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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 ALLOCATION OF
\$1.3 BILLION TO CUSTOMER FUND
AND COURT APPROVAL TO IMMEDIATELY DISTRIBUTE
APPROXIMATELY \$584 MILLION
TO BLMIS CUSTOMERS WITH ALLOWED CLAIMS**

**Ninth Pro Rata Interim Distribution Will Bring
Aggregate Customer Payout in Global Madoff Liquidation to Nearly \$11.4 Billion**

NEW YORK, NEW YORK and WASHINGTON, DC – December 18, 2017 – 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 ninth pro rata interim distribution from the Customer Fund to BLMIS customers with allowed claims. A hearing has been scheduled for Wednesday, January 31, 2018 at 10 a.m. EST.

Plans for the ninth pro rata interim distribution are the result of approximately \$1.3 billion in settlements and recoveries achieved by the SIPA Trustee, his Chief Counsel David J. Sheehan, and their legal teams since the last interim distribution in February 2017. The most notable was the recovery agreement of approximately \$687 million with the Thema International Fund as well as the approximately \$370 million recovery agreement with the Lagoon and Thema Funds. With these and other additional settlement outcomes, including the \$23 million recovery agreement with the estates of the Madoff sons, the SIPA Trustee stands ready to make a ninth pro rata interim distribution to allowed claimants of 3.585 percent on each allowed claim.

If the distribution motion is approved on January 31, 2018, the SIPA Trustee will allocate a total of approximately \$1.3 billion to the BLMIS Customer Fund, with approximately \$584.5 million available for immediate distribution to customers with allowed claims. The remaining allocation that was not previously paid to claimants will be held in reserve for claims that are deemed determined pending the resolution of litigation as well as other issues.

This ninth pro rata interim distribution, when combined with the prior eight distributions, will equal 63.683 percent of each customer's allowed claim amount, unless that claim has been fully satisfied. The aggregate amount distributed to eligible BLMIS customers will total nearly \$11.4 billion, which includes more than \$842.8 million in advances committed by the Securities Investor Protection Corporation (SIPC).

Stephen P. Harbeck, President and CEO of SIPC, said, "The momentum of the SIPA Trustee and his teams continues to accelerate. Their successes set new benchmarks for future recovery efforts. SIPC has confidence that the Madoff Recovery Initiative will continue to deliver additional, significant distributions in 2018 and beyond. It is important to note that every single penny recovered by the Madoff Recovery Initiative goes to satisfy allowed customer claims. SIPC picks up all the costs of the Madoff Recovery Initiative as the Securities Investor Protection Act directs."

"The progress of our teams has been remarkable," said Mr. Picard. "Even now, nearly a decade since the unmasking of the Madoff fraud, we are still finding and recovering millions of dollars for the victims of this complex global deception. Additional distributions are still on the horizon and we remain committed to restoring as much of the stolen money as possible."

"Both the direct and indirect investors in Madoff's operation will benefit from this distribution, as they have from all the distributions to date," said Mr. Sheehan. "Our teams had another productive and successful year in 2017, and we are pleased to move forward without delay to distribute as much of the 2017 recoveries as possible."

The ninth pro rata interim distribution will result in the return of 3.585 percent of the allowed claim amount for each individual account, unless the allowed claim has been fully satisfied. The average payment amount to those 926 BLMIS accounts will be \$631,198.93. The smallest payment totals \$563.56 and the largest payment is \$87,749,601.36. Claimants who qualified for hardship status under the SIPA Trustee's Hardship Program will receive 15 payments.

To date, the SIPA Trustee has allowed 2,625 claims related to 2,265 accounts and the proposed distribution will be paid on claims related to 926 accounts. If the ninth pro rata interim distribution is approved by the Bankruptcy Court, when combined with SIPC advances and the amounts from the prior eight pro rata interim distributions, 1,386 accounts will be fully satisfied (all accounts with allowed claims of up to \$1,375,000.00), leaving 879 accounts partially satisfied and entitled to participate in future distributions.

As of November 30, 2017 and since his appointment on December 15, 2008, the SIPA Trustee has recovered approximately \$12.789 billion – nearly 73 percent of the currently estimated principal lost in the Ponzi scheme by those who filed claims. 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. All Trustee, legal and accounting fees, as well as 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.

Forty claims relating to 30 accounts are currently categorized as “deemed determined” claims still subject to litigation. Once litigation is either resolved or settled, these claims may be allowed and would therefore become eligible for all pro rata interim distributions to date. For that potential scenario, as of November 30, 2017, the SIPA Trustee has reserved approximately \$1.579 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.

Upon Bankruptcy Court approval, record holders of allowed claims as of January 31, 2018 will be eligible to receive payments from the ninth pro rata interim distribution.

The Ninth 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 Oren Warshavsky, Seanna Brown and Heather Wlodek of BakerHostetler, who worked on the ninth pro rata interim distribution and its related filings, as well as BakerHostetler, 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, Nathanael Kelley and their colleagues at SIPC, for their ongoing work and participation in the Madoff Recovery Initiative distributions.

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