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**JOINT STATEMENT FROM THE SIPA TRUSTEE FOR THE LIQUIDATION OF  
BERNARD L. MADOFF INVESTMENT SECURITIES LLC  
AND  
THE KATZ WILPON SETTLING PARTIES**

NEW YORK, NEW YORK – May 31, 2016 – The Katz Wilpon Settling Parties recently requested a modification to the June 1, 2012 Settlement Agreement with Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The Settling Parties asked the SIPA Trustee to allow payments owed in 2016 and 2017 to be extended over a longer period of time, while efforts continue on the part of the SIPA Trustee and his legal team to recover monies that can and will be used to offset those payments through future pro rata interim distributions.

Under the terms of the original, five-year settlement agreement, the Katz Wilpon Settling Parties owed a maximum amount of \$162 million, with payments to be made to the SIPA Trustee from the Katz Wilpon Settling Parties' allowed customer claims of \$176,585,337.99, which they assigned to the SIPA Trustee. Due to the success of the Madoff Recovery Initiative to date and the six pro rata interim distributions equaling approximately 57.064 percent of the amount payable from the Katz Wilpon assigned customer claims, that \$162 million has been reduced to a maximum amount of approximately \$61 million. It is expected that the approximately \$61 million currently owed by the Katz Wilpon Settling Parties will be further reduced as a result of the SIPA Trustee's ongoing recovery efforts and future distributions. However, under the original settlement agreement, the approximately \$61 million would be paid in two installments, \$23,321,931 on June 1, 2016 and \$37,911,412 on June 1, 2017.

After discussions, a revised agreement was reached. Under the terms of the revised agreement:

- The Katz Wilpon Settling Parties will make a payment of \$16 million on or before June 1, 2016.
- The balance due on June 1, 2017 will be divided in four annual installments (2017 – 2020).
- Katz Wilpon Settling Parties will pay an interest rate of 3.5 percent on the unpaid balance, which is expected to result in additional payments to the BLMIS Customer Fund of at least an estimated \$2,200,000 by 2020.

- Katz Wilpon Settling Parties' principals, Mr. Fred Wilpon and Mr. Saul Katz, have increased their personal guarantees to cover the entirety of the remaining unpaid balance.

The SIPA Trustee has agreed to this updated arrangement as he believes this accommodation is reasonable given the additional value it will create for the Customer Fund and ultimately for customers with allowed claims.

A complete history of the liquidation, including the distributions to the SIPA Trustee from the Katz Wilpon Settling Parties' assigned claims, can be found on the website ([www.madofftrustee.com](http://www.madofftrustee.com)).

There will be no further comment beyond this statement.

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