution, which commenced on May 5, 2014, has distributed approximately \$461.4 million, representing 3.180 percent of each individual account, unless the claim is fully satisfied.
- The fifth pro rata interim distribution, which commenced on February 6, 2015, has distributed approximately \$397.5 million, representing 2.743 percent of each individual account, unless the claim is fully satisfied.

There are 109 *deemed determined* claims still subject to litigation. Once litigation is resolved or settlements reached, these claims may be allowed and would therefore become eligible for all pro rata

distributions to date. For that potential scenario, as of October 20, 2015, the SIPA Trustee has reserved approximately \$1.706 billion. The ultimate amount of additional allowed claims depends on the outcome of litigation or negotiation and could add billions of dollars to the total amount of allowed claims.

All administrative costs of the SIPA liquidation of Bernard L. Madoff Investment Securities LLC and its global recovery efforts, which make the distributions possible, are funded by SIPC.

Upon approval, record holders of allowed claims as of November 18, 2015 will be eligible to receive payments from the sixth interim distribution.

The supplemental Sixth Customer Fund Allocation and Distribution Motion can be found on the United States Bankruptcy Court's website at <http://www.nysb.uscourts.gov/>; Bankr. S.D.N.Y., No. 08-01789 (SMB). It can also be found on the SIPA Trustee's website along with more information on the BLMIS liquidation at: www.madofftrustee.com.

Messrs. Harbeck, Picard and Sheehan would like to thank Seanna Brown and Heather Wlodek of BakerHostetler, who worked on the sixth 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 Josephine Wang, Kevin Bell and their colleagues at SIPC, for their ongoing work and participation in the Madoff Recovery Initiative distributions.

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