

Media Contacts:

Heather Wlodek, for the SIPA Trustee for the liquidation of BLMIS
(212) 589-4663
hwlodek@bakerlaw.com

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

MADOFF TRUSTEE REQUESTS ALLOCATION OF MORE THAN \$74 MILLION TO CUSTOMER FUND AND COURT APPROVAL TO DISTRIBUTE MORE THAN \$190 MILLION TO BLMIS CUSTOMERS WITH ALLOWED CLAIMS

Twelfth Pro Rata Interim Distribution Will Bring Aggregate Customer Payout in Madoff Liquidation to More Than \$14.12 Billion

NEW YORK, NEW YORK and WASHINGTON, DC – December 9, 2020 – 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 more than \$74 million in recoveries to the BLMIS Customer Fund and an authorization for a twelfth pro rata interim distribution of more than \$190 million from the Customer Fund to BLMIS customers with allowed claims. A hearing on the motion has been scheduled for Wednesday, January 20, 2021 at 10:00 a.m. EST.

Plans for the twelfth pro rata interim distribution are the result of more than \$74 million in settlements and recoveries achieved by the SIPA Trustee and the legal teams since the last interim distribution in February 2020. The proposed distribution includes the release of \$175 million of a general reserve of \$200 million that was previously allocated to the Customer Fund and held for unknown contingencies.

“After nearly a dozen years, the SIPA Trustee and his legal team continue to identify and recover funds in the Madoff Ponzi scheme,” said Josephine Wang, President and Chief Executive Officer of the Securities Investor Protection Corporation (SIPC). “SIPC is proud to be a part of this successful recovery initiative. I congratulate the SIPA Trustee and his team as they continue, with the support of SIPC, to win significant victories for the Madoff customers.”

“With our next expected distribution, we will have returned to customers almost 70 percent of the money stolen by Bernard Madoff, much more than anyone ever predicted,” said Mr. Picard. “While our work is far from done, I thank my team for its ongoing, diligent efforts.”

“We thank SIPC for its support as we continue to pursue over \$3.8 billion more in stolen funds,” said David J. Sheehan, Chief Counsel to the SIPA Trustee. “Recent judicial decisions will help the Trustee’s legal team continue to litigate worldwide, and we are confident that this will enable the SIPA Trustee to make additional distributions to BLMIS customers in the years ahead.”

Twelfth Distribution Will Bring Total Amount Restored to More Than \$14.12 Billion

When combined with the prior eleven distributions, the twelfth distribution will equal 69.630 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 more than \$14.12 billion, including approximately \$849.338 million in advances committed by SIPC.

As of October 31, 2020, the SIPA Trustee has recovered or reached agreements to recover approximately \$14.368 billion. This recovery far exceeds any prior restitution effort related to Ponzi schemes both in terms of dollars and percentage of stolen funds recovered.

The proposed distribution will be paid on claims relating to 813 BLMIS accounts and represents approximately 1.022% of their net equity claims, with an average payment amount of \$234,631.52. When combined with the previous eleven distributions and \$849.338 million in advances committed by SIPC, 1,490 accounts with an allowed claim amount of up to \$1,645,761.48 will be fully satisfied following the twelfth interim distribution.

No funds recovered in the Madoff Recovery Initiative are used to pay costs associated with the recovery. All trustee, legal, and accounting fees, as well as administrative expenses, are paid by SIPC.

The Twelfth 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.

Ms. Wang and Messrs. Picard and Sheehan would like to thank Seanna Brown and Heather Wlodek of BakerHostetler, who worked on the twelfth 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 Kenneth J. Caputo, Kevin H. Bell, Nathanael Kelley, Nicholas Hallenbeck, and their colleagues at SIPC, for their ongoing work and participation in the Madoff Recovery Initiative distributions.

#