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Statement from the office of Irving H. Picard, SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS)

Attributable to Amy E. Vanderwal, counsel to Irving H. Picard, SIPA Trustee for the liquidation of BLMIS

Today's decision by the Second Circuit in favor of the SIPA Trustee reaffirms transfers of fictitious profits must be returned to the Trustee for distribution to customers who have not yet recovered their principal. The Court joined those below it in rejecting arguments that a change in Madoff's corporate structure in 2001 affected the ability of the Trustee to recover these transfers. Madoff's broker-dealer operated continuously throughout its existence with one SEC registration and as a member of SIPC. The Second Circuit confirmed that Appellants' reliance on arguments regarding inconsistent paperwork at BLMIS did not provide grounds for a trial and summary judgment was properly awarded to the Trustee. The Court concluded that the district court did not abuse its discretion in granting the Trustee prejudgment interest on the judgment, finding that Appellants had benefitted from other customers' stolen money for over a decade.

As a result of this decision, the judgment entered by Judge Koeltl in the amount of \$2,925,000 plus 4 percent prejudgment interest was affirmed and these funds, once returned to the estate, will be available for distribution.