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Joint 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 ALLOCATION OF \$247 MILLION
TO CUSTOMER FUND
AND COURT APPROVAL TO IMMEDIATELY DISTRIBUTE \$171 MILLION TO
BLMIS CUSTOMERS WITH ALLOWED CLAIMS**

**Seventh Interim Pro Rata Distribution Will Bring
Aggregate Customer Payout in Global Madoff Liquidation to more than \$9.45 Billion**

NEW YORK, NEW YORK and WASHINGTON, DC – May 26, 2016 – 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 for an allocation of recoveries to the BLMIS Customer Fund and an authorization for a seventh pro rata interim distribution from the Customer Fund to BLMIS customers with allowed claims. A hearing has been scheduled for Wednesday, June 15, 2016, at 10:00 a.m. EDT.

Plans for a seventh interim pro rata distribution may now be made, as a result of the SIPA Trustee and his legal teams – led by his Chief Counsel, David J. Sheehan – having successfully reached recovery agreements during the past six months with a number of parties, among them: Vizcaya Partners Limited, entities of Bank J. Safra, Asphalia Fund, Ltd., Zeus Partners Limited, Pictet et Cie, and entities related to Thybo Asset Management Ltd. With these and other additional funds, the SIPA Trustee stands ready to make a seventh pro rata distribution to allowed claimants of 1.173 percent on each allowed claim.

If the motion is approved, the SIPA Trustee will allocate approximately \$247.013 million to the BLMIS Customer Fund, with approximately \$171.016 million available for immediate distribution to customers with allowed claims and approximately \$75.997 million held in reserve for claims that are deemed determined pending the resolution of litigation, as well as other issues.

This seventh interim distribution, when combined with the prior six distributions, will equal 58.237 percent of each customer's allowed claim amount, unless that claim has been fully satisfied. The amount distributed to eligible BLMIS customers will total approximately \$9.45

billion, which includes more than \$836.63 million in advances committed by the Securities Investor Protection Corporation (SIPC).

Stephen P. Harbeck, President and CEO of SIPC, said, “Time is of the essence for Madoff’s victims. We applaud the ongoing, unflagging efforts of the SIPA Trustee and his teams to put money back in the hands of the Madoff victims.”

“It is vital to move expeditiously to return stolen Madoff funds to the rightful owners,” said Mr. Picard. “The victims have waited years for restitution. This distribution is somewhat smaller than our prior actions, but it is still significant, especially for the additional claimants whose claims now will be fully satisfied.”

“Our ongoing ability to return funds to Madoff’s victims is a testament to the strength of our litigation activities as well as to our successful settlement negotiations,” said Mr. Sheehan. “With this positive momentum, we are confident we can deliver additional recoveries and distributions this year.”

The SIPA Trustee has allowed 2,597 claims and the proposed distribution will be paid on claims relating to 972 BLMIS accounts. The seventh pro rata interim distribution will result in the return of 1.173 percent of the allowed claim amount for each individual account, unless the allowed claim has been fully satisfied. If approved, and when combined with SIPC payments and the amounts from the prior six interim distributions, 1,289 accounts will be fully satisfied (all accounts with a net equity of up to \$1,196,453.95). The average payment amount to those 972 BLMIS accounts will be \$175,941.97. The smallest payment totals \$136.69 and the largest payment is \$28,711,375.84. In addition, SIPC will be reimbursed for its advances to accounts that the seventh interim distribution fully satisfies.

As of May 25, 2016, the SIPA Trustee has recovered or reached agreements to recover approximately \$11.144 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 May 25, 2016 are as follows:

- The first pro rata interim distribution, which commenced on October 5, 2011, has distributed approximately \$685.3 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 \$4.978 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 \$696.3 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 \$468.2 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 \$403.4 million, representing 2.743 percent of each individual account, unless the claim is fully satisfied.
- The sixth pro rata interim distribution, which commenced on December 4, 2015, has distributed approximately \$1.209 billion, representing 8.262 percent of each individual account, unless the claim is fully satisfied.

There are 71 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 May 25, 2016, the SIPA Trustee has reserved approximately \$1.891 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 Bankruptcy Court approval, record holders of allowed claims as of June 15, 2016 will be eligible to receive payments from the seventh interim distribution.

The Seventh 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 seventh pro rata interim distribution and its related filings, as well as 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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