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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 Josephine Wang, President and Chief Executive Officer of the Securities Investor Protection Corporation (SIPC)

**MADOFF TRUSTEE REACHES RECOVERY AGREEMENT
WITH KINGATE FUNDS**

**SETTLEMENT DELIVERS IMMEDIATE BENEFIT TO BLMIS CUSTOMER FUND
OF \$860 MILLION**

NEW YORK, NEW YORK and WASHINGTON, DC – July 17, 2019 – 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 Kingate Global Fund, Ltd. and Kingate Euro Fund, Ltd. (the “Kingate Funds”), by Paul Pretlove, Tammy Fu and John C. McKenna, in their capacity as Joint Liquidators of the Kingate Funds. An approval hearing for the agreement has been set for August 8, 2019 at 10:00 a.m.

The Kingate Funds were BLMIS feeder funds incorporated in the British Virgin Islands and were founded by Federico Ceretti and Carlo Grosso and operated through various service providers. Through this settlement, the SIPA Trustee will immediately recover \$860 million for the BLMIS Customer Fund, representing 100 percent of the transfers received from BLMIS in the six years preceding the commencement of BLMIS’s SIPA proceeding and approximately 93 percent of the transfers received from BLMIS over the life of the Kingate Funds’ accounts.

“We congratulate the SIPA Trustee and his team for their success in reaching this important settlement agreement,” said Josephine Wang, President and Chief Executive Officer of SIPC. “The Kingate recovery is one of the largest in the Madoff recovery efforts by the SIPA Trustee.”

The SIPA Trustee will allow the customer claims of the Kingate Funds upon receipt of the \$860 million payment. The Kingate Funds will receive a pro rata share of the catch-up distribution that will be paid to investors of the Kingate Funds.

The settlement with the Kingate Funds ensures that all the benefits go to its investors – individuals or entities that were not direct clients of Madoff but invested with BLMIS through

the Kingate Funds. All distributions made by the SIPA Trustee to the Kingate Funds will be paid to the investors of the Kingate Funds, except that no payments will be made to either Messrs. Ceretti and Grosso, or to other individuals and entities associated with Messrs. Ceretti and Grosso and the Kingate Funds.

“This important settlement with one of the largest Madoff feeder funds is another significant benchmark for our recovery efforts,” said David J. Sheehan, Chief Counsel to the SIPA Trustee and BakerHostetler partner. “The structure is consistent with our dedicated approach to ensure that the benefits of these settlements go to innocent investors.”

“The Kingate settlement sets an important precedent for international recoveries,” said Michelle R. Usitalo, BakerHostetler associate. “Even as we await the outcome of the appeal of the Second Circuit’s recent decision supporting the SIPA Trustee’s position on extraterritoriality, Kingate provides a template for our team to pursue additional cross-border recoveries.”

The SIPA Trustee has recovered approximately \$13.403 billion to date and distributed approximately \$12.381 billion to BLMIS customers with allowed claims. SIPC has advanced a net \$623 million to be used by the Trustee to satisfy customer claims, and the Trustee has distributed \$11.758 billion from the Customer Fund.

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.

Ms. Wang and Messrs. Picard and Sheehan would like to thank the Securities Investor Protection Corporation’s Kenneth J. Caputo, Kevin H. Bell, and Nathanael Kelley, as well as BakerHostetler attorneys Geraldine E. Ponto, Gonzalo S. Zeballos, John J. Burke, Michelle R. Usitalo, Joanna F. Wasick, and Marshall J. Mattera, SCA Creque, Browne Jacobson LLP, and Williams Barristers and Attorneys, who assisted with the work on this matter.

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