

Media Contacts:

Heather Wlodek, for the SIPA Trustee for the liquidation of BLMIS

hwlodek@bakerlaw.com

(212) 589-4663

Kristen McCaughan, for SIPC

(202) 276-4961

kmccaughan@mcginnandcompany.com

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 REACHES RECOVERY AGREEMENT
WITH ASCOT PARTNERS, ASCOT FUND, J. EZRA MERKIN, AND
GABRIEL CAPITAL CORPORATION**

**SETTLEMENT DELIVERS IMMEDIATE BENEFIT TO BLMIS
CUSTOMER FUND OF \$280 MILLION**

**DOMESTIC AND FOREIGN MADOFF “INDIRECT” INVESTORS TO
RECEIVE BENEFITS FROM MADOFF TRUSTEE’S DISTRIBUTIONS TO
ASCOT PARTNERS**

NEW YORK, NEW YORK and WASHINGTON, DC – June 13, 2018 – 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 of a recovery agreement with Ascot Partners, L.P. (“Ascot Partners”), Ascot Fund Limited (“Ascot Fund”), J. Ezra Merkin (“Merkin”), and Gabriel Capital Corporation (“GCC”). An approval hearing for the agreement has been set for July 10, 2018 at 2 p.m.

Ascot Partners was a BLMIS feeder fund run by J. Ezra Merkin and his management company, GCC. Through this settlement, the SIPA Trustee will recover \$280 million for the BLMIS Customer Fund, representing 100 percent of the transfers Ascot Partners received from BLMIS in the two years preceding the commencement of BLMIS’s SIPA proceeding.

The SIPA Trustee will allow the net equity claim of Ascot Partners upon receipt of the \$280 million payment. Ascot Partners will receive a pro rata share of the catch-up distribution that will be paid to investors of Ascot Partners.

The settlement with the Ascot Partners feeder fund is structured to ensure that all the benefits go to its investors – individuals or entities that were not “direct” clients of Madoff but invested “indirectly” with BLMIS through Ascot Partners. All distributions made by the SIPA Trustee to Ascot Partners will be paid to the investors of Ascot Partners, except that no payments shall be made to Merkin, his family, GCC, or any other person, entity, or trust controlled by or for the benefit of Merkin or his family.

“This agreement embodies two goals of the SIPA Trustee: It first provides an immediate, substantial benefit to the BLMIS customer estate through the recovery of \$280,000,000. And second, it provides a significant distribution to Ascot Partners and the right to fully participate in future distributions, which benefits the indirect investors,” said BakerHostetler partner Lan Hoang.

“Once again, the SIPA Trustee and his team have crafted an agreement that benefits Madoff’s real victims and expedites compensation to indirect investors in BLMIS,” said Stephen P. Harbeck, President and Chief Executive Officer of the Securities Investor Protection Corporation. “The agreement is another significant win for all victims of Bernard Madoff’s Ponzi scheme, but in particular, the indirect investors in Madoff feeder funds. All funds collected go directly to victims. SIPC pays all expenses related to the Madoff Recovery Initiative.”

The SIPA Trustee has recovered approximately \$12.98 billion to date, representing approximately 74 percent of the estimated \$17.5 billion in principal lost in the Ponzi scheme by BLMIS customers who filed claims. The SIPA Trustee has distributed approximately \$11.59 billion to BLMIS customers with allowed claims, which includes a total of \$10.75 billion in distributions from the Customer Fund and approximately \$844.92 million in funds committed to be advanced by SIPC.

The SIPA Trustee’s 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) / Adv. Pro. No. 09-01364 (SMB). The motion – as well as further information on recoveries to date, other legal proceedings, further settlements, and general information – can also be found on the SIPA Trustee’s website: www.madofftrustee.com.

Messrs. Harbeck and Picard, and David J. Sheehan, Chief Counsel to the SIPA Trustee, would like to thank the Securities Investor Protection Corporation’s Josephine Wang, Kevin H. Bell and Nathanael Kelley, as well as BakerHostetler attorneys Lan Hoang, Brian W. Song, Seanna R. Brown, Carrie Longstaff, Ganesh Krishna, Robyn Feldstein, Joshua B. Rog, Stephanie Ackerman and Bari Nadworny, who assisted with the work on this matter and settlement.

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