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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant.	Adv. Pro. No. 08-01789 (LGB) SIPA Liquidation (Substantively Consolidated)
In re: BERNARD L. MADOFF, Debtor.	

TRUSTEE'S THIRTY-THIRD INTERIM REPORT
FOR THE PERIOD OCTOBER 1, 2024 THROUGH MARCH 31, 2025

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TO THE HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE:

Irving H. Picard, Esq. (the "Trustee"), as Trustee for the substantively consolidated liquidation proceeding of Bernard L. Madoff Investment Securities LLC ("BLMIS"), under the Securities Investor Protection Act ("SIPA"),[1] 15 U.S.C. §§ 78aaa *et seq.*, and the Chapter 7 estate of Bernard L. Madoff ("Madoff," and together with BLMIS, each a "Debtor" and collectively, the "Debtors"), respectfully submits his Thirty-Third Interim Report (this "Report") pursuant to SIPA § 78fff-1(c) and this Court's Order on Application for an Entry of an Order Approving Form and Manner of Publication and Mailing of Notices, Specifying Procedures For Filing, Determination, and Adjudication of Claims; and Providing Other Relief entered on December 23, 2008 (the "Claims Procedures Order") (ECF No. 12).[2] Pursuant to the Claims Procedures Order, the Trustee shall file additional interim reports every six months. This Report covers the period between October 1, 2024 and March 31, 2025 (the "Report Period").

I. EXECUTIVE SUMMARY

1. The Trustee, his various counsel and consultants have worked tirelessly for over sixteen years to recover stolen customer property and distribute it to BLMIS customers who have not fully recovered the money they deposited with BLMIS. The Trustee has successfully recovered over $14.753 billion through March 31, 2025.

2. On January 21, 2025, this Court approved the Trustee's sixteenth allocation and distribution to customers, in which the Trustee allocated more than $101 million to the Customer Fund. On February 28, 2025, the Trustee distributed more than $76 million on allowed claims relating to 767 accounts, or 0.410% of each customer's allowed claim, unless the claim was fully

[1] For convenience, subsequent references to SIPA will omit "15 U.S.C."
[2] All ECF references refer to pleadings filed in the main adversary proceeding pending before this Court, *Sec. Investor Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, Adv. No. 08-01789 (BRL) (Bankr. S.D.N.Y.), unless otherwise noted.

satisfied. When combined with the prior fifteen distributions, and $850.4 million in advances paid or committed to be paid by the Securities Investor Protection Corporation ("SIPC"), the Trustee has distributed more than $14.58 billion to BLMIS customers through the Report Period, with 1,523 BLMIS accounts fully satisfied, or 71.546% of each customer's allowed claim. The 1,523 fully satisfied accounts represent over 66% of accounts with allowed claims, demonstrating that the Trustee has made significant progress in returning customer property to BLMIS customers. All allowed customer claims up to approximately $1.741 million have been fully satisfied.

3. The Trustee and his counsel (including, but not limited to, Baker & Hostetler LLP ("B&H"), Windels Marx Lane & Mittendorf, LLP ("Windels Marx"), and various other special counsel retained by the Trustee ("Special Counsel") (collectively, "Counsel"), continued to litigate a multitude of cases before this Court, the United States District Court for the Southern District of New York (the "District Court"), the United States Court of Appeals for the Second Circuit (the "Second Circuit"), the Supreme Court, and dozens of international courts.

4. This Report is meant to provide an overview of the efforts of the Trustee and his team of professionals in unwinding the largest Ponzi scheme in history. This fraud involved many billions of dollars and thousands of people and entities located across the world. The Trustee continues to work diligently to coordinate the administration, investigation, and litigation to maximize recoveries and efficiencies and reduce costs.

5. All Interim Reports, along with a docket and substantial information about this liquidation proceeding, are located on the Trustee's website, www.madofftrustee.com (the "Trustee Website").

II. BACKGROUND

6. The Trustee's prior interim reports, each of which is fully incorporated herein, have detailed the circumstances surrounding the filing of this case and the events that have taken place during prior phases of this proceeding.[3]

III. FINANCIAL CONDITION OF THE ESTATE

7. No administration costs, including the compensation of the Trustee, his counsel, and his consultants, are being, or have been, paid out of recoveries obtained by the Trustee for the benefit of BLMIS customers with allowed claims. Rather, the fees and expenses of the Trustee, his counsel and consultants, and administrative costs incurred by the Trustee are paid through administrative advances from SIPC. These costs are chargeable to the general estate and have no impact on recoveries that the Trustee has obtained or will obtain. Thus, recoveries from

[3] Prior reports cover the periods from December 11, 2008 to June 30, 2009 (the "First Interim Report") (ECF No. 314); July 1, 2009 to October 31, 2009 (the "Second Interim Report") (ECF No. 1011); November 1, 2009 to March 31, 2010 (the "Amended Third Interim Report") (ECF No. 2207); April 1, 2010 to September 30, 2010 (the "Fourth Interim Report") (ECF No. 3038); October 1, 2010 to March 31, 2011 (the "Fifth Interim Report") (ECF No. 4072); April 1, 2011 to September 30, 2011 (the "Sixth Interim Report") (ECF No. 4529); October 1, 2011 to March 31, 2012 (the "Seventh Interim Report") (ECF No. 4793); April 1, 2012 to September 30, 2012 (the "Eighth Interim Report") (ECF No. 5066); October 1, 2012 to March 31, 2013 (the "Ninth Interim Report") (ECF No. 5351); April 1, 2013 to September 30, 2013 (the "Tenth Interim Report") (ECF No. 5554); October 1, 2013 to March 31, 2014 (the "Eleventh Interim Report") (ECF No. 6466); April 1, 2014 to September 30, 2014 (the "Twelfth Interim Report") (ECF No. 8276); October 1, 2014 through March 31, 2015 (the "Thirteenth Interim Report") (ECF No. 9895); April 1, 2015 through September 30, 2015 (the "Fourteenth Interim Report") (ECF No. 11912); October 1, 2015 through March 31, 2016 (the "Fifteenth Interim Report") (ECF No. 13184); April 1, 2016 through September 30, 2016 (the "Sixteenth Interim Report") (ECF No. 14347); October 1, 2016 through March 31, 2017 (the "Seventeenth Interim Report") (ECF No. 15922); April 1, 2017 through September 30, 2017 (the "Eighteenth Interim Report") (ECF No. 16862); October 1, 2017 through March 31, 2018 (the "Nineteenth Interim Report") (ECF No. 17555); April 1, 2018 through September 30, 2018 (the "Twentieth Interim Report") (ECF No. 18146); October 1, 2018 through March 31, 2019 (the "Twenty-First Interim Report") (ECF No. 18716), April 1, 2019 through September 30, 2019 (the "Twenty-Second Interim Report") (ECF No. 19097); October 1, 2019 through March 31, 2020 (the "Twenty-Third Interim Report") (ECF No. 19502); April 1, 2020 through September 30, 2020 (the "Twenty-Fourth Interim Report") (ECF No. 19896); October 1, 2020 through March 31, 2021 (the "Twenty-Fifth Interim Report") (ECF No. 20480); April 1, 2021 through September 30, 2021 (the "Twenty-Sixth Interim Report") (ECF No. 20821); October 1, 2021 through March 31, 2022 (the "Twenty-Seventh Interim Report") (ECF No. 21473); April 1, 2022 through September 30, 2022 (the "Twenty-Eighth Interim Report") (ECF No. 22500); October 1, 2022 through March 31, 2023 (the "Twenty-Ninth Interim Report") (ECF No. 23158); April 1, 2023 through September 30, 2023 (the "Thirtieth Interim Report") (ECF No. 23725); October 1, 2023 through March 31, 2024 (the "Thirty-First Interim Report") (ECF No. 24186); and April 1, 2024 through September 30, 2024 (the "Thirty-Second Interim Report") (ECF No. 24484).

litigation, settlements, and other means are available in their entirety for the satisfaction of allowed customer claims.

8. A summary of the financial condition of the estate as of March 31, 2025, is provided in Exhibit A attached hereto.

9. This summary reflects cash of $52,904,321.23, short term investments, money market funds, savings accounts and other investments, including alternative investments of $401,180,861, and short-term United States Treasuries in the principal amount of $297,569,446. *See* Exhibit A, page 3, note (3) and page 5, notes (4) and (5).

10. As detailed in Exhibit A, as of March 31, 2025, the Trustee requested and SIPC advanced $3,482,846,124.70, of which $849,973,412.47 was used to pay allowed customer claims up to the maximum SIPA statutory limit of $500,000 per account, and $2,632,872,712.23 was used for administrative expenses. *See* Exhibit A, page 1.

IV. CLAIMS ADMINISTRATION

A. Claims Processing

i. Customer Claims

11. During the Report Period, the Trustee allowed $0 in customer claims, bringing the total amount of allowed claims as of March 31, 2025 to $19,556,254,133.27. The Trustee has paid or committed to pay $850,368,412.47 in cash advances from SIPC through March 31, 2025. This is the largest commitment of SIPC funds of any SIPA liquidation proceeding and greatly exceeds the total aggregate payments made in all other SIPA liquidations to date.

12. As of March 31, 2025, there were 6 customer claims relating to 2 customer accounts that were "deemed determined," meaning the Trustee has instituted litigation against those accountholders and related parties. The complaints filed by the Trustee in those litigations set forth the express grounds for disallowance of customer claims under §502(d) of the

Bankruptcy Code. Accordingly, such customer claims will not be allowed until the avoidance actions are resolved by settlement or otherwise and the judgments rendered against the claimants in the avoidance actions are satisfied.

ii. General Creditor Claims

13. As of March 31, 2025, the Trustee had received 428 timely and 22 untimely filed secured and unsecured priority and non-priority general creditor claims totaling approximately $1.7 billion. The claimants include vendors, taxing authorities, employees, and customers filing claims on non-customer proof of claim forms. Of these 450 claims and $1.7 billion, the Trustee has received 95 general creditor claims and 49 broker-dealer claims totaling approximately $265.4 million. At this time, the BLMIS estate has no funds from which to make distributions to priority/non-priority general creditors and/or broker dealers.

iii. The Trustee Has Kept Claimants Informed Of The Status Of The Claims Process

14. Throughout the SIPA liquidation proceeding, the Trustee has kept claimants, general creditors, interested parties, and the public informed of his efforts by maintaining the Trustee Website, a toll-free customer hotline, conducting a Bankruptcy Code § 341(a) meeting of creditors on February 20, 2009, and responding in a timely manner to the multitude of phone calls, e-mails, and letters received on a daily basis, from both claimants and their representatives.

15. The Trustee Website (www.madofftrustee.com) allows the Trustee to share information with claimants, their representatives, and the general public regarding the ongoing recovery efforts and the overall liquidation. In addition to court filings, media statements, and weekly information on claims determinations, the Trustee Website includes up-to-date information on the status of Customer Fund recoveries, an "Ask the Trustee" page where questions of interest are answered and updated, a letter from the Trustee's Chief Counsel on

litigation matters, a detailed distribution page, an FAQs page, and a timeline of important events. The Trustee Website is monitored and updated on a daily basis.

16. In addition, the Trustee Website allows claimants to e-mail their questions directly to the Trustee's professionals, who follow up with a return e-mail or telephone call to the claimants. As of March 31, 2025, the Trustee and his professionals had received and responded to over 7,100 e-mails via the Trustee Website from BLMIS customers and their representatives and fielded thousands of calls from claimants and their representatives.

17. In sum, the Trustee and his team have endeavored to respond in a timely manner to every customer inquiry and ensure that customers are as informed as possible about various aspects of the BLMIS proceeding.

iv. The Hardship Program

18. This SIPA liquidation proceeding had offered two different Hardship Programs to former BLMIS customers, both of which are detailed in prior reports along with statistics regarding how many customers have availed themselves of the program. *See* Trustee's Twentieth Interim Report, ECF No. 18146. As of March 31, 2025, there were 191 Hardship Applications that were resolved because they were either withdrawn by the applicant, deemed withdrawn for failure of the applicant to pursue the application, denied for lack of hardship or referred for consideration of settlement. After nearly 12 years, the Hardship Program was officially terminated.

B. Objections To Claims Determinations

19. As of March 31, 2025, 1,733 docketed objections (which exclude withdrawn objections and include duplicates, amendments, and supplements) had been filed with the Court. These objections relate to 3,253 unique customer claims and 699 customer accounts. As of

March 31, 2025, 19 docketed objections (related to 14 unique customer claims and 11 customer accounts) remained.

20. The following objections, among others, have been asserted: Congress intended a broad interpretation of the term "customer" and the statute does not limit the definition to those who had a direct account with BLMIS, the Trustee should determine claims based upon the BLMIS November 30, 2008 statement as opposed to the court-approved cash in-cash out or "Net Investment Method," claimants should receive interest on deposited amounts, the Trustee must commence an adversary proceeding against each claimant in order to avoid paying gains on claimants' investments, claimants paid income taxes on distributions and their claims should be adjusted by adding all amounts they paid as income taxes on fictitious profits, each person with an interest in an account should be entitled to the SIPC advance despite sharing a single BLMIS account, and there is no legal basis for requiring the execution of a Assignment and Release prior to prompt payment of a SIPC advance.

21. The Trustee departed from past practice in SIPA liquidation proceedings and paid or committed to pay the undisputed portion of any disputed claim in order to expedite payment of SIPC protection to customers, while preserving their right to dispute the total amount of their claim.

22. As part of his ongoing efforts to resolve pending objections, the Trustee has continued investigating and analyzing objections of claimants to the Trustee's determination of their claims. During this extensive review of the facts unique to each claimant, the Trustee has identified circumstances that require resolution by the Bankruptcy Court. Prior disputes are described in the Trustee's previous reports.

C. Settlements Of Customer Claims Disputes

23. As of March 31, 2025, the Trustee had reached agreements relating to 1,182 customer accounts and with the IRS (which did not have a BLMIS account). These litigation, pre-litigation, and avoidance action settlements allowed the Trustee to avoid the litigation costs that would have otherwise been necessary.

V. PROCEEDINGS RELATED TO THE INTERPRETATION OF SIPA

A. Net Equity Dispute

24. For purposes of determining each customer's Net Equity, as that term is defined under SIPA, the Trustee credited the amount of cash deposited by the customer into his BLMIS account, less any amounts already withdrawn from that BLMIS customer account, also known as the Net Investment Method. Some claimants argued that the Trustee was required to allow customer claims in the amounts shown on the November 30, 2008 customer statements (the "Net Equity Dispute").

25. On August 16, 2011, the Second Circuit affirmed this Court's decision and the Trustee's Net Investment Method, holding that it would have been "legal error" for the Trustee to discharge claims for securities under SIPA "upon the false premise that customers' securities positions are what the account statements purport them to be." *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, 654 F.3d 229, 241 (2d Cir. 2011) (the "Net Equity Decision"). Any calculation other than the Net Investment Method would "aggravate the injuries caused by Madoff's fraud." *Id*. at 235. Instead, the Net Investment Method prevents the "whim of the defrauder" from controlling the process of unwinding the fraud. *Id*.

26. Under the *Net Equity Decision*, the relative position of each BLMIS customer account must be calculated based on "unmanipulated withdrawals and deposits" from its opening date through December 2008. *Id*. at 238. If an account has a positive cash balance, that

accountholder is owed money from the estate. As a corollary, if an account has a negative cash balance, the accountholder owes money to the estate. Both the recovery and distribution of customer property in this case are centered on the principle that the Trustee cannot credit "impossible transactions." *Id*. at 241. If he did, then "those who had already withdrawn cash deriving from imaginary profits in excess of their initial investment would derive additional benefit at the expense of those customers who had not withdrawn funds before the fraud was exposed." *Id*. at 238.

27. The Second Circuit found, "in the context of this Ponzi scheme—the Net Investment Method is . . . more harmonious with provisions of the Bankruptcy Code that allow a trustee to avoid transfers made with the intent to defraud . . . and 'avoid[s] placing some claims unfairly ahead of others.'" *Id*. at 242 n.10 (quoting *Jackson v. Mishkin (In re Adler, Coleman Clearing Corp.)*, 263 B.R. 406, 463 (S.D.N.Y. 2001)). Thus, the Trustee is obligated to use the avoidance powers granted by SIPA and the Bankruptcy Code to prevent one class of customers—the "net winners" or those with avoidance liability—from having the benefit of Madoff's fictitious trades at the expense of the other class of customers—the "net losers," or those who have yet to recover their initial investment.

28. Finally, the Second Circuit explained that "notwithstanding the BLMIS customer statements, there were no securities purchased and there were no proceeds from the money entrusted to Madoff for the purpose of making investments." *Id*. at 240. Therefore any "[c]alculations based on made-up values of fictional securities would be 'unworkable' and would create 'potential absurdities.'" *Id*. at 241 (quoting *In re New Times Sec. Serv., Inc.*, 371 F.3d 68, 88 (2d Cir. 2004)). Thus, the Second Circuit rejected reliance upon the BLMIS account statements, finding that, to do otherwise, "would have the absurd effect of treating fictitious and

arbitrarily assigned paper profits as real and would give legal effect to Madoff's machinations." *Id*. at 235.

29. A petition for panel rehearing, or, in the alternative, for rehearing en banc was denied. *Sterling Equities Assoc. v. Picard*, Adv. No. 10-2378 (2d Cir.) (ECF Nos. 505, 537, 551). Three petitions for certiorari were filed with the Supreme Court, which were denied. *Ryan v. Picard*, 133 S. Ct. 24 (2012); *Velvel v. Picard*, 133 S. Ct. 25 (2012). Certiorari was also dismissed with respect to one appeal. *Sterling Equities Assoc. v. Picard,* 132 S. Ct. 2712 (2012).

B. Time-Based Damages

30. Following the litigation regarding the Net Investment Method, the Trustee filed a motion to affirm his net equity calculations and denying requests for "time-based damages." (ECF Nos. 5038, 5039). The Trustee took the position that customers were not entitled to an inflation-based adjustment to their allowed customer claims. This Court agreed. *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec., LLC (In re Bernard L. Madoff)*, 496 B.R. 744 (Bankr. S.D.N.Y. 2013) (the "Time-Based Damages Decision"); *see also* ECF No. 5463.

31. On February 20, 2015, the Second Circuit affirmed the Bankruptcy Court's decision, holding that "SIPA's scheme disallows an inflation adjustment as a matter of law." *See In re Bernard L. Madoff Inv. Sec. LLC*, 779 F.3d 74, 80, 82 (2d Cir. 2015). The Court also held that "an interest adjustment to customer net equity claims is impermissible under SIPA's scheme." *Id*. at 83.

32. Under the Second Circuit's decision, a customer's net equity claim, calculated in accordance with the *Time-Based Damages Decision*, will not be adjusted for inflation or interest. The Second Circuit explained that "an inflation adjustment goes beyond the scope of SIPA's intended protections and is inconsistent with SIPA's statutory framework." *Id*. at 79. Nor does SIPA provide for compensation related to any opportunity cost of the use of such money during

the pendency of the liquidation proceedings. *Id*. at 80. While SIPA operates to "facilitate the proportional distribution of customer property actually held by the broker," *id.* at 81, "the Act . . . restores investors to what their position would have been in the absence of liquidation." *Id*. at 79. For similar reasons, the Second Circuit rejected the request of one claimant who sought an adjustment for interest, in addition to inflation. *Id*. at 83.

33. The Supreme Court denied the petition for certiorari filed. *Peshkin v. Picard*, 136 S. Ct. 218 (2015).

C. "Customer" Definition

34. In this SIPA liquidation proceeding, the Trustee discovered that many claimants did not invest directly with BLMIS, but through an intermediary such as a "feeder fund." The Trustee's position consistently has been that only those claimants who maintained an account at BLMIS constitute "customers" of BLMIS, as defined in § 78*lll*(2) of SIPA. Where it appeared that claimants did not have an account in their names at BLMIS, the Trustee denied their claims for securities and/or a credit balance on the ground that they were not customers of BLMIS under SIPA.

35. On June 28, 2011, the Court issued a decision affirming the Trustee's denial of these claims. (ECF Nos. 3018, 4193, 4209); *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC,* 454 B.R. 285 (Bankr. S.D.N.Y. 2011). The Court found that the objecting claimants invested in, not through, the feeder funds, and had no individual accounts at BLMIS. It was the feeder funds who entrusted their monies with BLMIS for the purpose of trading or investing in securities—the touchstone of "customer" status—whereas the objecting claimants purchased ownership interests in the feeder funds. The Court held that, absent a direct broker-dealer relationship with BLMIS, the objecting claimants sought a definition of "customer" that stretched the term beyond its limits.

36. Judge Lifland put it succinctly: the objecting-claimants who invested in sixteen feeder funds did not qualify as "customers" because they "had no securities accounts at BLMIS, were not known to BLMIS, lacked privity and any financial relationship with BLMIS, lacked property interests in any Feeder Fund account assets at BLMIS, entrusted no cash or securities to BLMIS, had no investment discretion over Feeder Fund assets invested with BLMIS, received no account statements or other communications from BLMIS and had no transactions reflected on the books and records of BLMIS . . . ." *Id*. at 290.

37. On January 4, 2012, Judge Cote affirmed the Bankruptcy Court decision. *See Aozora Bank Ltd. v. Sec. Inv'r Prot. Corp*., 480 B.R. 117 (S.D.N.Y. 2012). In that decision, Judge Cote determined in light of SIPA, the "most natural reading of the 'customer' definition excludes persons like the appellants who invest in separate third-party corporate entities like their feeder funds that in turn invest their assets with the debtor." *Id*. at 123.

38. On February 22, 2013, the Second Circuit affirmed the decisions of the District Court and the Bankruptcy Court. *See Kruse v. Sec. Inv'r Prot. Corp., Irving H. Picard,* 708 F.3d 422 (2d Cir. 2013). No petitions for certiorari were filed.

D. <u>Inter-Account Transfers</u>

39. The Trustee has maintained, and the Second Circuit affirmed, that the "cash-in, cash-out" methodology is appropriate for calculating a customer's net equity in this case. *The Net Equity Decision*, however, did not expressly address the treatment of transfers between BLMIS accounts, which the Trustee refers to as "Inter-Account Transfers." Many customers maintained more than one BLMIS account and transferred funds between such accounts. Other customers transferred funds to the accounts of other BLMIS customers.

40. On December 8, 2014, the Bankruptcy Court issued a decision upholding the Trustee's methodology for calculating inter-account transfers. ECF No. 8680; *see Sec. Inv'r*

Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff), 522 B.R. 41 (Bankr. S.D.N.Y. 2014). Judge Bernstein explained that if he adopted the objecting parties' arguments, "computing the balance in the transferor's account bloated by fictitious profits increases the transferee's claim to the customer property pool allocable to all Madoff victims by artificially increasing the transferee's net equity. This result aggravates the injury to those net losers who did not receive transfers of fictitious profits by diminishing the amount available for distribution from the limited pool of customer property." *Id*. at 53. The order memorializing Judge Bernstein's written decision was entered on December 22, 2014. (ECF No. 8857).

41. On January 14, 2016, the District Court affirmed. Judge Engelmayer held that the Inter-Account Transfer Method "properly applies the Second Circuit's Net Equity Decision and is not otherwise prohibited by law;" in fact, he found that "the method is superior as a matter of law, and not 'clearly inferior,'" to the alternatives proposed by the appellants. *In re BLMIS*, 2016 WL 183492 *1, at *26 (S.D.N.Y. Jan. 14, 2016) (citing *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC,* 654 F.3d at 238 n.7 (2d Cir. 2011).

42. On June 1, 2017, the Second Circuit issued a summary order agreeing with the lower courts. Rejecting each of the appellants' arguments in turn, and citing its Net Equity Decision, the Order confirms that the Second Circuit "continue[s] to refuse . . . to 'treat[] fictitious and arbitrarily assigned paper profits as real' and to give 'legal effect to Madoff's machinations.'" *In re Bernard L. Madoff Inv. Sec., LLC*, 2017 WL 2376567, *3 (2d Cir. Jun. 1, 2017).

43. No petitions for certiorari were filed.

E. <u>Profit-Withdrawal Issue</u>

44. Several customers, including claimant Mr. Aaron Blecker, objected to the Trustee's denial of their net equity claims because they disputed whether they received funds that

appear to be identified on BLMIS customer account statements as "PW," or "Profit Withdrawals."

45. Upon further review and analysis, the Trustee discovered that several hundred accounts contained "PW" transactions. Accordingly, the Trustee instituted an omnibus proceeding to resolve the question of whether the Trustee's treatment of "PW" transactions as cash withdrawals for the purposes of a customer's net equity calculation is proper. (ECF No. 10266).

46. Following extensive briefing, discovery, and motion practice, the Court held a trial on the matter on January 19, 2018. After hearing testimony from the Trustee's professionals, Mr. Blecker's son, and BLMIS employees, and consideration of the BLMIS books and records offered into evidence, the Court found that absent credible evidence to the contrary offered by a claimant related to that claimant's case, a "PW" notation appearing on a BLMIS customer statement indicated that the customer received a cash distribution in the amount of the PW Transaction. Because claimant Mr. Blecker failed to provide any credible, contrary evidence that the "PW" Transactions on his customer statements were not received, he failed to sustain his burden of proving the amount of his customer claims. *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, 592 B.R. 513 (Bankr. SDNY 2018). The Court entered its Order Affirming the Trustee's Determinations Denying Claims and Overruling the Objections of Participating Claimant Aaron Blecker on August 3, 2018. (ECF No. 17878).

47. An appeal was taken to the District Court and was fully briefed by January 18, 2019. (ECF Nos. 18, 19, 20, 23, 24). Appellants challenged this Court's application of the Federal Rules of Evidence in admitting and relying on the BLMIS books and records in finding that the profit withdrawal transactions were properly treated as debits under the Net Investment

Method. On August 16, 2019, the District Court affirmed the Bankruptcy Court's decision. *Blecker v. Picard*, 2019 WL 3886721 (Aug. 16, 2019) 18 Civ. 7449 (PAE). The District Court found no abuse of discretion in the decision; specifically, it found that this Court rigorously and properly applied the Federal Rules of Evidence and its admission of BLMIS's books and records as business records was proper. The District Court further held that the burden to overcome the Trustee's claim determination was Mr. Blecker's and he failed to do so.

48. On September 13, 2019, an appeal of the District Court's decision was taken to the Second Circuit. *Blecker v. Picard*, Docket No. 19-2988. On December 27, 2019, appellants filed their opening brief repeating their claims that this Court failed to apply the Federal Rules of Evidence, improperly shifted the burden of proof to Mr. Blecker, and that Mr. Blecker could not have ratified the transactions in his BLMIS account that occurred before 1992.

49. The Trustee and SIPC's opposition briefs were filed on April 17, 2020. Appellants filed their reply on May 27, 2020, and oral argument was held on September 21, 2020.

50. On October 6, 2020, the Second Circuit issued its Summary Order upholding the District Court's judgment affirming this Court's decision that the Trustee properly treated PW transactions as debits to BLMIS customer accounts. Summary Order, *In re: Bernard L. Madoff Investment Securities LLC*, 830 Fed.Appx. 669 (2020). The Second Circuit found that the District Court properly upheld this Court's admission of the BLMIS books and records as within the "permissible bounds of its discretion." *Id*. at 4. Further, the Second Circuit found no clear error as to this Court's factual determination that Blecker "ratified the PW Transactions whether as a result of the 10-day clause in the 1992 customer agreements (for PW Transactions postdating those agreements), or through his 23 years-long, knowing acceptance of the PW

Transactions and the corresponding reductions to his BLMIS accounts" prior to the 1992 customer agreements. *Id*. The Second Circuit found all other arguments by Mr. Blecker without merit and rejected them without discussion. *Id*. at 5.

51. No petitions for certiorari were filed.

VI. LITIGATION

52. The Trustee is actively involved in dozens of litigations and appeals. This Report does not discuss each of them in detail but instead summarizes those matters with the most activity during the Report Period.

A. The District Court—Motions to Dismiss Heard by Judge Rakoff

53. Upon the motions of hundreds of defendants, the District Court withdrew the reference in numerous cases and heard numerous motions to dismiss. A total of 485 motions to withdraw and 424 joinders were filed, altogether implicating a total of 807 adversary proceedings. The District Court (Rakoff, J.) consolidated briefing and argument on certain common issues raised in the motions to withdraw (the "Common Briefing"). *See* Trustee's Twentieth Interim Report, ECF No. 18146. The District Court has since decided the Common Briefing issues and returned all proceedings to the Bankruptcy Court.

B. Good Faith Actions

i. Resolution of Good Faith Avoidance Actions

54. At the beginning of the Report Period, there were three active good faith avoidance actions. Three were closed during the Report Period,[4] resolving all remaining active good faith avoidance actions. In one avoidance action, the Bankruptcy Court closed the adversary proceeding against the Defendants following the District Court's decision and

[4] Two matters closed in December, 2024. *See Picard v. Glantz*, Adv. Pro. No. 10-05394; *Picard v. Gross*, Adv. Pro. No. 10-04667.

judgment in favor of the Trustee. *See* Adv. Pro. No. 10-04669 (Bankr. S.D.N.Y. Oct. 2, 2024). The Trustee's counsel also engaged in settlement negotiations in this action, which led to one documented settlement finally resolving the matter. In another avoidance action, the Trustee agreed to dismiss defendants from the adversary proceeding. Finally, one avoidance action was closed as a result of the Defendant's discharge in personal chapter 7 bankruptcy cases.

55. In addition, there were three active subsequent transfer actions related to good faith avoidance actions where the Trustee previously obtained judgments. These actions were not closed during the Report Period, leaving a total of three subsequent transfer actions by the end of the Report Period.

ii. Subsequent Transfer Actions Related to Good Faith Avoidance Actions

(a) Sage Actions

56. On December 1, 2020, counsel for Defendants Sage Associates, Sage Realty, Malcolm Sage, Ann Passer Sage, and Martin Sage moved for permissive withdrawal of the reference. *See* Nos. 20-cv-10057 (lead case) & 20-cv-10109, ECF No. 1.

57. On May 18, 2021, Judge Nathan granted Defendants' motion to withdraw the reference to the Bankruptcy Court. *See* No. 20-cv-10057, ECF No. 19. Judge Nathan directed the parties to submit a joint letter by June 14, 2021 on the status of discovery and next steps. *Id.*

58. On November 2, 2021, the actions were reassigned to District Judge John F. Keenan.

59. On January 19, 2022, trial in the consolidated actions began before Judge Keenan. Trial continued on January 21, 24, and 25, in addition to February 2, 2022.

60. On April 15, 2022, the Court entered judgment in favor of the Trustee in the amount of $16,880,000 against all Defendants, jointly and severally. *Id.*, ECF No. 111.

61. On April 19, 2022, the Court modified the April 15, 2022 judgment to enter judgment in favor of the Trustee (1) in the amount of $13,510,000 against Defendants Sage Associates, Malcolm Sage, Martin Sage, and Ann Sage Passer, jointly and severally, and (2) in the amount of $3,370,000 against Defendants Sage Realty, Malcolm Sage, Martin Sage, and Ann Sage Passer, jointly and severally. *Id.*, ECF No. 113.

62. On May 20, 2022, Malcolm Sage filed a Notice of Appeal of the District Court's judgment in both actions. *See* No. 20-cv-10057, ECF No. 118; No. 20-cv-10109, ECF No. 74. On June 3, 2022, the Trustee filed the Notice of Cross-Appeal of the District Court's judgment. *See* No. 20-cv-10057, ECF No. 120. On September 16, 2022, Defendants filed their opening brief before the Second Circuit. *See* No. 22-1107 (lead case), ECF Nos. 81, 83. On December 2, 2022, the Trustee withdrew its Cross-Appeal of the District Court's judgment. *Id.*, ECF Nos. 101–02. On December 16, 2022, the Trustee and SIPC filed their briefs in response to Defendants' opening brief. *Id.*, ECF Nos. 115–16. On January 16, 2023, Defendants filed their reply brief. *Id.*, ECF No. 150. Oral arguments took place on May 31, 2023. *Id.*, ECF Nos. 181, 185.

63. On August 10, 2023, the Second Circuit issued a summary order affirming the order of the District Court in favor of the Trustee. *Id.*, ECF No. 193. On April 24, 2024, Malcolm Sage filed a writ of certiorari on behalf of both actions, and it was docketed with the Supreme Court as Case No. 23-1175. On June 3, 2024, the United States Supreme Court denied the petition for writ of certiorari.

64. On April 19, 2023, the Trustee filed three separate subsequent transfer actions against Ann Passer (Adv. Pro. No. 23-01097), Martin Sage, Sybil Sage (Adv. Pro. No. 23-

01098), and Malcolm Sage, Lynne Florio (Adv. Pro. No. 23-01099) to recover subsequent transfers received from Defendants Sage Associates and Sage Realty.

65. In the *Ann Passer* matter, Defendant's extended deadline to answer or otherwise respond to the Trustee's Complaint was set for December 5, 2023. *See* Adv. Pro. No. 23-01097, ECF No. 21. Defendant has not responded to date. On June 20, 2024, the Trustee filed a notice of voluntary dismissal without prejudice. *Id.*, ECF No. 27.

66. In the *Martin Sage*, *Sybil Sage* matter, Defendants filed their motion to dismiss on May 24, 2023. *See* Adv. Pro. No. 23-01098, ECF Nos. 4–5. The Trustee filed his opposition on August 16, 2023. *Id.*, ECF Nos. 16–17. The Defendants filed their reply on September 13, 2023. *Id.*, ECF Nos. 21–22. Oral arguments were held on September 20, 2023. *Id.*, ECF Nos. 14, 30. The Court denied the Defendants' motion to dismiss in its entirety on October 3, 2023. *Id.*, ECF No. 31. On November 3, 2023, the Defendants filed their Answer to the Complaint. *Id.*, ECF No. 34. On January 12, 2024, the parties submitted—and the Bankruptcy Court signed—an agreed-upon Case Management Plan pursuant to Rules 16 and 26 of the Federal Rules of Civil Procedure, applicable under Rules 7016 and 7026 of the Federal Rules of Bankruptcy Procedure. *Id.*, ECF No. 38.

67. On November 19, 2024, the Trustee filed a letter requesting a discovery conference concerning Defendants' refusal to produce documents responsive to the Trustee's document requests. *Id.*, ECF No. 46. On November 20, 2024, Defendants filed a letter responding to the Trustee's request for a discovery conference. *Id.*, ECF No. 48. The Bankruptcy Court held a discovery conference on December 11, 2024, where the Court directed the parties to confer regarding a schedule to file motions to amend the parties' pleadings and/or stipulation for submission of amended pleadings and the extension of all discovery deadlines,

including extending fact discovery until April 30, 2035. *Id.*, ECF No. 54. On December 20, 2024, the Bankruptcy Court entered an amended case management plan extending fact discovery until April 30, 2025. *Id.*, ECF No. 55.

68. On March 12, 2025, the Bankruptcy Court entered a second amended case management plan extending fact discovery until September 30, 2025. *Id.*, ECF No. 56. The second amended case management plan also allowed defendants to file an amended answer and entered a proposed briefing schedule on the Trustee's motion to compel. *Id.*

69. In the *Malcolm Sage*, *Lynne Florio* matter, Defendants filed their motion to dismiss on June 30, 2023. *See* Adv. Pro. No. 23-01099, ECF No. 26. The Trustee opposed on August 16, 2023. *Id.*, ECF Nos. 32–33. The Defendants filed their reply on September 13, 2023. *Id.*, ECF No. 35. Oral arguments were held on September 20, 2023. *Id.*, ECF No. 43. The Court denied in part and granted in part the Defendants' motion to dismiss on October 3, 2023. *Id.*, ECF No. 44.

70. On February 12, 2024, Defendants each filed their Answer to the Complaint. *Id.*, ECF Nos. 73–74. On April 18, 2024, the parties submitted—and the Bankruptcy Court signed—an agreed-upon Case Management Plan pursuant to Rules 16 and 26 of the Federal Rules of Civil Procedure, applicable under Rules 7016 and 7026 of the Federal Rules of Bankruptcy Procedure. *Id.*, ECF No. 78.

71. On June 21, 2024, Defendants' counsel filed a Notice and Motion to Withdraw as Attorney to Defendants. *Id.*, ECF Nos. 81–82. On July 19, 2024, the Trustee filed a response to counsel's Notice of Withdrawal. *Id.*, ECF No. 89. On July 24, 2024, Defendants filed under seal a response and objection to their counsel's Motion to Withdraw. *Id.*, ECF No. 93. On July 26, 2024, Defendants' counsel filed a reply in further support of the Motion to Withdraw. *Id.*, ECF

No. 95. On August 1, 2024, the Court held a hearing on the Motion to Withdraw. *Id.*, ECF No. 102. On August 1, 2024, the Court granted counsel's Motion to Withdraw and stayed discovery until December 2, 2024 to allow Defendants time to seek new counsel. *Id.*, ECF No. 98. The Court also amended the Case Management Plan extending the fact discovery deadline from March 31, 2025 to July 31, 2025. *Id.*, ECF No. 99.

72. On December 2, 2024, defendant Lynne Florio filed a letter requesting an extension of Defendants' time to seek new counsel to March 3, 2025, and requested that the Trustee be precluded from filing any motions with respect to discovery until March 10, 2025. *Id.*, ECF No. 103. On December 6, 2024, defendant Lynne Florio filed an additional letter requesting that the status and pretrial conference set for December 18, 2024 be extended and held in person. *Id.*, ECF No. 104. The Bankruptcy Court adjourned the status and pretrial conference to January 29, 2025. *Id.*, ECF No. 105. On January 16, 2024, the Trustee filed a letter responding to defendant Lynne Florio's request to extend Defendants' time to seek new counsel. *Id.*, ECF No. 107.

73. At the January 29, 2025 status and pretrial conference, Defendants requested a further extension of time to seek new counsel to May 1, 2025 and requested that the Trustee be precluded from filing any motions with respect to discovery until May 8, 2025. *Id.*, ECF No. 111. The Bankruptcy Court granted Defendants' request for an extension to May 1, 2025 and stayed discovery until May 8, 2025 to allow Defendants time to seek new counsel. *Id.*, ECF No. 109. The Court also amended the Case Management Plan extending the fact discovery deadline from July 31, 2025 to April 30, 2026. *Id.*.

(b) <u>Oasis Action</u>

74. On January 31, 2020, counsel for Defendant RAR Entrepreneurial Fund Ltd. moved for permissive withdrawal of the reference. *See* No. 20-cv-01029, ECF No. 1.

75. On February 18, 2020, the Trustee filed a letter with the Court consenting to the withdrawal of the reference and proposing a briefing schedule for summary judgment, which Defendants' counsel agreed to, and the Court so ordered on March 5, 2020. *Id.*, ECF Nos. 5, 7.

76. On April 1, 2020, the Trustee filed his motion for summary judgment. *Id.*, ECF Nos. 12–20. On June 5, 2020, Defendant filed its memorandum of law in opposition to the Trustee's motion for summary judgment and in support of its cross-motion for summary judgment dismissing the case in its entirely. On June 9, 2020, Defendant filed its notice of cross-motion for summary judgment. *Id.*, ECF Nos. 25–29. On June 23, 2020, the Trustee filed his brief in reply to Defendant's cross-motion and Defendant's opposition to his motion for summary judgment. *Id.*, ECF Nos. 33–35. Defendant filed its reply brief in support of its cross-motion on June 30, 2020. *Id.*, ECF No. 36.

77. On March 3, 2021, District Judge Jesse M. Furman granted in part and denied the Trustee's motion for summary judgment and denied in full Defendant's cross-motion, finding that the Trustee had standing to pursue the Two-Year Transfers, and established the elements of his claim except that there were issues of fact with respect to whether the transfers were made by the LLC or Madoff personally, despite finding "RAR faces an uphill battle and that the Trustee is ultimately likely to prevail on its claim." No. 20-cv-01029, 2021 WL 827195, at *10 (S.D.N.Y. Mar. 3, 2021).

78. On May 6, 2021, the Court held a telephonic conference with the parties, during which the trial was scheduled to begin on July 19, 2021. *See* No. 20-cv-01029, ECF No. 49.

79. On May 11, 2021, the Trustee filed a letter motion seeking to stay the trial pending a decision from the Second Circuit in the similarly situated avoidance action, *Picard v. JABA Assocs. LP*, No. 21-872 (2d Cir.), which Defendant opposed in a letter response dated May

13, 2021. *See* No. 20-cv-01029, ECF Nos. 54–55. The District Court denied the motion. *Id.*, ECF No. 56.

80. On June 2, 2021, the Court issued an order rescheduling the trial to begin on July 20, 2021. *Id.*, ECF No. 59.

81. On July 16, 2021, the trial was adjourned. *Id.*, ECF No. 98.

82. On August 27, 2021, the Court issued an order rescheduling the trial to begin on October 18, 2021. *Id.*, ECF No. 104.

83. On September 17, 2021, the Court instructed the parties it would notify them on October 13, 2021 whether the trial would be adjourned. *Id.*, ECF No. 107.

84. On October 13, 2021, the trial was adjourned and subsequently rescheduled for March 3, 2022. *Id.*, ECF Nos. 110, 115.

85. On February 28, 2022, the final pretrial conference was held and the trial began three days later on March 3, 2022. *Id.*, ECF Nos. 121, 134–35, 137. On March 7, 2022, after closing statements were made, the jury deliberated and reached a verdict in favor of the Trustee, finding that the investment advisory business of Madoff's sole proprietorship was transferred to the limited liability company before December 11, 2006 (two years prior to the filing of the SIPA liquidation), and awarding the Trustee $12,800,065 (the total amount in fraudulent transfers received by Defendants between December 11, 2006 and December 11, 2008). *Id.*, ECF No. 132.

86. On March 22, 2022, the parties filed their supplemental memoranda of law as to whether prejudgment interest should be awarded to the Trustee. *Id.*, ECF Nos. 141–42.

87. On September 20, 2022, the District Court granted the Trustee prejudgment interest from the date of the complaint against the defendant through the date of entry of judgment, at a rate of 4% per annum. *Id.*, ECF No. 149.

88. On September 23, 2022, the District Court entered its final judgment in favor of the Trustee in the total amount of $18,867,295.81, which includes prejudgment interest at a rate of 4% from November 12, 2010 through the date of entry of judgment. *Id.*, ECF No. 151.

89. On November 23, 2022, RAR Entrepreneurial Fund, Ltd. filed a Notice of Appeal of the District Court's judgment. *Id.*, ECF No. 159. RAR Entrepreneurial Fund, Ltd. filed its opening brief on March 16, 2023. *See* No. 22-3006 (lead case), ECF Nos. 40, 44. The Trustee and SIPC filed their briefs on June 15, 2023. *Id.*, ECF Nos. 67–66. On August 3, 2023, RAR Entrepreneurial Fund Ltd. filed its reply brief in further support of its appeal. *Id.*, ECF No. 102. On December 8, 2023, oral arguments were held and on December 19, 2023, the Second Circuit issued a summary order affirming the District Court's judgment in favor of the Trustee. *Id.*, ECF Nos. 121, 124.

90. On September 20, 2023, the Trustee filed a separate subsequent transfer action against Russell Oasis to recover subsequent transfers he received from Defendant RAR Entrepreneurial Fund Ltd. *See* Adv. Pro. No. 23-01181, ECF No. 1. On November 27, 2023, Defendant filed his Answer to the Complaint. *Id.*, ECF No. 12. On January 1, 2024, the parties submitted—and the Bankruptcy Court signed—an agreed-upon Case Management Plan pursuant to Rules 16 and 26 of the Federal Rules of Civil Procedure, applicable under Rules 7016 and 7026 of the Federal Rules of Bankruptcy Procedure. *Id.*, ECF No. 13.

91. On October 9, 2024, the Bankruptcy Court entered an Amended Case Management Plan extending the fact discovery deadline to May 30, 2025. *Id.*, ECF No. 23.

C. Bad Faith Actions

92. The Trustee has one bad faith action still pending as of the end of the Report Period, as set forth on the attached Exhibit B.

i. Picard v. Avellino & Bienes

93. On December 10, 2010, the Trustee commenced an avoidance action against Avellino & Bienes, Frank J. Avellino, Michael S. Bienes, Nancy C. Avellino, Dianne K. Bienes, Thomas G. Avellino, and numerous other trusts and entities (collectively, the "A&B Defendants") seeking the return of over $904 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for fraudulent conveyances in connection with certain transfers of property by BLMIS to or for the benefit of the A&B Defendants. *Picard v. Frank J. Avellino*, Adv. Proc. No. 10-05421 (LGB) (Bankr. S.D.N.Y.) (the "A&B Action").

94. During the Report Period, B&H attorneys worked primarily on negotiating a global settlement to resolve the matter with all 25 remaining defendants, including two individuals and 23 of their related entities. This involved, among other things, conferring with counsel for defendants, working through various issues of asset collection, protection, and preservation, drafting settlement terms, and conferring with defendants' counsel concerning the sales of certain of defendants' assets, including artwork.

95. B&H attorneys also drafted a complex global settlement and release agreement ("Settlement Agreement"), which the parties executed on January 14, 2025. In addition, B&H attorneys drafted and filed a motion to approve the Settlement Agreement, which the Court approved on January 31, 2025. B&H attorneys also drafted a stipulation and order for voluntarily dismissal of the adversary proceeding, which the Court executed on February 25, 2025, thereby resolving the proceeding in its entirety.

D. Appeals Relating to BLMIS Feeder Funds and Subsequent Transferees

i. Good Faith Appeal

(a) Procedural Background on Good Faith Defense Under Sections 548(c) and 550

96. When the Trustee brought his intentional fraudulent transfer claims under section 548(a)(1)(A), he met his pleading burden under governing case law by alleging that BLMIS was a Ponzi scheme and that the defendants received transfers from BLMIS. *See Picard v. Merkin (In re Bernard L. Madoff Inv. Sec. LLC),* 440 B.R. 243, 255–56 (Bankr. S.D.N.Y. 2010) (citing *Bear, Stearns Sec. Corp. v. Gredd (In re Manhattan Inv. Fund Ltd.)*, 397 B.R. 1, 8 (S.D.N.Y. 2007)); *see also Bayou Superfund, LLC v. WAM Long/Short Fund II L.P., (In re Bayou Grp., LLC)*, 362 B.R. 624, 639 (Bankr. S.D.N.Y. 2007). The burden then shifted to defendants to prove their affirmative defense, as set forth in section 548(c), that they received the transfers for value and in good faith. *See Merkin*, 440 B.R. at 256 (citing *Gredd v. Bear, Stearns Sec. Corp. (In re Manhattan Inv. Fund Ltd.)*, 310 B.R. 500, 508 (Bankr. S.D.N.Y. 2002)).

97. From 2009 through 2011, bad faith defendants brought motions to dismiss the Trustee's complaints under Federal Rule of Civil Procedure 12(b)(6), claiming, *inter alia*, that the Trustee had not adequately pled a lack of good faith on the part of the defendant. *See, e.g., Merkin*, 440 B.R. at 255–56; *Picard v. Cohmad Sec. Corp. (In re Bernard L. Madoff Inv. Sec. LLC)*, 454 B.R. 317, 331 (Bankr. S.D.N.Y. 2011); *Picard v. Estate of Chais (In re Bernard L. Madoff Inv. Sec. LLC)*, 445 B.R. 206, 220–21 (Bankr. S.D.N.Y. 2011).

98. As to this argument, the Bankruptcy Court (Lifland, J.) denied the motions. *See Merkin*, 440 B.R. at 273; *Cohmad*, 454 B.R. at 342; *Chais*, 445 B.R. at 221. The Bankruptcy Court found that "a trustee need not dispute a transferee's good faith defense upon the face of the Complaint. Rather, the transferee bears the burden of establishing its good faith under section

548(c) of the Code as an *affirmative defense* that 'may be raised and proved by the transferee at trial.'" *Merkin*, 440 B.R. at 256 (citation omitted) (quoting *Bayou Superfund*, 362 B.R. at 639); *see also Cohmad*, 454 B.R. at 331; *Chais*, 445 B.R. at 220–21. Accordingly, the Bankruptcy Court found defendants' arguments regarding section 548(c) of the Code irrelevant to the Trustee's pleading burden.

99. Beginning in 2011, hundreds of defendants moved the District Court to withdraw its reference to the Bankruptcy Court.[5] The District Court withdrew the reference on numerous issues, including whether SIPA or the securities laws alter the standards for determining good faith under either §§ 548(c) or 550(b) of the Bankruptcy Code. *See* Order, No. 12 MC 0115 (JSR) (S.D.N.Y. June 23, 2012), ECF No. 197.

100. With regard to the pleading burden, although good faith is an element of the affirmative defense to actions under sections 548 and 550, the District Court held that, in SIPA cases, a SIPA trustee must *plead* the absence of good faith, with particularized allegations, as part of his *prima facie* case to avoid and recover transfers under the Bankruptcy Code (the "Good Faith Decision"). *SIPC v. BLMIS*, 516 B.R. 18, 23–24 (S.D.N.Y. 2014). The Court reasoned that the usual rule that a defendant bears the burden of pleading an affirmative defense "would totally undercut SIPA's twin goals of maintaining marketplace stability and encouraging investor confidence." *Id*. at 24.

101. With regard to the standard used to evaluate a transferee's lack of good faith, the District Court discarded the objective "inquiry notice" standard that governed the good faith affirmative defense for over a century. In its place, the District Court held that for purposes of SIPA recovery actions, "'good faith' means that the transferee neither had actual knowledge of the . . . fraud nor willfully blinded himself to circumstances indicating a high probability of such

[5] *See* Common Briefing discussion *supra* Section (VI)(A) and Trustee's Twentieth Interim Report, ECF No. 18146.

fraud." *Id*. at 23. The District Court reasoned that because a securities investor has no inherent duty to inquire about his stockbroker, the inquiry notice standard that usually applied to avoidance actions was "unfair and unworkable." *Id*. at 22. The District Court then returned the withdrawn actions to the Bankruptcy Court for further proceedings consistent with its ruling. *Id*. at 24.

102. The Trustee moved for certification of an interlocutory appeal, and numerous defendants opposed. *SIPC v. BLMIS (In re Madoff Sec.)*, No. 12-mc-00115, ECF Nos. 544, 550 (S.D.N.Y. June 23 & July 2, 2014). The District Court denied certification, holding that the Second Circuit should review the Good Faith Decision only after the Bankruptcy Court determined, in individual cases, whether the Trustee sufficiently pleaded a given defendant's willful blindness. *SIPC v. BLMIS*, 516 B.R. at 25–26 (S.D.N.Y. July 21, 2014).

103. Two months later, the District Court issued the District Court ET Decision, concluding that because section 550(b) does not apply extraterritorially, the Trustee must plead certain facts to establish that the subsequent transfers he seeks to recover are "domestic" transfers.[6] *SIPC v. BLMIS (In re Madoff)*, 513 B.R. 222, 232 n.4 (S.D.N.Y. 2014). Alternatively, the District Court held that recovery of subsequent transfers received from an entity in foreign liquidation proceedings would violate principles of international comity. *Id.* at 231–32. Following these decisions, the District Court returned the cases to this Court. Order Entered July 10, 2014, *In re Madoff Sec.*, No. 12-mc-115 (JSR) (S.D.N.Y.), ECF No. 552.

104. In view of the altered pleading standards, the Trustee filed an Omnibus Motion for Leave to Replead Pursuant to Federal Rule Civil Procedure 15(a) and Court Order Authorizing Limited Discovery Pursuant to Federal Rule of Civil Procedure 26(d)(1) (the "Omnibus Motion") in August 2014. Mem. of Law on Omnibus Mot., *SIPC v. BLMIS*, Adv. Pro.

[6] *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484).

No. 08-01789 (LGB), ECF No. 7827. In this motion, the Trustee sought leave to file amended complaints with allegations sufficient to meet the new standards articulated by the District Court and leave to take limited discovery.

105. In September 2014, at a status conference on the Omnibus Motion, defense counsel argued that pending motions to dismiss based on extraterritoriality should be addressed prior to the Trustee's request for discovery. Hr'g Tr. of Sept. 17, 2014 at 16:14–17, Adv. Pro. No. 08-01789 (LGB) (Bankr. S.D.N.Y. Nov. 11, 2014), ECF No. 8636. In December 2014, this Court agreed, and stayed proceedings on the Omnibus Motion until after the extraterritoriality proceedings concluded. *See* Order at ¶ 14, Adv. Pro. No. 08-01789 (LGB) (Bankr. S.D.N.Y.), ECF No. 8800 (the "December 10 Scheduling Order") (staying proceedings on the Trustee's request for discovery and to replead based on good faith until after the Court ruled on the Defendants' motion to dismiss based on extraterritoriality).[7]

106. In November 2016, this Court issued its ruling on extraterritoriality.[8] *See SIPC v. BLMIS (In re Madoff)*, Adv. Pro. No. 08-01789 (LGB), 2016 WL 6900689, at *36 (Bankr. S.D.N.Y. Nov. 22, 2016). The Bankruptcy Court ET Decision resulted in partial dismissals of the Trustee's claims in approximately 20 actions and a complete dismissal of approximately 70 actions. The Trustee appealed that ruling to the Second Circuit, which reversed the decisions of the District Court and Bankruptcy Court. *In re Picard*, 917 F.3d 85 (2d Cir. 2019). In June 2020, the Supreme Court denied certiorari. *HSBC Holdings PLC v. Picard*, 140 S. Ct. 2824 (2020). *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484).

[7] The December 10 Scheduling Order was subsequently modified three times. *See* 08-1789, ECF Nos. 8990, 9350, 9720. None of the subsequent orders modified the original paragraph 14 of the December 10 Order concerning discovery and repleading as to good faith. *See also* Hr'g Tr. of Sept. 17, 2014 at 27:17–25, 08-1789 (Nov. 11, 2014), ECF No. 8636.

[8] *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484).

107. While the Trustee's appeal on extraterritoriality was pending before the Second Circuit, in July 2017, this Court ordered proceedings "solely on the Good Faith Limited Discovery Issue" of the Omnibus Motion for those actions that remained pending. Order at ¶¶ 1, 4, Adv. Pro. No. 08-1789 (LGB) (Bankr. S.D.N.Y. July 24, 2017), (ECF No. 16428). That order deferred proceedings on the issue of leave to replead concerning the Good Faith Issue in the Omnibus Motion until after the Court's disposition on the Trustee's request for limited discovery. In June 2018, the Court denied the Trustee's request for limited discovery concerning good faith. *SIPC v. BLMIS*, 2018 WL 2734825 (Bankr. S.D.N.Y. June 5, 2018).

108. Thereafter, the Trustee moved for leave to amend his complaints to comport with the new standard articulated in the Good Faith Decision without any additional discovery on that issue. Judge Bernstein denied leave to amend in three separate cases against *Citibank, Fortis,* and *RBS*, finding that the Trustee did not plead sufficient facts to meet the willful blindness standard. *See Picard v. Citibank, N.A.*, 608 B.R. 181 (Bankr. S.D.N.Y. 2019); *Picard v. ABN Amro Bank (Ireland) Ltd (f/k/a Fortis Prime Fund Solutions Bank (Ireland) Limited)*, Adv. Pro. No. 10-05355 (SMB), 2020 WL 401822 (Bankr. S.D.N.Y. Jan. 23, 2020); *Picard v. ABN AMRO Bank N.A.*, Adv. Pro. No. 10-05354 (SMB), 2020 WL 1584491 (Bankr. S.D.N.Y. March 31, 2020). Because the *Citibank* decision was the first to result in a final judgment, the Trustee was finally able to appeal Judge Rakoff's 2014 ruling on good faith to the Second Circuit.

109. Proceeding on a slightly different track was the Trustee's case against Legacy Capital and Khronos.[9] Following the return of the cases from Judge Rakoff in 2014, the Trustee filed an amended complaint in the Bankruptcy Court and defendants Legacy and Khronos moved to dismiss, arguing that the Trustee had not adequately alleged willful blindness on the face of

[9] While the issues against Legacy Capital and Khronos were on appeal, the Trustee continued to litigate against other subsequent transferees in the *Legacy Capital* action, which is discussed in Section (VI)(E)(v) below.

his complaint. The Bankruptcy Court agreed, dismissing those counts of the Trustee's complaint for which lack of good faith was an element of the affirmative defense under section 548(c) for initial transferee Legacy and under section 550(b) for subsequent transferee Khronos. *Picard v. Legacy Capital Ltd. (In re Bernard L. Madoff Inv. Sec. LLC)*, 548 B.R. 13 (Bankr. S.D.N.Y. 2016). The Court did not dismiss counts relating to transfers of fictitious profits to defendants. *See Picard v. Legacy Capital Ltd. (In re Bernard L. Madoff Inv. Sec. LLC)*, 548 B.R. 13, 35 (Bankr. S.D.N.Y. 2016). After the parties engaged in discovery, in December 2018, the Trustee moved for summary judgment,[10] which was granted in part.[11] Thereafter, the parties stipulated to judgment concerning the transfers of fictious profits, and a final judgment was entered on November 12, 2019.[12] *See* discussion *infra* Section (VI)(E)(v).

110. With two final judgments in hand, the Trustee sought and obtained direct appeals to the Second Circuit on the issues of the good faith defense presented by the *Citibank* and *Legacy* cases. The appeals presented two common issues:

- Whether the District and Bankruptcy Courts erred by holding that transferees on inquiry notice of a broker-dealer's fraud nevertheless are protected by the statutory "good faith" defense so long as they do not willfully blind themselves to the fraud.

- Whether the District and Bankruptcy Courts erred by holding that SIPA shifts the burden of pleading a transferee's affirmative defense of good faith to the plaintiff-trustee.

See Appellant Brief at 2, *Picard v. Citibank, N.A.*, No. 20-1333 (2d Cir. Aug. 6, 2020), ECF No. 78; Appellant Brief at 2, *Picard v. Legacy Capital Ltd.*, No. 20-1334 (2d Cir. Aug. 6, 2020), ECF No. 73.

[10] *Picard v. Legacy Capital Ltd*., Adv. Pro. No. 10-5286, ECF No. 192.
[11] *Picard v. Legacy Capital Ltd. (In re Bernard L. Madoff Inv. Sec. LLC)*, 603 B.R. 682 (Bankr. S.D.N.Y. 2019).
[12] *Picard v. Legacy Capital Ltd*., Adv. Pro. No. 10-5286, ECF No. 231.

111. Each appeal also presented the issue of whether, if the District Court did not err with respect to the standard for good faith or the pleading burden, whether the Bankruptcy Court therefore erred by either denying the Trustee leave to amend his complaint (*Citibank*) or dismissing certain claims in the Trustee's amended complaint (*Legacy*) where the Trustee had plausibly pleaded defendants' willful blindness to fraud at BLMIS. *Id.* The Second Circuit heard the appeals in tandem on March 12, 2021 before Circuit Judges Wesley, Sullivan, and Menashi.

112. On August 30, 2021, the Second Circuit issued a decision, holding that in a SIPA liquidation proceeding the good faith defense provided in 11 U.S.C. §§ 548(c) and 550(b) is governed by an inquiry notice standard and that a SIPA trustee does not bear the burden of pleading a transferee's lack of good faith. *See Picard v. Citibank (In re Bernard L. Madoff Inv. Sec. LLC),* 12 F.4th 171 (2d. Cir. 2021)) (the "Decision"). The Decision vacated Judge Rakoff's 2014 consolidated good faith decision holding that in a SIPA liquidation proceeding good faith is governed by a willful blindness standard and that a SIPA trustee bears the burden of pleading the transferee's lack of good faith.[13] The Decision also vacated Judge Bernstein's decisions in the Trustee's actions against Citibank, N.A. and Legacy Capital applying Judge Rakoff's good faith decision. *See Picard v. Citibank, N.A.*, 601 B.R. 181 (S.D.N.Y. 2019); *Picard v. Legacy Capital Ltd.,* 548 B.R. 13 (S.D.N.Y. 2016).

113. On October 13, 2021, the Second Circuit issued the mandate, vacating the judgment of the District Court. *Picard v. Citibank, N.A.*, 20-1333 (2d Cir. 2020), ECF No. 197; *Picard v. Legacy Capital Ltd.*, 20-1334 (2d Cir. 2020), ECF No. 187. On January 27, 2022, Defendants Citibank, N.A. and Citicorp North America, Inc. petitioned the Supreme Court for a writ of certiorari to review the Second Circuit's judgment. The Trustee and SIPC declined to

[13] *See SIPC v. BLMIS*, 516 B.R. 18 (S.D.N.Y. 2014).

submit an opposition. On February 28, 2022, the Supreme Court denied the petition for writ of certiorari.

E. BLMIS Feeder Fund Actions

114. There are six active feeder fund cases, as set forth on the attached Exhibit B. A few of those with activity during the Report Period are discussed herein.

i. Picard v. Fairfield Greenwich

115. On May 18, 2009, the Trustee commenced an action against Fairfield Sentry Ltd. ("Sentry"), Fairfield Sigma Ltd. ("Sigma), Fairfield Lambda Ltd. ("Lambda") (collectively, the "Fairfield Funds"), Greenwich Sentry, L.P. ("Greenwich Sentry"), Greenwich Sentry Partners, L.P. ("Greenwich Sentry Partners", and together with Greenwich Sentry, the "Greenwich Funds"), and other defendants seeking the return of approximately $3.5 billion under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences, fraudulent conveyances, and damages in connection with certain transfers of property by BLMIS to or for the benefit of the Fairfield Funds and the Greenwich Funds. *Picard v. Fairfield Sentry Ltd. (In Liquidation)*, Adv. No. 09-01239 (LGB) (Bankr. S.D.N.Y. May 18, 2009). On July 20, 2010, the Trustee filed an Amended Complaint in the action adding as defendants individuals and entities associated with Fairfield Greenwich Group, a de facto New York partnership, that formed, managed, and marketed Sentry, Sigma, Lambda, Greenwich Sentry, and Greenwich Sentry Partners.

116. On June 7, 2011, this Court conditionally approved a settlement agreement between the Trustee and the Joint Liquidators for the Fairfield Funds (the "Joint Liquidators"). (ECF No. 95). On June 24, 2011, the Eastern Caribbean Supreme Court in the High Court of Justice of the Virgin Islands approved the settlement agreement between the Trustee and the Joint Liquidators. On July 13, 2011, this Court entered consent judgments between the Trustee

and Lambda in the amount of $52.9 million (ECF No. 108), Sentry in the amount of $3.054 billion (ECF No. 109), and Sigma in the amount of $752.3 million (ECF No. 110).

117. As part of the Fairfield Funds settlement, Sentry agreed to permanently reduce its net equity claim from approximately $960 million to $230 million. Additionally, the Joint Liquidators agreed to make a $70 million payment to the Customer Fund. The Joint Liquidators also agreed to assign to the Trustee all of the Fairfield Funds' claims against Fairfield Greenwich Group, Fairfield Greenwich (Bermuda) Limited, Fairfield Greenwich Advisors, LLC, Fairfield Risk Services Limited, Fairfield Greenwich Limited, Fairfield International Managers, Inc., Walter M. Noel, Jr., Jeffrey Tucker and all of their individual and entity affiliates, employees, officers, and partners (the "Management Defendants"), and the Trustee retained his own claims against the Management Defendants. Further, the Trustee and the Joint Liquidators agreed to share future recoveries in varying amounts, depending on the nature of the claims.

118. On July 7, 2011, this Court approved a settlement between the Trustee and the Greenwich Funds, wherein this Court entered judgment against Greenwich Sentry in an amount over $206 million and against Greenwich Sentry Partners in an amount over $5.9 million. (ECF No. 107). In the settlement, the Greenwich Funds agreed to permanently reduce their net equity claim from approximately $143 million to approximately $37 million, for a combined reduction of over $105.9 million. Additionally, the Greenwich Funds assigned to the Trustee all of their claims against the Management Defendants and agreed to share with the Trustee any recoveries they receive against service providers.

119. On April 2, 2012, the remaining defendants in the Fairfield Sentry action filed motions to withdraw the reference on a number of issues that later became subject to Common Briefing and hearings before Judge Rakoff of the District Court. The Trustee briefed and

presented argument at the hearings on these issues before the District Court. The District Court has issued its opinions providing guidance to this Court and remanded the cases for further findings applying the standards set forth in the District Court's opinions. *See* discussion *supra* Section (VI)(A) and Trustee's Twentieth Interim Report, ECF No. 18146.

120. On June 6, 2012, the Trustee filed additional recovery actions against entities or persons related to Fairfield Greenwich Group employees or partners entitled *Picard v. RD Trust*, Adv. No. 12-01701 (LGB) (Bankr. S.D.N.Y.), *Picard v. Barreneche Inc*., Adv. No. 12-01702 (SMB) (Bankr. S.D.N.Y.), and *Picard v. Alix Toub*, Adv. No. 12-01703 (SMB) (Bankr. S.D.N.Y.). The parties in the *RD Trust* action have entered into a stipulated stay as permitted by this Court. None of the defendants in the three actions have responded yet to the Trustee's complaints.

121. On November 22, 2016, this Court issued its decision on the extraterritoriality motion to dismiss. *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484). Under the decision, some of the claims against the moving defendants in the Fairfield, Barreneche, and RD Trust actions were dismissed. Following the extraterritoriality decision, the Trustee and defendants agreed to the joinder of certain non-moving defendants to the extraterritoriality motion to dismiss. The parties agreed to consent to the entry of final judgments on the Court's extraterritoriality decision. Finally, the parties consented to direct appeal of the extraterritoriality decision to the Second Circuit.

122. On March 16, 2017, the Trustee filed his notice of appeal in the Fairfield, Barreneche, and RD Trust actions. (ECF Nos. 229, 97, 93). On September 27, 2017, the Second Circuit issued an order granting the parties' request for certification for direct appeal of the appeal of the extraterritoriality decision. *Picard v. Banque Lombard Odier & Cie SA.*, No. 17-

1294 (2d Cir.), (ECF No. 388). On February 25, 2019, the Second Circuit vacated the judgment of the Bankruptcy Court and remanded the cases. *In re Picard, Tr. for Liquidation of Bernard L. Madoff Inv. Sec. LLC*, No. 17-2992 (L), 2019 WL 903978 (2d Cir. Feb. 25, 2019). After denying Defendants' petition for rehearing and rehearing en banc, on April 23, 2019, the Second Circuit granted Defendants' motion for a stay of the issuance of the mandate pending Defendants' filing of a petition for a writ of certiorari.

123. On January 24, 2019, in the action filed by the Joint Liquidators against the Management Defendants, *In re Fairfield Sentry Limited, et al*., Case No. 10-13164 (JPM), Adv. No. 10-03800 (JPM), the parties entered a stipulation substituting the Trustee as the plaintiff. (ECF No. 87). On February 22, 2019, the Trustee filed a motion to amend the complaint with an attached proffered Amended Complaint. (ECF No. 90).

124. On March 25, 2019, this Court approved a settlement between the Trustee and certain Management Defendants, Lourdes Barreneche, Robert Blum, Cornelius Boele, Gregory Bowes, Howard Griesman, Jacqueline Harary, Richard Landsberger, Daniel Lipton, Mark McKeefry, Gordon McKenzie, Santiago Reyes, Andrew Smith, Barreneche, Inc., Dove Hill Trust, Fortuna Asset Management, Selecta Financial Corporation. *Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, No. 08-01789 (LGB) (S.D.N.Y., March 25, 2019). (ECF No. 270). The Trustee's claims against the remaining Management Defendants remain pending.

125. On June 19, 2019, this Court entered a stipulated order consolidating the Fairfield, Barreneche, and RD Trust actions. (ECF No. 274).

126. On June 25, 2019, the Trustee filed a Voluntary Notice of Dismissal Without Prejudice in the Toub action. (ECF No. 60).

127. On September 25, 2019, this Court held a hearing with the Trustee and the remaining Management Defendants in the consolidated actions. At the hearing, the parties informed this Court they had agreed to enter mediation with Richard Davis as the mediator. The Court ordered the parties to report on the progress of the mediation at a hearing to be held on November 26, 2019 and further ordered all matters held in abeyance until December 31, 2019. (ECF No. 275). Similar orders were entered through May 2020. (ECF Nos. 276, 279, 282).

128. On August 20, 2020, the Court entered the Fifth Order on Mediation in which the Court lifted the stay in actions consolidated under *Picard v. Fairfield Investment Fund Ltd., et al*., Adv. No. 09-01239. (ECF No. 285). The Court further ordered the Management Defendants to file their Reply Brief in Support of their Motion to Dismiss in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800 on or before October 2, 2020. The Court also ordered the Trustee to file an Amended Complaint on or before August 31, 2020 with the parties to provide a proposed briefing schedule in response to the Amended Complaint on or before October 15, 2020.

129. On August 28, 2020, the Trustee filed a Second Amended Complaint in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239. (ECF No. 286).

130. On October 2, 2020, the Management Defendants filed their Reply Brief in Support of their Motion to Dismiss in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800 (ECF No. 129) with a letter regarding foreign authorities. (ECF No. 130). On October 20, 2020, this adversary proceeding was reassigned to Chief Judge Cecelia G. Morris. (ECF No. 138). On November 18, 2020, Chief Judge Morris held a joint conference with the parties in *Picard v. Fairfield Investment Fund Ltd., et al.* and *Picard v. Fairfield Greenwich Group*. Also on November 18, 2020, the Court entered a stipulated order providing for supplemental briefing in response to the Defendants' Motion to Dismiss in *Picard v. Fairfield Greenwich Group*, Adv.

No. 10-03800, whereby the Trustee was to file his Supplemental Memorandum in Opposition to the Motion to Dismiss by November 25, 2020 and the Defendants were to file their Supplemental Memorandum in Support of the Motion to Dismiss by December 11, 2020. (ECF No. 137).

131. On October 20, 2020, *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, was reassigned to Chief Judge Cecelia G. Morris. (ECF No. 288). On October 21, 2020, a scheduling order was entered in this adversary proceeding whereby Defendants were to file a Motion to Dismiss in response to the Second Amended Complaint by January 15, 2021, the Trustee was to file his Opposition to the Motion to Dismiss by April 15, 2021, and the Defendants were to file their Reply in Support of the Motion to Dismiss by May 31, 2021. (ECF No. 289).

132. On November 25, 2020, in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, the Trustee filed a Supplemental Memorandum in Opposition to the Motion to Dismiss. (ECF No. 141). On December 11, 2020, the parties in this action submitted a letter to the Court regarding the parties' position on conflicts of law concerning the Defendants' Motion to Dismiss. (ECF No. 145). On December 11, 2020, the Defendants filed their Supplemental Memorandum in Support of the Motion to Dismiss. (ECF No. 146). On December 18, 2020, the parties submitted a letter to the Court regarding the choice of law issues involved in the Motion to Dismiss. (ECF No. 149). On January 13, 2021, the Court held a hearing on Defendants' Motion to Dismiss in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800.

133. On January 15, 2021, in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, the Defendants filed a Motion to Dismiss Adversary Proceeding (the Second Amended Complaint). (ECF No. 305). On April 15, 2021, the Trustee filed his Memorandum of Law in Opposition to Defendants' Motion to Dismiss. (ECF No. 311). On May 28, 2021,

Defendants filed their Reply to the Motion to Dismiss. (ECF No. 313). On June 16, 2021, the Court held a hearing on the Motion to Dismiss.

134. On March 25, 2021, in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, the Court issued its Memorandum Decision Granting in Part and Denying in Part Defendants' Motion to Dismiss. (ECF No. 161). On April 8, 2021, the Court issued its order Granting in Part and Denying in Part Defendants' Motion to Dismiss. (ECF No. 162). Under the Court's order, the Defendants' Motion to Dismiss count one for breach of contract against defendant Fairfield Greenwich Limited, counts two and three for breach of contract against defendant Fairfield Greenwich Bermuda, and count five for constructive trust against all defendants, were denied. Under the Court's order, Defendants Fairfield Greenwich Limited and Fairfield Greenwich Bermuda's Motion to Dismiss count four for unjust enrichment was granted and was denied for all other Defendants. The Court further ordered that the Trustee could proceed with discovery with respect to Defendant Andres Piedrahita to determine the issue of general personal jurisdiction. (ECF No. 162).

135. On May 6, 2021 and May 28, 2021, in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, the Defendants filed Answers to the Second Amended Complaint. (ECF Nos. 164 – 168, 170 and 173).

136. On June 22, 2021, in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, Defendants submitted a letter to the Court seeking leave to file 121 pages of documents, consisting of selected exhibits to the Trustee's First Amended Complaint. On June 23, 2021, the Trustee submitted a letter to the Court responding and objecting to Defendants' submission. (ECF No. 326). On June 24, 2021, the Court denied the relief requested in the Defendants' letter, without prejudice to Defendants' submission of a motion formally requesting the relief

sought. (ECF No. 329). On June 25, 2021, Defendants filed a Motion for Leave to File Copies of Documents Incorporated in the Trustee's Pleadings. (ECF No. 330). On June 28, 2021, the Court denied Defendants' Motion for Leave. (ECF No. 331).

137. On August 6, 2021, *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, the Court issued its Memorandum Decision Denying Motion to Dismiss as to All Claims Except Those Made Against Corina Noel Piedrahita in her Individual Capacity. (ECF No. 336). On September 14, 2021, the Court entered its Order Denying Defendants' Motion to Dismiss as to All Claims Except Those Against Corina Noel Piedrahita in her Individual Capacity. (ECF No. 339). Under the Court's Order, Defendants' motion was denied, except that it was granted with respect to Counts Eight and Fourteen to the extent those counts assert individual claims against Corina Noel Piedrahita, which claims were dismissed without prejudice. With respect to Counts Eight and Fourteen, Defendants' motion was denied to the extent those counts assert claims against Corina Noel Piedrahita as an alleged partner of Fairfield Greenwich Group. (ECF No. 339).

138. On September 30, 2021, Defendants filed Answers to the Second Amended Complaint in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239. (ECF Nos. 342 – 347 and 349).

139. On November 2, 2021, in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, the Court entered an order stipulated by the parties, appointing a discovery arbitrator. (ECF No. 176).

140. In February 2022, the Defendants were given access to the Trustee's electronic data rooms containing millions of documents, including non-confidential documents produced to the Trustee by third parties. On February 3, 2022, Third-Party Defendant Fairfield Sentry

produced approximately 1,000 documents to the Trustee in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800. The Defendants have continued to produce documents to the Trustee on a rolling basis, totaling approximately one million documents as of August 8, 2022. In accordance with the parties' agreement in the respective Case Management Orders, productions in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, are also deemed produced in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, and vice versa.

141. On April 22, 2022, the Defendants served Defendants' First Request for Production of Documents to the Trustee in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239.

142. On November 17, 2022, the Trustee's counsel met and conferred with counsel for the Defendants and the former general counsel of Fairfield Greenwich Group to discuss the Trustee's claims and explore possible alternate resolution of the proceedings.

143. On January 30, 2023, the Trustee served his First Request for Production of Documents in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239.

144. On January 26, 2023, the Trustee's counsel met and conferred with counsel for the Defendants to discuss and attempt to resolve issues raised by the Trustee regarding documents redacted and/or withheld from production by the Defendants on the basis of assertions of attorney-client privilege.

145. On January 30, 2023 and February 10, 2023, the Trustee made a production to the Defendants, in response to the Defendants' First Request for Production of Documents to the Trustee.

146. On February 28, 2023 and March 22, 2023, the Defendants produced a total of approximately 66,430 documents to the Trustee, in response to the Trustee's First Requests for Production of Documents in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800.

147. On May 1, 2023, the Trustee sent a letter to the Defendants concerning the Trustee's request for certain documents listed in the Defendants' logs of documents withheld or redacted in the Anwar litigation and various regulatory productions ("Logs"), including a detailed chart of deficiencies the Trustee identified in the Logs. The Trustee and the Defendants resolved those issues by entering into a stipulation on June 22, 2023 (the "Disclosure Stipulation"), in which the parties agreed, among other things, that the Defendants' production of unredacted versions of documents contained on the Logs would not constitute a waiver of any otherwise applicable privilege or protection.

148. On May 4, 2023, the Trustee served third-party subpoenas on three of the Defendants' service providers: GlobeOp Financial Services, Sitrick Group LLC and RiskMetrics Group ("MSCI Inc."), and thereafter negotiated with counsel for these third parties concerning their compliance with the subpoenas. On July 13, 2023, MSCI Inc. produced approximately 5,917 documents to the Trustee. On July 19, 2023, the Trustee served his Second Request to the Defendants for the Production of Documents in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239.

149. Between May 1, 2023 and September 30, 2023, the Defendants made an additional 14 productions to the Trustee, totaling approximately 47,499 documents. The productions included financial records responsive to the Trustee's First Request for Production of Documents in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239; discovery produced by parties in the Anwar litigation, in response to the Trustee's First Requests for

Production of Documents in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239; and unredacted versions of documents withheld or redacted in the Anwar litigation, pursuant to the Disclosure Stipulation.

150. On June 29, 2023, *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800 was reassigned to Judge John P. Mastando III.

151. The parties negotiated formally and informally regarding the Trustee's outstanding document requests, including participating in meet and confers on June 13, 2023, August 9, 2023 and September 15, 2023. On September 15, 2023, in light of the substantial volume of documents produced, and the fact that defendants had yet to produce any documents responsive to search terms and queries agreed upon by the parties in connection with the Trustee's Second Request for Production of Documents in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, the Trustee requested the defendants' agreement to a 1-year extension of fact discovery deadlines in both *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 and *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800.

152. At the defendants' request, the Trustee sent a letter to the defendants on September 27, 2023, providing additional detail concerning fact discovery the Trustee would seek to complete during the extension, to enable the defendants to respond to the Trustee's request.

153. The parties did not reach agreement, and on October 5, 2023, the Trustee submitted letter requests in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 (ECF 366) and *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800 (ECF 193) seeking informal discovery conferences in connection with the Trustee's request for an extension of discovery deadlines in both actions.

154. On October 20, 2023, Judge Mastando held a hearing on the Trustee's request in *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800 and granted a six-month extension of discovery deadlines. In addition, Judge Mastando scheduled a status conference for January 29, 2024, with the opportunity to consider a further six month extension dependent on the progress of discovery and a showing of good cause.

155. On November 2, 2023, a Case Management Order was entered in *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800 (ECF 202), extending applicable discovery deadlines by six months. The parties agreed to a Stipulated Amended Case Management Order in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, which was also entered on November 2, 2023 (ECF 372).

156. On November 22, 2023, the Trustee served notice of the deposition of former Fairfield Greenwich Group employee Harold Greisman for December 6, 2023. In an effort to coordinate discovery with the defendants in other pending SIPA recovery actions brought by the Trustee, the deposition was subsequently re-noticed on December 20, 2023 and was conducted on January 9, 2024. The Trustee also conducted the depositions of former Fairfield Greenwich Group employees Jennifer Keeney and Andrew Ludwig and noticed the deposition of former Fairfield Greenwich Group employee Robert Blum.

157. Between October 27, 2023 and February 27, 2024, the defendants made five productions to the Trustee, consisting of a total of approximately 63,700 documents.

158. The parties continued to negotiate concerning a number of discovery issues, including the production of two large data sets – the defendants' SalesLogix database and archived Fairfield Greenwich Group employee user folders and custodial emails. On January 26,

2024, the parties submitted a Joint Status Update letter to Judge Mastando to apprise the Court of the status of the case in advance of the scheduled status conference.

159. On January 25, 2024, the Court entered a Suggestion of Death submitted by former counsel for Walter Noel Jr. in *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800, providing notice of Mr. Noel's death on or about December 16, 2023. (ECF 205). The Suggestion of Death was entered in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 on February 9, 2024 (ECF 379). The parties met and conferred concerning the substitution of appropriate estate representatives for the deceased defendant.

160. On January 29, 2024, a notice of adjournment was filed in *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800, adjourning the status conference to April 17, 2024 (ECF 210).

161. On February 15, 2024, in response to the Defendants' First Request for Production of Documents to the Trustee, the Trustee made a production of documents to the defendants, consisting of claims correspondence and related documents concerning SIPA customer claims filed by BBHF Emerald Ltd. and Greenwich Emerald LLC.

162. On February 22, 2024, the Trustee served the Third Set of Document Requests for Production of Documents in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239.

163. The parties continued to meet and confer formally and informally concerning discovery issues, including the designation of documents and deposition testimony as "Confidential Material" pursuant to the Litigation Protective Order (ECF No. 4137) (the "LPO") entered in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789 on June 6, 2011; defendants' requests for payment of the SIPA customer claim filed by the defendants on behalf of Greenwich Emerald LLC (the

"Greenwich Emerald Claim"); the negotiation of search terms in connection with searches conducted by the defendants for documents responsive to the Trustee's document requests; production of relevant documents from the defendants' archived user folders and custodial emails; and production of the defendants' SalesLogix database.

164. On April 10, 2024, in response to the Trustee's Second Request to the Defendants for the Production of Documents in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239, the Defendants produced a data file to the Trustee containing the contents of the SalesLogix database which was utilized by Fairfield sales employees to organize and track information concerning the due diligence conducted on Fairfield's investment managers.

165. The parties continued to meet and confer concerning substitution of the appropriate estate representatives for deceased defendant Walter M. Noel, Jr., and submitted stipulations in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239 and *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800 to substitute the estate of Walter M. Noel, Jr. (the "Noel Estate") and Monica Noel, in her capacity as executor of the Noel estate, in each action in place of Walter M. Noel, Jr. and to amend the case captions accordingly. The stipulations were so ordered and entered in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239 and *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, respectively, on April 12 and April 19, 2024. (ECF No. 385 and ECF No. 214).

166. On April 26, 2024, the stipulated amended case management order was entered in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239. (ECF No. 392).

167. On May 1, 2024, the Defendants produced approximately 31,834 documents to the Trustee in response to the Trustee's Third Request for Production in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239. This production consisted of documents

responsive to custodian-specific searches of archived custodial emails which had not previously been searched in response to the Trustee's document requests.

168. Also on May 1, 2024, the parties submitted a Joint Status Update Letter to Judge Mastando to apprise the Court of the status of the case in advance of the scheduled status conference in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800. (ECF No. 221).

169. On May 2, 2024 in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, a notice of adjournment was filed adjourning the status conference to July 24, 2024 (ECF No. 223) and the stipulated amended case management order was entered (ECF No. 225).

170. On June 11, 2024, pursuant to the Order Granting Supplemental Authority to Stipulate to Extensions of Time to Respond and Adjourn Pre-Trial Conferences in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec,. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789 (ECF No. 24226), the pretrial conference in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239, which was previously scheduled for June 26, 2024, was adjourned to December 18, 2024. (ECF No. 393). On June 21, 2024, the pre-trial conference in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800, also previously scheduled for June 26, 2024, was adjourned to July 24, 2024. (ECF No. 227).

171. On July 1, 2024, the Trustee conducted the deposition of Gil Berman, a former professional options trader who was paid by Fairfield Greenwich Group to provide written summaries of BLMIS's monthly statements between 1995 - 2008.

172. On July 22, 2024, the parties submitted a Joint Status Update Letter to Judge Mastando to apprise the Court of the status of the case in advance of the scheduled status conference in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800 (ECF No. 229). In light of the procedural status and the ongoing coordination of discovery in both Fairfield cases, the

parties consented to adjournment of the pre-trial conference in *Picard v. Fairfield Greenwich Group*, Adv. No. 10-03800 in parallel with the pre-trial conference in *Picard v. Fairfield Investment Fund Ltd., et al*., Adv No. 09-01239, to December 18, 2024.

173. On July 31, 2024, the parties met and conferred regarding the Trustee's outstanding document production request for archived emails and custodial documents relating to certain defendants and search terms provided to defendants by the Trustee in May 2024.

174. The Trustee made two productions to the defendants in August 2024 in connection with the Defendants' First Request for Production of Documents to the Trustee, consisting of documents from the BLMIS database in response to search terms provided by the defendants, and the BLMIS SQL database.

175. On August 30, 2024, the Trustee filed a claim against the Noel Estate in Greenwich Probate Court (District No. PD54), Case No. 24-00053.

176. On August 30, 2024 and September 20, 2024, the defendants produced a total of approximately 6,026 documents to the Trustee, consisting of archived Fairfield employee emails responsive to the Trustee's search terms. On September 26, 2024, the defendants produced a replacement copy of Fairfield's SalesLogix database, with attorney communications deleted.

177. On October 2, 2024, the parties met and conferred regarding a number of discovery items, including deposition scheduling, extending the deadline to complete certain fact witness depositions, and applying targeted search terms proposed by the Defendants across the Trustee's BLMIS database.

178. On October 11, 2024 and October 14, 2024, the Trustee produced additional documents to the Defendants, in response to the Defendants' targeted search terms and First

Request for Production of Documents to the Trustee in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239.

179. On October 11, 2024, Greenwich Emerald LLC filed a Motion to Enforce Court Order in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec,. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789, seeking to compel the Trustee to issue a determination on the Greenwich Emerald Claim. (ECF Nos. 24447 – 24449). On October 22, 2024, the Trustee issued a Notice of Determination denying the Greenwich Emerald Claim. On October 23, 2024, Greenwich Emerald LLC withdrew its Motion to Enforce Court Order. *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec,. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789. (ECF No. 24453).

180. Between October 23, 2024 and February 7, 2025, the Trustee conducted the depositions of former Fairfield employees Gregory Bowes, Andres Piedrahita, Daniel Lipton, Jeffrey Tucker, Amit Vijayvergiya and Mark McKeefry, in their individual capacities, and the deposition of entity defendants Fairfield Greenwich (Bermuda) Ltd., Fairfield Greenwich Limited and Fairfield Greenwich Advisors through their corporate designee, Mark McKeefry.

181. On October 24, 2024, the parties met and conferred regarding discovery issues, including deposition scheduling.

182. On November 1, 2024, the Trustee made a production of documents to the Defendants from the Trustee's Electronic Data Room 1, in response to the Defendants' First Request for Production of Documents to the Trustee in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239.

183. The parties met and conferred concerning submission of a proposed amended case management order, and on November 7, 2024, the Trustee submitted a Notice of Presentment of

Amended Case Management Order in *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800 (ECF No. 236) and *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 (ECF No. 397). An Amended Case Management Order was subsequently entered in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 on November 19, 2024 (ECF No. 399) and in *Picard v Fairfield Greenwich Group*, Adv. No. 10-03800 on December 12, 2024 (ECF No. 244).

184. On November 21, 2024, Greenwich Emerald LLC filed its Objection to the Trustee's Determination of Claim in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec,. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789. (ECF No. 24520).

185. On December 16, 2024, the defendants submitted a letter to Judge Beckerman requesting an informal status conference in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 for the Court to consider the defendants' request to file a partial summary judgment motion solely on the issue of actual knowledge, prior to the parties engaging in expert discovery. (ECF No. 405). On December 17, 2024, the Trustee submitted a letter to Judge Beckerman objecting to the defendants' request on several grounds, including the necessity of expert disclosures to assist the trier of fact, the prematurity of the defendants' request under the Amended Case Management Order agreed upon by the parties, and the inefficiency that would result from multiple rounds of summary judgment motions on the same facts. (ECF No. 406).

186. On December 18, 2024, Judge Beckerman held a conference in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 on the Fairfield defendants' request. Judge Beckerman denied the defendants' request and scheduled a conference for April 30, 2025, to permit re-consideration of the defendants' request after the conclusion of fact discovery.

187. On January 24, 2025, the parties participated in oral arguments before the Honorable Frank Maas (Ret.) in connection with a cross-notice of deposition served by the

defendants in the Barclays Bank proceeding, (Adv. Pro. No. 11-02569 (LGB)), seeking to depose Mr. Amit Vijayvergiya on the same date and time as the Trustee's scheduled deposition of Mr. Vijayvergiya in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239. Upon the conclusion of oral arguments, Judge Maas issued instructions as to how Mr. Vijayvergiya's deposition should proceed, including a limitation on the Trustee's direct examination to 10 hours of questioning over the course of Mr. Vijayvergiya's two-day deposition, with the remaining time allotted for questioning pursuant to the cross-notices. On January 28, 2025, Judge Maas entered a written order confirming the instructions provided at the conclusion of oral arguments as to how Mr. Vijayvergiya's deposition should proceed. (ECF No. 411).

188. On January 15, 2025, Greenwich Emerald LLC served a Notice of Hearing re: Objection to Trustee's Determination of Claim in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec,. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789. (ECF 24641). On January 17, 2025, the Trustee submitted a letter to Judge Beckerman, requesting removal of the procedurally improper notice of hearing from the docket until the avoidance claims in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 have been fully resolved, so that the Court is able to finally adjudicate the Trustee's denial of the Greenwich Emerald Claim and the related objection. (ECF 24648). On January 22, 2025, the defendants submitted a letter to Judge Beckerman reiterating their request for a January 29, 2025 hearing on the Greenwich Emerald Claim. (ECF 24659).

189. On January 29, 2025, the parties appeared before Judge Beckerman for a conference concerning Greenwich Emerald LLC's objection to the Trustee's denial of the Greenwich Emerald Claim, and Greenwich Emerald LLC's purported notice of hearing on the claim objection. Judge Beckerman denied Greenwich Emerald LLC's request for a hearing on

the objection and directed the parties to meet and confer regarding the scope of additional fact discovery, if any, to be sought by the Trustee concerning the Greenwich Emerald Claim. Judge Beckerman also scheduled a conference to be held in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789 on March 26, 2025, for the parties to discuss resolution of the Greenwich Emerald Claim.

190. On March 11, 2025, the parties met and conferred regarding a number of open items, including expert discovery, the defendants' proposed schedule for bifurcated summary judgment motions, a plan for final resolution of the Greenwich Emerald Claim, and finalizing a stipulation concerning the admission of prior sworn testimony.

191. On March 14, 2025, the parties submitted a joint status update letter to Judge Beckerman in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789, to apprise the Court of the parties' agreement that (i) the Trustee will not conduct additional discovery relating to the Greenwich Emerald Claim and (ii) the Trustee will rely on the ultimate disposition of avoidance liability in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239 to support his decision with respect to the Greenwich Emerald Claim, based on the equitable authority granted to the Trustee pursuant to the Claims Procedures Order. (ECF 24759). In light of the overlapping issues, and to conserve judicial efficiency and minimize costs, the parties also agreed that any further discussion regarding the Greenwich Emerald Claim should be considered in the context of discussions related to scheduling summary judgment motions in *Picard v. Fairfield Investment Fund Limited*, Adv. No. 09-01239, which are scheduled to be heard during a status conference on April 30, 2025. As a result, the parties' joint letter also requested adjournment of the March 26,

2025 conference date in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789, to April 30, 2026.

192. On March 19, 2025, the Trustee served a notice of adjournment in *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Bernard L. Madoff Inv. Sec., LLC)*, Adv. Pro. No. 08-01789, adjourning the March 26, 2025 conference to April 30, 2025. (ECF 24776).

193. On March 19, 2025 and March 20, 2025, the Trustee participated in the depositions of former Fairfield employees Gordon McKenzie and Daniel Lipton, respectively, which were noticed by defendants in the Banque Lombard Odier & Cie proceeding (Adv. Pro. No 12-01693 (LGB)) and the Fullerton Capital PTE Limited proceeding (Adv. Pro. No. 12-01004 (LGB)).

ii. <u>The HSBC Action</u>

194. On July 15, 2009, the Trustee commenced an adversary proceeding against a handful of HSBC entities and international feeder funds in the financial services industry that transferred funds to and from BLMIS. *Picard v. HSBC Bank plc*, Adv. No. 09-01364 (LGB) (Bankr. S.D.N.Y.) (the "HSBC Action"). After further investigation, the Trustee filed an amended complaint on December 5, 2010, expanding the pool of defendants to thirteen HSBC entities and forty-eight individuals and entities, and alleging that over 33% of all monies invested in Madoff's Ponzi scheme were funneled by and through these defendants into BLMIS. (ECF No. 35).

195. On December 17, 2014, the Trustee, with the Court's approval, settled his claims against Herald Fund SpC, Herald (Lux) SICAV, Primeo Fund and Senator Fund, which resulted in over $600 million in consideration to the Estate. (ECF Nos. 338, 339, 349, 350, 352, 363).

196. On July 24, 2017, the Trustee, with the Court's approval, settled his claims against Lagoon Investment Limited and Hermes International Fund Limited, which resulted in over $240 million in consideration to the Estate. (ECF No. 16430).

197. On July 26, 2017, the Trustee, with the Court's approval, settled his claims against Thema Wise Investments Limited and Thema Fund Limited, which resulted in over $130 million in consideration to the Estate. (ECF No. 16431).

198. On October 20, 2017, this Court approved a settlement between the Trustee and Thema International Fund plc. (ECF No. 482). Under the settlement, Thema International paid approximately $687 million to the BLMIS Customer Fund.

199. On March 27, 2018, this Court approved a partial settlement between the Trustee and Alpha Prime Fund, Ltd., which resulted in over $76 million in consideration to the Estate. (ECF No. 497).

200. On July 27, 2019, Alpha Prime moved for judgment on the pleadings. (ECF No. 545). On August 27, 2019, the Trustee opposed that motion and cross-moved to amend the complaint. (ECF No. 548). Oral argument was heard on September 19, 2019, and on September 23, 2019, the Court denied Alpha Prime's motion to dismiss and granted the Trustee's motion to amend. (ECF No. 566).

201. On September 24, 2019, the Trustee filed his amended complaint against Alpha Prime. (ECF No. 567). Litigation is ongoing.

202. On June 20, 2022, this Court approved a partial settlement between the Trustee and Alpha Prime Fund, Ltd., which narrowed most of the issues between those parties. (ECF No. 715).

203. On December 26, 2023, after negotiations, the remaining parties entered into a stipulation consolidating this adversary proceeding with Adversary Proceeding No. 12-01005. (ECF No. 744).

204. On December 27, 2023, the Trustee filed an amended complaint in the action, as consolidated. (ECF No. 745).

205. On February 2, 2024, the various defendants filed answers to the Trustee's amended complaint. (ECF Nos. 753, 754, 755, 756, and 757).

206. On February 22, 2024, the parties entered into a case management plan. (ECF No. 758).

207. On March 11, 2025, HSBC moved for judgment on the pleadings on a portion of the amounts sought by the Trustee's claims. Briefing is ongoing.

208. During the Report Period, the parties were engaged in discovery.

iii. The UBS Actions

209. On November 23, 2010, the Trustee commenced an adversary proceeding against UBS AG along with several of its affiliated entities, Access International Advisors LLC along with several of its affiliated entities and individuals, Groupement Financier Ltd., and Luxalpha SICAV (collectively, the "Luxalpha Defendants"). The proceeding seeks the return of approximately $1 billion under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences, fraudulent conveyances, and damages in connection with certain transfers of property by BLMIS to or for the benefit of the Luxalpha Defendants, as well as other relief (the "Luxalpha Action"). *Picard v. UBS AG*, Adv. No. 10-04285 (LGB) (Bankr. S.D.N.Y. Oct. 22, 2012).

210. On December 7, 2010, the Trustee commenced an adversary proceeding against UBS AG along with several of its affiliated entities, M&B Capital Advisors Sociedad de Valores

S.A. along with several of its affiliated entities and individuals (the "M&B Defendants"), Reliance International Research LLC along with several of its affiliated entities and individuals, Landmark Investment Fund Ireland, and Luxembourg Investment Fund along with its affiliated funds (collectively, the "LIF Defendants"). The proceeding seeks the return of approximately $555 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for fraudulent conveyances and damages in connection with certain transfers of property by BLMIS to or for the benefit of the LIF Defendants, as well as other relief (the "LIF Action"). *Picard v. UBS AG*, Adv. No. 10-05311 (LGB) (Bankr. S.D.N.Y. Oct. 22, 2012).

211. On February 12, 2020, the Trustee filed a Motion for Order Issuing Letter Rogatory to AA Alternative Investment PLC on Behalf of Landmark Investment Fund Ireland in the LIF Action, which the Bankruptcy Court granted by Order dated February 25, 2020.

212. On March 2, 2020, the Trustee filed a Motion for Leave to File a Second Amended Complaint in the Luxalpha Action. On April 3, 2020, Luxalpha filed its Memorandum Of Law In Opposition To Trustee's Motion For Leave To File A Second Amended Complaint And In Support Of Cross Motion For Claim Determination And Allowance. On May 4, 2020, the Trustee filed his Reply Memorandum of Law in Further Support of the Trustee's Motion for Leave to File a Second Amended Complaint and Opposition to Cross Motion for Claim Determination and Allowance. On May 18, 2020, Luxalpha filed its Reply Memorandum of Law in Support of its Cross-Motion for Claim Determination and Allowance.

213. On June 18, 2020, the Bankruptcy Court held a telephonic conference with the Trustee and Luxalpha regarding the Trustee's Motion and Luxalpha's Cross-Motion, during which the Bankruptcy Court directed that hearings on the motions will be adjourned sine die

pending issuance of orders from the Second Circuit in the appeals of *Picard v. Citibank, N.A.*, Case No. 20-1333 and *Picard v. Legacy Capital Ltd.*, Case No. 20-1334. On June 22, 2020, the Trustee and Luxalpha filed a joint notice adjourning the hearing on the motions accordingly.

214. The Trustee and Luxalpha Liquidators subsequently signed a stipulation agreeing to proceed with discovery and the appointment of a discovery arbitrator, which the court so-ordered on October 27, 2020, as amended by order dated November 24, 2020.

215. With respect to the LIF Action, in October 2020, B&H attorneys, on behalf of the Trustee, finalized settlement terms with Landmark Investment Fund Ireland, and on October 27, 2020 filed a Rule 9019 motion seeking approval of the settlement from the Bankruptcy Court. By order dated November 16, 2020, the Bankruptcy Court approved the motion, authorized the settlement agreement between the Trustee and Landmark Investment Fund Ireland, and ordered that the transfers from BLMIS to Landmark Investment Fund Ireland set forth in Exhibit C of the Complaint filed on December 7, 2010 [ECF No.1] are deemed avoided.

216. On August 30, 2021, the Second Circuit vacated the Bankruptcy Court's dismissal of the Trustee's actions against Citibank, N.A. and Legacy Capital, holding that in a SIPA liquidation the good faith defense is governed by an inquiry notice standard and that a SIPA trustee need not plead a transferee's lack of good faith. *See In re Bernard L. Madoff Inv. Secs. LLC*, ---- F.4th ----, Adv. Pro. Nos. 20-1333 & 20-1334, 2021 WL 3854761, at **18-19 (2d Cir. Aug. 30, 2021). *See* discussion *supra* Section (VI)(D)(i). The Second Circuit's decision governs the Trustee's actions against other defendants, including the Luxalpha Defendants and LIF Defendants.

217. On January 19, 2022, the Bankruptcy Court held a status conference with the parties in the Luxalpha and LIF actions. On January 20, 2022, the Bankruptcy Court entered a

so-ordered stipulation between the Parties in the Luxalpha Action regarding the filing of the Trustee's Second Amended Complaint. Pursuant to the stipulation, on February 7, 2022 the Trustee provided Defendants with the Proposed Second Amended Complaint. On February 18, 2022, Defendants consented to the Trustee filing the Proposed Second Amended Complaint, which was filed by the Trustee on February 28, 2022.

218. On April 22, 2022, Luxalpha SICAV filed its Answer to the Second Amended Complaint in the Luxalpha Action. Also on April 22, 2022, the remaining Defendants, including the UBS Defendants, the Access Defendants, Groupement Financier Ltd. and certain individual defendants (the "Moving Defendants"), filed motions to dismiss the Second Amended Complaint. On June 17, 2022, the Trustee filed oppositions to the Moving Defendants' motions to dismiss. On July 29, 2022, the Moving Defendants filed their reply briefs in support of their motions to dismiss. On September 14, 2022, the Court heard oral argument on the Moving Defendants' motions to dismiss.

219. On November 18, 2022, in the Luxalpha Action, the Court issued a decision denying the Access Defendants' motions to dismiss in their entirety. On December 1, 2022, the Court issued a decision denying Theodore Dumbauld's motion to dismiss in its entirety. On December 27, 2022, the Court issued a decision denying the UBS Defendants' motions to dismiss in their entirety. On January 19, 2023, the UBS Defendants moved for Partial Reargument or Reconsideration of the Order Denying Their Motion to Dismiss the Second Amended Complaint. On January 24, 2023, the Court issued an order sua sponte denying the UBS Defendants' Motion to Reargue. On February 28, 2023, the UBS Defendants, the Access Defendants and Claudine Villehuchet filed their Answers to the Second Amended Complaint. On March 3, 2023, Theodore Dumbauld filed his Answer to the Second Amended Complaint.

220. In the LIF Action, by a Stipulation and Order dated February 23, 2023, the defendants in the LIF Action consented to the filing of the Trustee's Second Amended Complaint, which was filed by the Trustee on February 24, 2023.

221. On May 9, 2023, in the Luxalpha Action, the Trustee made an application to the Bankruptcy Court seeking the withdrawal of Letters of Request for the Taking of Evidence Abroad in Civil or Commercial Matters ("Letters of Request") that had been issued in the Luxalpha matter seeking discovery in Luxembourg from the UBS Defendants. The Trustee made his application because the UBS Defendants are indisputably subject to discovery as parties following the denial of their motions to dismiss in the Luxalpha matter. On May 15, 2023, the UBS Defendants filed a letter with the Bankruptcy Court in opposition to the Trustee's application. On May 17 and 24, 2023, the Bankruptcy Court held discovery conferences to discuss the Trustee's application. During the May 24, 2023 conference, counsel for the Trustee stated that the application should be expanded to also include Letters of Request that had been issued to the same UBS Defendants in the Luxembourg Investment Fund matter, and the Bankruptcy Court agreed that the Letters of Request should be withdrawn in both matters. On June 1, 2023, the Bankruptcy Court entered an order withdrawing the Letters of Request in both the Luxalpha matter and the Luxembourg Investment Fund matter.

222. On May 23, 2023, in the Luxalpha Action, counsel for the Parties participated in a Rule 26(f) conference. On September 25, 2023, Katten Muchin Rosenman LLP ("Katten"), as counsel for the Access Defendants and Groupement Financier Ltd., moved to withdraw as counsel for those parties.

223. On May 5, 2023, in the LIF Action, the UBS Defendants, Reliance Research International LLC and M&B Capital Advisers Sociedad de Valores S.A., filed their motions to

dismiss the Second Amended Complaint. On July 14, 2023, in the LIF Action, the Trustee filed his opposition to the defendants' motions to dismiss. On August 18, 2023, the reply briefs of the UBS Defendants and M&B Capital Advisers Sociedad de Valores S.A. were filed. On September 11, 2023, the parties entered into and filed a stipulation and proposed order to waive oral argument on the defendants' motions to dismiss. On September 13, 2023, the Bankruptcy Court granted the parties' request to waive oral argument.

224. On October 10, 2023, the Bankruptcy Court issued a decision in the LIF Action denying the motions to dismiss by the UBS Defendants and M&B Capital Advisers Sociedad de Valores S.A. in their entirety. On October 16, 2023, the Bankruptcy Court issued a decision denying the motion to dismiss by the Reliance Research International LLC in its entirety. On October 23, 2023, the Bankruptcy Court entered the orders denying each of the defendants' motions to dismiss.

225. On November 3, 2023, in the Luxalpha Action, Katten filed a letter with the Bankruptcy Court adjourning the presentment date for their motion to withdraw as counsel from November 9, 2023 to January 18, 2024.

226. On December 13, 2023, in the Luxalpha Action, the Trustee filed a Notice of Voluntary Dismissal with Prejudice of Claims Against Defendant Pierre Delandmeter.

227. On December 19, 2023, in the Luxalpha Action, the Trustee filed the Declaration of Oren J. Warshavsky in Support of Trustee's Request for a Conference Regarding Proposed Case Management Plan. On December 20, 2023, counsel for Defendant Luxalpha filed a letter in support of entry of the draft case management plan. On February 14, 2024, the Bankruptcy Court held a hearing on the Trustee's request for entry of a case management plan and adjourned that hearing until April 17, 2024.

228. On December 22, 2023, in the LIF Action, the UBS Defendants and M&B Capital Advisers Sociedad de Valores S.A. filed their Answers to the Amended Complaint.

229. On January 16, 2024, in the Luxalpha Action, the Trustee filed an Opposition to Katten's Motion to Withdraw as Counsel for the Access Defendants, and Defendant Patrick Littaye also filed a Letter in Opposition to Katten's Motion to Withdraw as Counsel. Defendant Littaye subsequently filed similar letters on January 18 and 20, 2024. On February 9, 2024, Katten filed its Reply in Further Support of its Motion to Withdraw as counsel to the Access Defendants. On February 14, 2024, the Bankruptcy Court held a hearing and oral argument on Katten's Motion to Withdraw as Counsel. On February 26, 2024, the Bankruptcy Court issued a decision denying the Motion to Withdraw as Counsel, and on March 12, 2024 entered an Order denying that motion.

230. On January 31, 2024, in the LIF Action, the Bankruptcy Court entered a Stipulation and Order for Voluntary Dismissal with Prejudice as to Defendant Reliance International Research LLC.

231. On April 1, 2024, both the Luxalpha and LIF Actions were reassigned from Judge Cecelia G. Morris to Judge Lisa G Beckerman.

232. On July 26, 2024, in the Luxalpha Action, the Trustee filed a letter to Judge Beckerman along with a Proposed Case Management Plan. On July 31, 2024, the Bankruptcy Court held a status conference and hearing on the Proposed Case Management Plan in both the Luxalpha and LIF Actions.

233. On August 1, 2024, the Bankruptcy Court so-ordered the Case Management Plan in the Luxalpha Action.

234. On August 1, 2024, in the LIF Action, the Trustee submitted a Case Management Plan, which was so-ordered by the Bankruptcy Court on the same day. Also on August 1, 2024, the Trustee's initial disclosures in the LIF Action were served.

235. On September 5, 2024, in the Luxalpha Action, the Trustee served his First Set of Requests for Production on Luxalpha SICAV, Groupement Financier Ltd., the Access Defendants, the UBS Defendants, Theodore Dumbauld, and Patrick Littaye. On September 9, 2024, the Trustee served his First Set of Requests for Production on Claudine Villehuchet.

236. On October 15, 2024, Luxalpha SICAV and the UBS Defendants served their initial disclosures.

237. On October 15, 2024, in the LIF Action, Luxembourg Investment Fund, M&B Capital Advisers and the UBS Defendants served their initial disclosures.

238. On October 28, 2024, in the Luxalpha Action, the UBS Defendants served their responses and objections to the Trustee's First Set of Requests for Production.

239. On November 15, 2024, Claudine Villehuchet served her initial disclosures.

240. On December 6, 2024, in the Luxalpha Action, the Access Defendants, Claudine Villehuchet, Groupement Financier Ltd. and Patrick Litatye served their responses and objections to the Trustee's First Set of Requests for Production.

241. On December 9, 2024, counsel for the Access Defendants filed their second Motion to Withdraw as Attorney to the Access Defendants.

242. On December 20, 2024, in the LIF Action, the Trustee served his First Set of Requests for Production on Luxembourg Investment Fund, M&B Capital Advisers and the UBS Defendants.

243. On January 10, 2025, in the Luxalpha Action, the Trustee filed his opposition to the second Motion to Withdraw as Attorney to the Access Defendants.

244. On January 21, 2025, in the LIF Action, the UBS Defendants served their responses and objections to the Trustee's First Set of Requests for Production.

245. On January 27, 2025, Luxalpha SICAV served its responses and objections to the Trustee's Frist set of Requests for Production, and served its first production of documents on January 31, 2025.

246. On January 28, 2025, the hearing on the Motion to Withdraw in the Luxalpha Action was adjourned to February 26, 2025.

247. On February 11, 2025, in the LIF Action, M&B Capital Advisers served its responses and objections to the Trustee's First Set of Requests for Production.

248. On February 24, 2025, the hearing on the Motion to Withdraw in the Luxalpha Action was adjourned to March 26, 2025.

249. On February 27, 2025, in the LIF Action, Luxembourg Investment Fund served its responses and objections to the Trustee's First Set of Requests for Production.

250. On March 21, 2025, the hearing on the Motion to Withdraw in the Luxalpha Action was adjourned to April 23, 2025.

251. In the Luxalpha Action, B&H attorneys, on behalf of the Trustee, continued discovery planning, including review of the defendants' initial disclosures, preparation and research related to anticipated depositions, the preparation and service of discovery demands to all defendants, and the review and analysis of the defendants' responses and objections to the Trustee's requests for production. B&H attorneys also continued discussions with counsel for several of the defendants regarding potential settlements and cooperation agreements; reviewed

and analyzed the second Motion to Withdraw by counsel for the Access defendants, prepared and filed the opposition to that motion, and engaged in discussions with opposing counsel regarding a potential resolution to that motion and the deposition of Patrick Littaye; and continued planning and analysis related to the Trustee's participation in foreign criminal proceedings in France and Luxembourg.

252. In the LIF Action, B&H attorneys continued negotiations and analysis relating to potential settlements and cooperation agreements with some of the defendants. B&H attorneys also continued discovery planning, including meetings and planning relating to foreign discovery in Luxembourg, Spain and Switzerland, as well as the Trustee's participation in foreign criminal proceedings. B&H attorneys also served discovery demands on all of the defendants and reviewed and analyzed the defendants' initial disclosures and their responses and objections to the Trustee's requests for production.

iv. Picard v. Square One

253. On November 29, 2010, the Trustee commenced an action against Square One Fund Ltd. ("Square One"), Luc D. Estenne, Square Asset Management Ltd., Partners Advisers S.A., Circle Partners, and Kathryn R. Siggins (collectively, the "Square One Defendants") seeking the return of approximately $26.2 million under SIPA, the Bankruptcy Code, and the New York Debtor and Creditor Law in connection with certain transfers of property by BLMIS to or for the benefits of the Square One Defendants. *Picard v. Square One Fund Ltd*., Adv. Pro. No. 10-04330 (LGB) (Bankr. S.D.N.Y. Nov. 29, 2010).

254. On December 21, 2018, the Trustee filed and served the Amended Complaint. Id., (ECF No. 167-69).

255. Square One filed a motion to dismiss on February 14, 2019. Id., (ECF No. 170). On May 29, 2019, the Court held a hearing on Square One's motion to dismiss. At the

conclusion of the hearing, the Court granted in part and denied in part the motion to dismiss. The Court subsequently entered an order granting in part and denying in part Square One's motion to dismiss on June 13, 2019. Id., (ECF No. 177).

256. On July 16, 2019, the Court so-ordered a Case Management Plan. Id., (ECF No. 178).

257. As of September 10, 2024, the parties are engaged in expert discovery.

258. On October 28, 2024, the Trustee submitted his application to Discovery Arbitrator Judge Maas to recover the reasonable fees and costs incurred as stated in Judge Maas's August 26, 2024 Order.

259. On December 2, 2024, Judge Beckerman ordered the Seventh Amended Case Management Plan. (ECF No. 312).

260. On December 9, 2024, the Trustee served his expert reports on defendant Square One. Square One did not serve expert reports in this adversary proceeding.

261. On December 12, 2024, Discovery Arbitrator Judge Maas ordered that Square One pay the Trustee $114,150.36 for fees and costs in the Order Awarding the Trustee's Attorneys' Fees and Costs. (ECF No. 315).

262. On March 4, 2025, Square One filed a Statement of Determination to Cease Actively Defending Adversary Proceeding. (ECF No. 318).

v. Picard v. Legacy

263. On December 6, 2010, the Trustee commenced an action against Legacy Capital Ltd. ("Legacy") seeking the return of over $218 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for fraudulent conveyances and damages in connection with certain transfers of property by BLMIS to or for the benefit of

Legacy. *Picard v. Legacy Capital Ltd*., Adv. No. 10-05286 (LGB) (Bankr. S.D.N.Y. Dec. 6, 2010) (the "Initial Transfer Action").

264. As background, on November 12, 2019, the Bankruptcy Court entered a Stipulation and Order for Entry of Final Judgment ("Stipulated Order"), that included, among other things: (i) the Trustee's and Legacy's consent to the Bankruptcy Court's entry of a final order and judgment in connection with the Trustee's avoidance claim for fictitious profits, and (ii) entry of the final order and judgment against Legacy in the amount of $79,125,781.00. The Stipulated Order further provided that "the Legacy Transfers are avoidable and avoided under § 548(a)(1)(A) and recoverable from Legacy under §550(a) of the Bankruptcy Code."

265. On November 11, 2020, and within the time period set forth in §550(f) of the Bankruptcy Code, the Trustee filed a recovery complaint against Rafael Mayer, David Mayer, Montpellier International, Ltd., Prince Assets LDC, Khronos Group, Ltd., Montpellier USA Holdings, LLC, Prince Resources LDC, Prince Capital Partners LLC, and Khronos Liquid Opportunities Fund Ltd. (collectively, the "Subsequent Transfer Defendants"). The complaint sought recovery of approximately $49,505,850 in subsequent transfers of BLMIS customer property originally made to Montpellier and Prince by Legacy. *See Picard v. Mayer et al*., Adv. No. 20-01316 (LGB) (the "Subsequent Transfer Action"). Among the claims were claims for vicarious liability, including alter ego liability, and piercing the corporate veil concerning the individual defendants. Pursuant to a February 20, 2024 Order, discovery in the Subsequent Transfer Action is stayed until the determination of the Initial Transfer Action in the Bankruptcy Court.

266. On August 30, 2021, the Second Circuit issued a decision concerning an appeal in *Picard v. Citibank, N.A.* and *Picard v. Legacy Capital, Ltd*., holding that in a SIPA liquidation

the good faith defense provided in 11 U.S.C. §§ 548(c) and 550(b) is governed by an inquiry notice standard and that a SIPA trustee does not bear the burden of pleading a transferee's lack of good faith (the "Good Faith Decision"). The Good Faith Decision vacated Judge Rakoff's 2014 consolidated good faith decision holding that in a SIPA liquidation good faith is governed by a willful blindness standard and that a SIPA trustee bears the burden of pleading the transferee's lack of good faith. The Good Faith Decision also vacated Judge Bernstein's 2016 motion to dismiss decision in the Trustee's action against Legacy applying Judge Rakoff's good faith decision, which had dismissed all claims in that action except for Count I to the extent it related to avoidance of fictitious profits. The Second Circuit remanded the Initial Transfer Action to the Bankruptcy Court for the proceedings to continue consistent with the appellate decision.

267. On April 27, 2022, the Trustee filed a complaint seeking to recover from BNP Paribas - Dublin Branch ("BNPP Dublin") pursuant to Section 550 of the Bankruptcy Code, initial transfers in the amount of $49.5 million made from BLMIS to BNP Paribas from Legacy's BLMIS account. *See Picard v. BNP Paribas – Dublin Branch*, Adv. No. 2201087 (LGB) (the "BNP Paribas Recovery Action"). These transfers sought were avoided in the November 12, 2019 Final Judgment and Stipulated Order as fictitious profits transferred from BLMIS to, or for the benefit of Legacy. BNPP Dublin filed a motion to dismiss the Trustee's complaint on July 23, 2023, and that motion was denied on December 28, 2023.

268. During the Report Period, the Trustee's attorneys prepared for and engaged in expert discovery in the Initial Transfer Action. On October 23, 2024, the Trustee and Legacy served their respective affirmative expert reports. On January 16, 2025, the Trustee and Legacy served their respective rebuttal expert reports.

269. The Trustee's attorneys also worked with experts in submitting the Trustee's affirmative expert report on the issues related Legacy's good faith defense and the red flags associated with BLMIS.

270. The Trustee's attorneys also reviewed and analyzed Legacy's affirmative expert reports, including beginning preparations for expert depositions and potential motion practice, as well as working with experts in submitting a rebuttal report. The Trustee also conducted research relating to expert discovery and the "good faith" standard as articulated by the Court of Appeals for the Second Circuit in *Picard v. Citibank, N.A.*

271. The Trustee's attorneys also prepared expert discovery requests and responded to expert discovery requests served by Legacy. More specifically, on November 26, 2024, Legacy served the Trustee with its first set of requests for the production of documents. On December 26, 2024, the Trustee served responses and objections to Legacy's expert document requests and made a production of documents responsive to the requests. On December 10, 2024 and January 24, 2025, the Trustee served Legacy with requests for the production documents concerning Legacy's retained experts. On January 9, 2025 and March 11, 2025, Legacy served its responses and objections to the Trustee's requests and made productions of documents responsive to the requests.

272. The Trustee's attorneys and counsel for the defendants in the Initial Transfer Action and the Subsequent Transfer Action also discussed mediation of all claims and eventually agreed to participate in a private mediation before Hon. Henry Pitman (Ret.) on April 1, 2025. As a result, on March 18, 2025, a stipulated order was entered which extended the deadline to complete all expert depositions in the Initial Transfer Action from March 31, 2025, to May 27, 2025.

273. During the Report Period, the Trustee's attorneys prepared for mediation, including the preparation of a mediation statement that was submitted on March 21, 2025. On April 1, 2025, all parties participated in a mediation session with Judge Pitman.

274. The Trustee's attorneys also prepared for discovery in the BNP Paribas Recovery Action and drafted Fed. R. Civ. P. 26(a) initial disclosures that were exchanged with BNPP Dublin on September 30, 2024. On December 13, 2024, the Trustee made a production of documents that was related to his initial disclosures.

275. The Trustee's attorneys also prepared discovery requests in the BNP Paribas Recovery Action. On November 15, 2024, the Trustee served BNPP Dublin with his first set of requests for the production of documents. On January 15, 2025, BNPP Dublin served its responses and objections to the Trustee's requests for production. The Trustee's attorneys analyzed these responses, including highlighting potential deficiencies. On March 13, 2025, the Trustee's attorneys and counsel for BNPP Dublin participated in a meet and confer to discuss the scope of document discovery in the BNP Paribas Recovery Action, the potential deficiencies in written discovery responses, and sources of documents for BNPP Dublin's expected productions.

F. Subsequent Transfer Actions

276. The Trustee and B&H attorneys continue to pursue recovery actions against entities that received subsequent transfers of customer property from BLMIS through primarily the Fairfield Funds, the Tremont Funds, and Harley.

277. The Trustee settled his claims against the Fairfield Funds in 2011. *Picard v. Fairfield Inv. Fund Ltd.*, et al., Adv. Pro. No. 09-1239 (LGB), ECF No. 107. As part of the settlement, the Bankruptcy Court entered a consent judgment in the amount of approximately $3 billion, and the Fairfield Funds repaid $70 million to the Trustee. The Trustee then commenced

numerous cases to recover the subsequent transfers of customer property that defendants received from the Fairfield Funds.

278. In 2011, the Trustee also settled his claims against the Tremont Funds in 2011. *Picard v. Tremont Group Holdings, Inc., et al.*, Adv. Pro. No. 10-05310 (SMB), ECF No. 38. As part of this settlement, the Tremont Funds repaid the Trustee $1.025 billion out of $2.1 billion of fraudulent transfers received from BLMIS. The Trustee has several actions against defendants who received subsequent transfers from the Tremont Funds. These actions seek to recover the $1 billion in transfers that were not recovered as part of the settlement with the Tremont Funds.

279. The Trustee has several actions against defendants who received subsequent transfers from Harley. In 2009, the Trustee filed an adversary proceeding against Harley that sought to avoid and recover approximately $1 billion in initial transfers received from BLMIS. *Picard v. Harley International (Cayman) Limited, Inc.*, Adv. Pro. No. 09-01187 (LGB), ECF No. 1. Harley never responded to the complaint, and on November 10, 2010, the Bankruptcy Court entered a default judgment and summary judgment against Harley. The Trustee's actions seek to recover all of the avoided transfers that defendants received from Harley.

280. The parties are actively litigating the subsequent transfer cases in the Bankruptcy Court. In 29 cases, the Trustee filed an amended complaint. In 72 cases, defendants filed motions to dismiss the Trustee's operative complaints. The Bankruptcy Court denied, or denied in part, defendants' motions to dismiss in 70 cases, with 1 motion to dismiss still pending. Following the Bankruptcy Court's denial of their motions to dismiss, defendants in 15 cases filed motions to appeal the Bankruptcy Court's decisions. The District Court has now resolved the appeals in all 15 cases. The Bankruptcy Court has entered case management plans in 67 cases, with fact discovery for the respective cases scheduled to close in 2025 and 2026.

281. As of today, following certain settlements and dismissals, the Trustee has 65 subsequent transfer actions pending, as set forth in the attached Exhibit C.

i. Picard v. Citibank, N.A., et al.

282. On December 8, 2010, the Trustee commenced an action against Citibank, N.A., Citicorp North America, Inc., and Citigroup Global Markets Ltd. (collectively, "Citibank") seeking the return of approximately $430 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences and fraudulent transfers in connection with certain transfers of property by BLMIS to or for the benefit of Citibank (the "Citibank Action"). *Picard v. Citibank*, Adv. No. 10-05345 (LGB) (Bankr. S.D.N.Y. Dec. 8, 2010).[14]

283. On October 18, 2019, the Bankruptcy Court denied the Trustee's motion for leave to file an amended complaint. (ECF No. 170).

284. On November 27, 2019, the Trustee filed a notice of appeal to the Second Circuit (ECF No. 177) in connection with the following prior rulings: (i) Memorandum Decision Denying Trustee's Motion for Leave to File Amended Complaint. *Picard v. Citibank, N.A.*, Adv. Pro. No. 10-05345 (LGB) (Bankr. S.D.N.Y. Oct. 18, 2019), ECF No. 140; (ii) Memorandum Decision Denying Trustee's Motion for Discovery Pursuant to Rule 26(d), *Picard v. Citibank*, 590 B.R. 200 (Bankr. S.D.N.Y. 2018) (Adv. Pro. No. 10-05345 (LGB)), ECF No. 140; (iii) Order of the United States Bankruptcy Court for the Southern District of New York (Bernstein, S.), dated June 18, 2018, denying the Trustee's motion for limited discovery pursuant to Federal Rules of Civil Procedure 26(d), *Picard v. Citibank, N.A.*, Adv. Pro. No. 10-05345 (LGB) (Bankr. S.D.N.Y. June 18, 2018), ECF No. 143; and (iv) Opinion and Order of the United

[14] The Trustee refers the Court to the discussion *supra* Section (VI)(D)(i) for additional information on the Citibank Action.

States District Court for the Southern District of New York (Rakoff, J.), dated April 28, 2014, *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC (In re Madoff Sec.)*, 516 B.R. 18 (S.D.N.Y. 2014) (No. 12-mc-115 (JSR)), ECF No. 524.

285. On June 8, 2020, the Second Circuit accepted the direct appeal. *Picard v. Citibank, N.A.*, 20-1333 (2d Cir. 2019), ECF No. 45.

286. On August 6, 2020, the Trustee filed his appellate brief and appendices. On August 13, professors of bankruptcy law, the National Association of Bankruptcy Trustees, and professors of civil procedure filed their respective briefs in support of the Trustee as *amici curiae*. On November 5, 2020, Defendants-Appellees filed their opposition brief, ECF No. 134. On November 12, 2020, (i) the Securities Industry and Financial Markets Association and the American Bankers Association; (ii) ABN AMRO Bank N.V.; and (iii) ABN AMRO Retained Custodial Services (Ireland) Limited and ABN AMRO Custodial Services (Ireland) Ltd. filed their respective briefs in support of the Defendants-Appellees' opposition as *amici curiae*, ECF Nos. 136, 139, 140. On November 25, 2020, the Trustee and SIPC filed their respective reply briefs, ECF Nos. 166, 167.

287. Oral argument was heard on March 12, 2021, before the Second Circuit. On March 23, 2021 and June 11, 2021, the Trustee filed notices to adjourn the pre-trial conference while awaiting the Second Circuit judgment, which was issued on August 31, 2021. The Second Circuit judgment vacated the judgments of the bankruptcy court and remanded the case for proceedings consistent with the Second Circuit's opinion. *See* discussion *supra* Section (VI)(D)(i).

288. On February 11, 2022, the Trustee filed an amended complaint against Defendants. On April 22, 2022, Defendants filed a motion to dismiss the amended complaint.

289. On July 1, 2022, the Trustee filed his opposition to Defendants' motion to dismiss and argued the motion before Judge Cecelia M. Morris on September 14, 2022. On September 27, 2022, Judge Morris denied Defendants' motion to dismiss in its entirety.

290. On November 9, 2022, Defendants filed a motion for interlocutory appeal of the Bankruptcy Court's decision, challenging its application of the "Ponzi scheme presumption" and the avoidability of a $300 million transfer from BLMIS to Rye Select Broad Market Prime Fund, which Defendants assert did not deplete the BLMIS estate. On November 16, 2022, B&H attorneys filed the Trustee's opposition to Defendants' motion for interlocutory appeal, and on November 30, 2022, Defendants filed their reply in support of their motion for interlocutory appeal. On March 2, 2023, the Trustee filed a Case Management Plan. On March 24, 2023, the Trustee served Defendants with his first set of requests for production. On March 31, 2023, the Trustee served Defendants with his initial disclosures.

291. On March 14, 2024, the District Court denied Defendants' motion for interlocutory appeal.

292. During the Report Period, the parties continued to engage in fact discovery pursuant to the case management plan filed on March 2, 2023, including exchanging documents responsive to requests for production, serving responses to interrogatories, and preparing for depositions.

ii. Picard v. Natixis, et al.

293. On December 8, 2010, the Trustee commenced an action against Natixis, Natixis Corporate & Investment Bank (f/k/a Ixis Corporate & Investment Bank), Natixis Financial Products, Inc., Bloom Asset Holdings Fund, and Tensyr Ltd. (collectively, the "Natixis Defendants") seeking the recovery of approximately $430 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences,

fraudulent transfers and fraudulent conveyances in connection with certain transfers of property by BLMIS to or for the benefit of the Natixis Defendants (the "Original Natixis Action"). *Picard v. Natixis*, Adv. No. 10-05353 (Bankr. S.D.N.Y. Dec. 8, 2010).

294. In an effort to streamline proceedings, B&H attorneys determined to dismiss Natixis FP and Bloom Asset Holdings Fund from the Original Natixis Action in favor of a separate proceeding against them. The Trustee filed an amended complaint in the Original Natixis Action against Natixis S.A. and Tensyr Limited on January 31, 2023 (ECF No. 193) and filed a new action against Natixis FP and Bloom Asset Holdings Fund in Adv. Pro. No. 23-01017 (the "Severed Natixis Action") on March 1, 2023.

295. The Natixis Defendants' respective motions to dismiss were denied in their entirety on November 2, 2023, November 3, 2023, and November 9, 2023. *Original Natixis Action*, ECF Nos. 228 & 233; *Severed Natixis Action*, ECF No. 31. The Natixis Defendants filed their answers on January 12, 2024 and January 26, 2024. *Original Natixis Action*, ECF Nos. 253 & 254; *Severed Natixis Action*, ECF No. 44.

296. The Natixis Defendants filed respective motions for leave to bring an interlocutory appeal from the Bankruptcy Court's denials of their motions to dismiss. On February 2, 2024, the District Court denied Natixis S.A.'s motion for leave to bring an interlocutory appeal. *Original Natixis Action*, ECF No. 255. On March 25, 2024, the District Court denied Tensyr Limited's motion for leave to bring an interlocutory appeal. *Id.*, ECF No. 257. On May 9, 2024, the District Court denied Natixis FP's and Bloom Asset Holdings Fund's motion for leave to appeal. *Natixis Fin. Prod. LLC v. Picard*, No. 24-cv-00216 (S.D.N.Y. May 9, 2024), ECF No. 9.

297. During the Report Period, B&H attorneys reviewed documents produced by defendants in other adversary proceedings relevant to this matter, drafted and served responses and objections to document requests and interrogatories served by the Natixis Defendants, corresponded and met and conferred with counsel for the Natixis Defendants regarding the parties' document requests, and conducted research in preparation for potential third-party subpoenas. B&H attorneys also conducted research on and analyzed foreign law (including that of France, Jersey, Ireland, and the United Kingdom) and its impact on discovery.

iii. Picard v. Nomura International PLC

298. On December 8, 2010, the Trustee commenced an action against Nomura International plc ("Nomura") seeking the return of approximately $35 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences, fraudulent conveyances, and damages in connection with certain transfers of property by BLMIS to or for the benefit of Nomura (the "Nomura Action"). *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB) (Bankr. S.D.N.Y. Dec. 8, 2010). On June 6, 2012, the Trustee filed an Amended Complaint in the Nomura Action.

299. By orders dated May 15, 2012, and June 7, 2012, the District Court entered orders withdrawing the reference in the Nomura Action to determine whether SIPA and/or the Bankruptcy Code apply extraterritorially, permitting the Trustee to avoid initial transfers that were received abroad or to recover from initial, immediate, or mediate foreign transferees (the "Extraterritoriality Issue"). *See Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, No. 12-mc-0115 (JSR), ECF Nos. 97 and 167.

300. On July 7 and 28, 2014, the District Court entered an opinion and order, and a supplemental opinion and order, and returned the Nomura Action to the Bankruptcy Court for

further proceedings. *See Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, No. 12-mc-0115 (JSR), ECF Nos. 551 and 556.

301. On December 31, 2014, Nomura filed a consolidated memorandum of law in support of a motion to dismiss concerning the Extraterritoriality Issue (the "Extraterritoriality Motion to Dismiss").

302. On November 22, 2016, the Bankruptcy Court issued a Memorandum Decision Regarding Claims to Recover Foreign Subsequent Transfers that granted the Extraterritoriality Motion to Dismiss as to Nomura. *See Sec. Inv'r Prot. Corp. v. Bernard L. Madoff Inv. Inv. Sec. LLC*, Adv. Pro. No. 08-01789 (SMB), 2016 WL 6900689 (Bankr. S.D.N.Y. Nov. 22, 2016). *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484).

303. On March 3, 2017, the Bankruptcy Court entered an order granting the Extraterritoriality Motion to Dismiss. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (SMB), ECF No. 108.

304. On April 4, 2017, the Trustee and Nomura filed a Certification to the Court of Appeals by All Parties. *Id.*, ECF No. 113. The Second Circuit subsequently authorized a direct appeal on October 13, 2017.

305. On February 25, 2019, the Second Circuit issued a decision that vacated the Bankruptcy Court's order. *In re Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Secs. LLC*, 917 F.3d 85 (2d Cir. 2019). *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484).

306. On August 29, 2019, Nomura filed a petition for writ of certiorari in the United States Supreme Court. On June 1, 2020, the United States Supreme Court denied the petition for writ of certiorari. *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484).

Also on June 1, 2020, the Second Circuit issued the mandate, returning the Nomura Action to the Bankruptcy Court.

307. On August 30, 2021, the Second Circuit vacated the Bankruptcy Court's dismissal of the Trustee's actions against Citibank, N.A. and Legacy Capital, holding that in a SIPA liquidation the good faith defense is governed by an inquiry notice standard and that a SIPA trustee need not plead a transferee's lack of good faith. *See In re Bernard L. Madoff Inv. Secs. LLC*, 12 F.4th 171, 185-200 (2d Cir. 2021). *See* Trustee's Thirty-Second Interim Report ¶¶ 97-104 (ECF No. 24484). The Second Circuit's decision governs the Trustee's actions against other subsequent transferee defendants, including Nomura.

308. On April 4, 2022, Trustee filed stipulated scheduling orders governing briefing schedules for the Trustee's motions for leave to file amended complaints or, alternatively, for Nomura's motions to dismiss the amended complaints. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 120; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF No. 90. B&H attorneys subsequently met and conferred with Nomura's counsel to obtain Nomura's consent to file the amended complaints. On June 13, 2022, B&H attorneys filed the amended complaints. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 121; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF No. 91. On August 4, 2022, the Trustee filed an amended stipulated scheduling order governing Defendant's motion to dismiss the amended complaints. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 123; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF No. 93. On August 26, 2022, Nomura filed motions to dismiss the Trustee's proceedings.

309. On November 8, 2022, the Trustee filed oppositions to Nomura's motions to dismiss. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 127; *Picard v.*

Nomura Int'l plc, Adv. Pro. No. 11-02759 (LGB), ECF No. 97. On December 19, 2022, Nomura filed its reply memorandums in further support of its motions to dismiss. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 129; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF No. 99. On January 27, 2023, the Trustee filed stipulations and orders waiving Nomura's oral argument on the motions to dismiss. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 130; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF No. 100.

310. On April 19 and 26, 2023, Judge Morris issued memorandum decisions denying Nomura's motion to dismiss in their entirety. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 137; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF No. 109. On June 19, 2023, Defendants filed answers to the Trustee's Amended Complaints. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 140; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF. 112. On July 18, 2023, the Trustee and Defendants participated in their Rule 26(f) conference. On August 22, 2023, the Trustee filed Case Management Plans. *Picard v. Nomura Int'l plc*, Adv. Pro. No. 10-05348 (LGB), ECF No. 140; *Picard v. Nomura Int'l plc*, Adv. Pro. No. 11-02759 (LGB), ECF. 112.

311. During the Report Period, the parties continued to engage in fact discovery pursuant to the case management plan filed on August 22, 2023. The parties engaged in extensive discussions regarding their respective responses and objections to each other's discovery requests. In February 2025, the parties began exchanging documents responsive to their respective discovery requests.

iv. Picard v. Merrill Lynch International.

312. On December 8, 2010, the Trustee commenced an action against Merrill Lynch International ("MLI") seeking the return of at least $16 million under SIPA, the Bankruptcy

Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences and fraudulent transfers in connection with certain transfers of property by BLMIS to or for the benefit of MLI (the "MLI Action*"). Picard v. Merrill Lynch Int'l*, Adv. No. 10-05346 (LGB) (Bankr. S.D.N.Y. Dec. 8, 2010).

313. On August 30, 2021, the Second Circuit issued the *Citibank Decision*, 12 F.4th 171 (2d. Cir. 2021), holding that in a SIPA liquidation the good faith defense provided in 11 U.S.C. §§ 548(c) and 550(b) is governed by an inquiry notice standard and that a SIPA trustee does not bear the burden of pleading a transferee's lack of good faith. The *Citibank Decision* vacated a prior decision from the district court, which held that in a SIPA liquidation good faith is governed by a willful blindness standard and that a SIPA trustee bears the burden of pleading the transferee's lack of good faith.

314. On May 22, 2023, MLI filed its Answer to the Trustee's Amended Complaint. *Picard v. Merrill Lynch Int'l*, Adv. No. 10-05346 (LGB), ECF No. 161. On June 21, 2023, the Trustee and MLI participated in their Rule 26(f) conference and the Bankruptcy Court entered the parties' agreed upon case management plan on September 18, 2023. On November 21, 2023, the Trustee served MLI with his first set of requests for production. MLI served its Responses and Objections to the Trustee's First Set of Document Requests on February 12, 2024.

315. During the Report Period, the Trustee served MLI with his first set of interrogatories on November 15, 2024. MLI served its Responses and Objections to the Trustee's First Set of Interrogatories on December 16, 2024. The parties were also engaged in communications relating to MLI's responses and objections to the first set of requests for production and interrogatories. MLI served its Amended Responses and Objections to the Trustee's First Set of Interrogatories on March 27, 2025.

v. Picard v. ABN AMRO Bank N.V. (presently known as NatWest Markets N.V.)

316. This matter categorizes time spent by the Trustee and B&H attorneys pursuing two now-consolidated avoidance actions against ABN AMRO Bank N.V. (presently known as NatWest Markets N.V.) ("ABN").

317. In the first action, the Trustee seeks the return of approximately $286 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences and fraudulent transfers in connection with certain subsequent transfers of BLMIS customer property ABN received from Rye Select Broad Market XL Portfolio, Ltd., Rye Select Broad Market Portfolio Limited, Rye Select Broad Market XL Fund L.P., and Rye Select Broad Market Fund L.P. *Picard v. ABN AMRO Bank N.V. (presently known as NatWest Markets N.V.)*, Adv. No. 10-05354 (LGB) (Bankr. S.D.N.Y. Dec. 8, 2010) (the "ABN Tremont Bankruptcy Court Action").

318. On March 31, 2020, the Bankruptcy Court denied the Trustee's motion for leave to file a second amended complaint in the ABN Tremont Bankruptcy Court Action. *Id*., ECF No. 200. On April 23, 2020, the Trustee appealed the Bankruptcy Court's judgment to the District Court. *Id*., ECF No. 202. On May 12, 2020, the Record of Appeal was transmitted to the District Court and the appeal was assigned to Judge Valerie E. Caproni. *Picard v. ABN AMRO Bank N.V.*, No. 20-cv-3684 (VEC) (S.D.N.Y. May 12, 2020) ("ABN District Court Appeal"), ECF No. 1.

319. On May 28, 2020, the Trustee moved the District Court for a stay of his appeal pending a decision by the Second Circuit in two similarly situated actions: *Picard v. Citibank, N.A.*, No. 20-1333 (2d Cir.), and *Picard v. Legacy Capital Ltd.*, No. 20-1334 (2d Cir.) (collectively, the "Good Faith Appeals"). ABN District Court Appeal, ECF Nos. 3-4. On June 8,

2020, the District Court granted the Trustee's motion and stayed his appeal, with exception to permit a motion by ABN for certification of the appeal for direct appeal to the Second Circuit. *Id*., ECF No. 12.

320. On June 9, 2020, ABN moved the District Court to certify the Trustee's appeal for direct appeal to the Second Circuit, which the District Court granted on July 16, 2020. *Id*., ECF Nos. 17-18, 22.

321. On July 21, 2020, ABN moved the Second Circuit to authorize the direct appeal, for expedited consideration of its motion, and for the resulting appeal to proceed in tandem with the Related Appeals. *Picard v. ABN AMRO Bank, N.V.*, No. 20-2291 (2d Cir. July 21, 2020) ("ABN Second Circuit Appeal"), ECF Nos. 1-2. On August 4, 2020, the Second Circuit denied ABN's motion to expedite consideration of its motion for leave to appeal and to have the resulting appeal proceed in tandem with the Good Faith Appeals. *Id*., ECF No. 37. On October 6, 2020, the Second Circuit issued an order deferring its decision on ABN's motion for leave to appeal pending resolution of the Good Faith Appeals. *Id*., ECF No. 48.

322. On August 30, 2021, the Second Circuit entered its decision in the Good Faith Appeals. *Picard v. Citibank, N.A.*, 20-1333 (2d Cir. Aug. 30, 2021), ECF No. 182-1.

323. On October 26, 2021, the parties filed a Stipulation in the Second Circuit to withdraw the ABN Second Circuit Appeal with prejudice pursuant to Federal Rule of Appellate Procedure 42(b). ABN Second Circuit Appeal, ECF No. 51. On October 27, 2021, the Second Circuit "so-ordered" the Stipulation and issued the mandate. *Id*., ECF Nos. 57-58.

324. On November 12, 2021, the parties requested the District Court to so order a Stipulation vacating the Bankruptcy Court's Final Judgment in the ABN Tremont Bankruptcy Court Action and remanding the case to the Bankruptcy Court for further proceedings. ABN

District Court Appeal, ECF No. 25. On November 12, 2021, the District Court "so-ordered" the Stipulation, vacated the Bankruptcy Court's Final Judgment, and remanded the ABN Tremont Bankruptcy Court Action to the Bankruptcy Court for further proceedings. *Id*., ECF No. 26.

325. On November 16, 2021, the ABN Tremont Bankruptcy Court Action was formally reopened in the Bankruptcy Court. ABN Tremont Bankruptcy Court Action, ECF No. 214.

326. On October 6, 2011, the Trustee commenced his second action against ABN in the adversary proceeding *Picard v. ABN AMRO Bank N.V. (presently known as NatWest Markets, N.V.)*, Adv. Pro. 11-02760 (LGB), seeking the return of approximately $21 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences and fraudulent transfers in connection with subsequent transfers of BLMIS customer property ABN received from Harley International (Cayman) Limited (the "ABN Harley Bankruptcy Court Action").

327. On July 6, 2014, the District Court entered an Opinion and Order ruling on extraterritoriality and international comity issues (the "District Court ET Decision") and returned certain matters to the Bankruptcy Court for further proceedings consistent with the District Court ET Decision, *see SIPC v. BLMIS (In re Madoff)*, 513 B.R. 222 (S.D.N.Y. 2014).

328. On November 22, 2016, the Bankruptcy Court issued a Memorandum Decision Regarding Claims to Recover Foreign Subsequent Transfers (the "Bankruptcy Court ET Decision") dismissing certain claims to recover subsequent transfers on grounds of international comity resulting in the dismissal of all claims against ABN in the ABN Harley Bankruptcy Court Action. ABN Harley Bankruptcy Court Action, ECF No. 74; *see Picard v. Bureau of Labor Ins.*

(SIPC v. BLMIS), Adv. Pro. No. 08-01789 (SMB), 2016 WL 6900689 (Bankr. S.D.N.Y. Nov. 22, 2016).

329. On February 25, 2019, the Second Circuit issued an order, *In re Picard*, 917 F.3d 85 (2d Cir. 2019), which, *inter alia*, vacated the Bankruptcy Court ET Decision.

330. On March 22, 2022, on consent, the Trustee filed a Consolidated Second Amended Complaint. ABN Tremont Bankruptcy Court Action, ECF No. 220; ABN Harley Bankruptcy Court Action, ECF No. 111. On April 20, 2022, the Court "so-ordered" a Stipulation and Order for Consolidation, consolidating the ABN Tremont Bankruptcy Court Action and the ABN Harley Bankruptcy Court Action under the ABN Tremont Bankruptcy Court Action. ABN Tremont Bankruptcy Court Action, ECF No. 222; ABN Harley Bankruptcy Court Action, ECF No. 113.

331. On May 23, 2022, ABN filed a motion to dismiss the Consolidated Second Amended Complaint. ABN Tremont Bankruptcy Court Action, ECF No. 224. On March 3, 2023, the Court issued a Memorandum Decision Denying Defendant's Motion to Dismiss in its entirety. *Id.*, ECF No. 262. On March 15, 2023, the Court issued the corresponding Order Denying Defendant's Motion to Dismiss, which also ordered ABN to file an answer to the Consolidated Second Amended Complaint. *Id*., ECF No. 266.

332. On May 15, 2023, ABN filed an Answer and Affirmative Defenses to the Consolidated Second Amended Complaint. *Id*., ECF No. 268. ABN also asserted Counterclaims against the Trustee. *Id*.

333. On July 17, 2023, the Trustee moved to dismiss ABN's Counterclaims. *Id.*, ECF Nos. 271 – 273.

334. On August 24, 2023, in lieu of opposing ABN's motion to dismiss the Counterclaims, ABN filed Amended Counterclaims and also moved to amend its Affirmative Defenses. *Id.*, ECF Nos. 276, 278, 279.

335. On September 13, 2023, the Trustee opposed ABN's motion to amend its Affirmative Defenses. *Id.*, ECF No. 282. ABN's motion to amend was fully briefed, and the Court held oral argument on September 20, 2023. *Id.*, ECF Nos. 279, 282, 285, 287.

336. While ABN's motion to amend its Affirmative Defenses was pending before the Court, on September 27, 2023, the Trustee moved to dismiss the Amended Counterclaims. *Id.*, ECF Nos. 281, 286.

337. On October 4, 2023, the Court issued a Memorandum Decision Granting in Part and Denying in Part ABN's Motion to Amend Affirmative Defenses. *Id.*, ECF No. 293. On October 17, 2023, the Court issued the corresponding Order Granting In Part and Denying In Part ABN's Motion to Amend Affirmative Defenses. *Id.*, ECF No. 295.

338. On October 26, 2023, ABN filed a Notice of Voluntary Dismissal Pursuant to F.R.C.P. 41(c)(1), dismissing its Amended Counterclaims and rendering the Trustee's motion to dismiss the Amended Counterclaims moot. ECF Nos. 297, 299.

339. Pursuant to a Stipulation and Order entered on November 1, 2023, on November 29, 2023, ABN filed an Amended Answer and Affirmative Defenses. ECF Nos. 299, 301.

340. The parties are now engaged in fact discovery. On May 25, 2023, the Trustee and ABN participated in their Rule 26(f) conference. On July 18, 2023, the Court ordered the parties' Case Management Plan. *Id.*, ECF No. 274. Pursuant to the Case Management Plan, on September 18, 2023, the parties exchanged Initial Disclosures. On November 6, 2023, the Trustee produced his Initial Disclosures document production to ABN. On December 19, 2023,

the Trustee served his First Set of Requests for Production of Documents ("Document Requests") on ABN. On February 20, 2024, ABN served its Objections and Responses to the Trustee's Document Requests. On August 1, 2024, the Trustee served his First Set of Interrogatories ("Interrogatories") on ABN. On September 17, 2024, ABN served its Responses and Objections to the Trustee's Interrogatories, and on April 4, 2025, ABN served its Amended Responses and Objections to the Trustee's Interrogatories. ABN also began, and continues to, produce documents in response to the Trustee's Document Requests.

341. During the Report Period, the parties continued to engage in fact discovery pursuant to the Case Management Plan. The Trustee continues to analyze document productions received from ABN. The parties also continue to meet and confer regarding ABN's responses to the Trustee's Document Requests and ABN's responses to the Trustee's Interrogatories. The Trustee continues to pursue third-party discovery in the matter as well.

vi. Picard v. ABN AMRO Bank (Ireland) Ltd., et al.

342. On December 8, 2010, the Trustee commenced an action against ABN AMRO Bank (Ireland) Ltd. (f/k/a Fortis Prime Fund Solutions Bank (Ireland) Ltd.), ABN AMRO Custodial Services (Ireland) Ltd. (f/k/a Fortis Prime Fund Solutions Custodial Services (Ireland) Ltd.) (collectively, the "Fortis Defendants"), Rye Select Broad Market XL Fund, LP, and Rye Select Broad Market XL Portfolio Ltd. seeking the return of approximately $747 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences and fraudulent conveyances in connection with certain transfers of property by BLMIS to or for the benefit of the Fortis Defendants (the "Fortis Action"). *Picard v. ABN AMRO Bank (Ireland) Ltd*., Adv. No. 10-05355 (SMB) (Bankr. S.D.N.Y. Dec. 8, 2010).

343. On January 11, 2019, the Bankruptcy Court so ordered the Stipulation and Order Concerning the Trustee's Motion for Leave to File an Amended Complaint. (ECF No. 162). On

February 22, 2019, the Trustee filed the Motion for Leave to File an Amended Complaint. (ECF No. 165). On April 23, 2019, the Fortis Defendants filed the Opposition to the Trustee's Motion for Leave to File an Amended Complaint. (ECF No. 169). On May 23, 2019, the Trustee filed the Reply in Further Support of the Motion for Leave to File an Amended Complaint. (ECF No. 179). Oral argument in this matter was held on September 25, 2019. On January 23, 2020, the Bankruptcy Court issued its Memorandum Decision Denying Motion for Leave to File Second Amended Complaint. (ECF No. 188). On February 6, 2020, the Bankruptcy Court entered the Stipulated Order Denying the Trustee's Motion for Leave to Amend and Entering Final Judgment. (ECF No. 189).

344. On February 19, 2020, the Trustee filed his Notice of Appeal. (ECF No. 189). On March 4, 2020, the Trustee filed his Designation of Items to be Included in the Record on Appeal and Statement of Issues to Presented. (ECF No. 192). On March 18, 2020, the Fortis Defendants filed a Counter-Designation of Additional Items to be Included in the Record on Appeal. (ECF No. 194). On March 27, 2020, the Record of Appeal was transmitted to the United States District Court of Appeal and assigned to Judge Colleen McMahon. *Picard v. ABN AMRO Bank (Ireland) Ltd*., No. 20-cv-2586-cm (S.D.N.Y. Mar. 27, 2020) (ECF Nos. 1, 3).

345. On April 6, 2020, the Fortis Defendants moved for Leave to Appeal directly to the Second Circuit pursuant to § 158(d)(2)(A). (ECF Nos. 8-10). On April 10, 2020, the Trustee filed a joint letter motion for an Extension of Time to Complete Merits Briefing and Trustee's Response and Consent to Defendants' Motion Requesting Permission to Appeal to the Second Circuit. (ECF No. 14). On May 7, 2020, the Trustee filed a Letter Motion for an Extension of Time of Briefing Schedule beyond May 15, 2020. (ECF No. 17). On May 8, 2020, Judge McMahon granted the Trustee's Letter Motion. (ECF Nos. 18, 19). On June 11, 2020, Judge

McMahon granted the Fortis Defendants' motion for Leave to Appeal and stayed merits briefing pending resolution of the motion. (ECF No. 24).

346. On June 18, 2020, the Fortis Defendants filed a motion for Leave to Appeal to the Second Circuit. Picard v. ABN AMRO Bank (Ireland) Ltd., No. 20-1898 (2d Cir. Jun 18, 2020) (ECF Nos. 1-2). The Fortis Defendants also filed a motion to expedite so that the Fortis Defendants' briefing could be heard in tandem with the related appeals of *Picard v. Citibank, N.A*., No. 20-1333 (2d. Cir.) and *Picard v. Legacy Capital Ltd*., No. 20-1334 (2d Cir.) (together, the "Related Appeals"). (ECF No. 2). On August 4, 2020, the Second Circuit denied the Fortis Defendants' motion to expedite and for hearing in tandem. (ECF No. 42). On October 6, 2020, the Second Circuit deferred a decision on the motion for leave to appeal to the Second Circuit until the resolution of the Related Appeals. (ECF No. 48).

347. On August 30, 2021, the Second Circuit rendered its decision in the Related Appeals, overturning the District Court's standard for pleading good faith, vacating the judgments of the Bankruptcy Court, and remanding for further proceedings consistent with the opinion. *Picard v. Citibank, N.A*., No. 20-1333 (2d. Cir. Aug. 30, 2021) (ECF No. 182); *Picard v. Legacy Capital Ltd*., No. 20-1334 (2d Cir. Aug. 30, 2021) (ECF No. 177). *See* discussion *supra* Section (VI)(D)(i).

348. On October 1, 2021, the Fortis Defendants filed an updated petition requesting permission to appeal to the Second Circuit. *Picard v. ABN AMRO Bank (Ireland) Ltd*., No. 20-1898 (2d Cir. Oct. 1, 2021) (ECF No.50). On October 12, 2021, the Trustee filed an opposition to this motion. (ECF No. 67). The matter was heard on February 1, 2022, and the Second Circuit denied the request for direct appeal on February 3, 2022. (ECF No. 84). The Trustee filed his merits brief on March 7, 2022. *Picard v. ABN AMRO Bank (Ireland) Ltd*., No. 20-cv-2586-cm

(S.D.N.Y. Mar. 7, 2022) (ECF No. 27). The Fortis Defendants filed their opposition on April 6, 2022. *Picard v. ABN AMRO Bank (Ireland) Ltd*., No. 20-cv-2586-cm (S.D.N.Y. Apr. 6, 2022) (ECF No. 32). The Trustee replied on April 21, 2022.

349. Judge McMahon rendered her decision for the Trustee and vacated the Bankruptcy Court's 2020 decision and remanded the matter back to the Bankruptcy Court. *Picard v. ABN AMRO Bank (Ireland) Ltd*., No. 20-cv-2586-cm (S.D.N.Y. May 2, 2022) (ECF No. 35).

350. The Trustee and the Fortis Defendants conferred and agreed upon a briefing schedule that allowed for the Trustee to file his second amended complaint. The Fortis Action, Adv. No. 10-05355 (LGB)(ECF No. 203). The Trustee filed his second amended complaint on consent on June 17, 2022. (ECF No. 205). The Fortis Defendants filed a motion to dismiss on August 19, 2022. (ECF No. 209). The Trustee filed his opposition on October 18, 2022. (ECF No. 214). The Fortis Defendants filed a reply on Dec. 2, 2022. (ECF No. 230). Oral argument was held in the matter on February 15, 2023. (ECF No. 236). On March 28, 2023, Judge Morris issued a decision denying the motion to dismiss. (ECF No. 237). The Fortis Defendants' answer was served on May 26, 2023. (ECF No. 249).

351. On December 26, 2023, the Case Management Order (ECF No. 251) was approved by Judge Morris.

352. Fact discovery is underway. The Parties exchanged initial disclosures on March 11, 2024, and the Trustee made an initial voluntary production of documents on April 10, 2024.

353. The Trustee served a First Set of Requests for the Production of Documents (the "Document Requests") on September 30, 2024. The Defendants served their Responses and Objections to the Trustee's Document Requests on October 30, 2024. The parties have been

engaged in meet and confers to resolve Defendants' objections to the Trustee's Document Requests.

354. On March 10, 2025, the Trustee made a supplemental voluntary production of documents to Defendants and continues to prepare for fact and expert discovery.

vii. Picard v. BNP Paribas S.A. Ltd., et al.

355. The Trustee and B&H attorneys filed separate adversary proceedings that collectively seek the recovery of approximately $1 billion under SIPA, the Bankruptcy Code, and the New York Fraudulent Conveyance Act from BNP Paribas S.A. and its subsidiaries—BNP Paribas Arbitrage SNC, BNP Paribas Bank & Trust (Cayman) Limited, BNP Paribas Securities Services S.C.A., BNP Paribas Securities Services – Succursale de Luxembourg, BNP Paribas (Suisse) S.A., and BGL BNP Paribas S.A., (collectively, the "BNP Paribas Defendants")—who redeemed money from feeder funds that invested with BLMIS. *See Picard v. BNP Paribas Arbitrage, SNC*, Adv. No. 11-02796 (Bankr. S.D.N.Y. Nov. 3, 2011) (the "BNP Paribas Harley Action") and *Picard v. BNP Paribas S.A.*, Adv. No. 12-01576 (Bankr. S.D.N.Y. May 4, 2012) (the "BNP Paribas Tremont Action") (collectively, the "BNP Paribas Proceedings").

356. In the BNP Paribas Harley Action, on December 28, 2023, the Bankruptcy Court denied BNP Paribas Arbitrage SNC's motion to dismiss. BNP Paribas Arbitrage SNC filed its answer to the Trustee's amended complaint on March 11, 2024, and amended its answer on May 1, 2024.

357. In the BNP Paribas Tremont Action, on June 4, 2024, the Bankruptcy Court denied in part and granted in part the BNP Paribas Defendants' motion to dismiss. The remaining BNP Paribas Defendants filed their answer to the Trustee's second amended complaint on September 4, 2024.

358. During the Report Period, B&H attorneys in the BNP Paribas Harley Action reviewed documents produced in other adversary proceedings relevant to this matter, responded to document requests served by BNP Paribas Arbitrage SNC, and met and conferred with counsel for BNP Paribas Arbitrage SNC regarding the Trustee's document requests and interrogatories and BNP Paribas Arbitrage SNC's responses to the same.

359. During the Report Period, B&H attorneys in the BNP Paribas Tremont Action participated in an initial conference, submitted a case management plan to the Bankruptcy Court, reviewed documents produced in other adversary proceedings relevant to this matter, and served document requests and initial disclosures.

viii. Picard v. Platinum All Weather Fund Ltd., et al.

360. This matter categorizes time spent by the Trustee and B&H attorneys pursuing the avoidance action against Platinum All Weather Fund Limited ("PAWFL") and ABN AMRO Retained Nominees (IOM) Limited, formerly known as ABN AMRO Fund Services (Isle of Man) Nominees Limited and Fortis (Isle of Man) Nominees Limited ("Fortis IOM") (collectively, the "Platinum Defendants") seeking the return of approximately $104 million under SIPA, the Bankruptcy Code, the New York Fraudulent Conveyance Act, and other applicable law for preferences, fraudulent transfers, and fraudulent conveyances in connection with certain transfers of property by BLMIS to or for the benefit of the Platinum Defendants (the "Platinum Action"). *Picard v. Platinum All Weather Fund Ltd.*, Adv. Pro. No. 12-01697 (Bankr. S.D.N.Y. Jun. 6, 2012), ECF No. 1.

361. Following the Second Circuit's decision in *Picard v. Citibank N.A. (In re Bernard L. Madoff Investment Securities LLC)*, 12 F.4th 171 (2d Cir. 2021), B&H attorneys filed an Amended Complaint in the Platinum Action on November 3, 2022. *Picard v. Platinum All Weather Fund Ltd.*, Adv. Pro. No. 12-01697 (Bankr. S.D.N.Y. Nov. 3, 2022), ECF No. 141.

362. Motion to dismiss briefing ensued. The Bankruptcy Court rendered its Memorandum Decision denying PAWFL's Motion to Dismiss the Amended Complaint on May 17, 2023. Id., ECF No. 166. The Bankruptcy Court rendered its Memorandum Decision denying Fortis IOM's Motion to Dismiss the Amended Complaint on June 12, 2023. Id., ECF No. 173. On August 25, 2023, the Platinum Defendants filed their Answers to the Trustee's Amended Complaint. Id., ECF Nos. 179, 181. After several Rule 26(f) conferences, a Case Management Order was entered in this case on January 10, 2024. Id., ECF No. 183.

363. During the Report Period, B&H attorneys drafted and served Requests for Production on both Platinum Defendants. B&H attorneys met and conferred with both PAWFL and Fortis IOM individually multiple times to discuss the Platinum Defendants' objections to the Requests for Production as well as to discuss the path forward with discovery. B&H attorneys drafted and served deficiency letters on both Platinum Defendants concerning their objections to the Trustee's Requests for Production. B&H attorneys prepared interrogatories for PAWFL and drafted search term and custodian lists for both PAWFL and Fortis IOM.

VII. INTERNATIONAL INVESTIGATION AND LITIGATION

364. The Trustee's international investigation and recovery of BLMIS estate assets involves, among other things: (i) identifying the location and movement of estate assets abroad, (ii) becoming involved in litigation brought by third parties in foreign courts, by appearance or otherwise, to prevent the dissipation of funds properly belonging to the estate, (iii) bringing actions before United States and foreign courts and government agencies to recover customer property for the benefit of the customers and creditors of the BLMIS estate, and (iv) retaining international counsel to assist the Trustee in these efforts, when necessary. More than seventy of the actions filed in this Court have involved international defendants, and the Trustee is involved

in actions and investigations in several jurisdictions, including Austria, the British Virgin Islands, Cayman Islands, France, Israel, and the United Kingdom, among others.

365. The following summarizes key litigation involving foreign defendants in the Bankruptcy Court and in foreign courts.

A. Austria

366. The Trustee and his counsel continue to actively investigate certain banks, institutions, and individuals located in this jurisdiction. In addition, the Trustee and his counsel are actively engaged in discovery involving Austrian documents and witnesses.

B. BVI

367. The Trustee and his counsel are actively investigating the involvement of several BVI-based feeder funds that funneled money into the Ponzi scheme.

C. Cayman Islands

368. The Trustee and his counsel are actively monitoring certain third-party BLMIS and HSBC-related proceedings currently pending in the Cayman Islands.

D. England

369. The Trustee and his counsel currently have protective claims pending in England against HSBC and related entities. In addition, the Trustee and his counsel are actively engaged in discovery involving English documents and witnesses.

E. France

370. The Trustee and his counsel are actively monitoring certain third-party proceedings relating to BLMIS currently pending in France. In addition, the Trustee and his counsel are actively engaged in discovery involving French documents and witnesses.

F. Ireland

371. The Trustee and his counsel continue to investigate BLMIS-related third-party litigation currently pending in Ireland. In addition, the Trustee and his counsel are actively engaged in discovery involving Irish documents and witnesses.

G. Israel

372. The Trustee and his counsel are currently involved in a trial in Israel on his claims brought in 2015 seeking to recover funds transferred to individuals and entities through Magnify-related BLMIS accounts, including the Yeshaya Horowitz Association account. The trial was held in District Court in Tel Aviv across multiple weeks from February 2024 through July 2024. Following the trial, the parties have worked to resolve claims against many of the Secondary Defendants, and the Trustee's counsel has been actively preparing extensive post-trial summation briefing with respect to the remaining Primary Defendants.

H. Japan

373. The Trustee and his counsel are actively engaged in discovery involving Japanese documents and witnesses.

I. Korea

374. The Trustee and his counsel are actively engaged in discovery involving Korean documents and witnesses.

J. Kuwait

375. The Trustee and his counsel are actively engaged in discovery involving Kuwaiti documents and witnesses.

K. Liechtenstein

376. The Trustee and his counsel are actively monitoring certain third-party proceedings relating to BLMIS currently pending in Liechtenstein.

L. Luxembourg

377. The Trustee and his counsel continue to monitor certain BLMIS-related third-party actions currently pending in this jurisdiction. In addition, the Trustee and his counsel are actively engaged in discovery involving Luxembourg documents and witnesses.

M. Netherlands

378. The Trustee and his counsel are actively engaged in discovery involving Dutch documents and witnesses.

N. Singapore

379. The Trustee and his counsel are actively engaged in discovery involving Singaporean documents and witnesses.

O. Switzerland

380. The Trustee and his counsel continue to monitor certain BLMIS-related third-party actions currently pending in these jurisdictions. In addition, the Trustee and his counsel are actively engaged in discovery involving Swiss documents and witnesses.

P. Taiwan

381. The Trustee and his counsel are actively engaged in discovery involving Taiwanese documents and witnesses.

VIII. RECOVERIES AND CONTINGENCIES

A. Recoveries Accomplished During Prior Report Periods

382. In the Sixth through Thirty-Second Interim Reports, the Trustee reviewed the significant settlements entered into during those periods and prior report periods. Prior to this Report Period, the Trustee had recovered or reached agreements to recover approximately $14.705 billion for the benefit of BLMIS customers.

B. Recoveries Accomplished During This Report Period

383. During the Report Period, the Trustee settled 9 cases. Additionally, the Trustee received recoveries in connection with settlements totaling $31,954,605.18. As of the end of the Report Period, the Trustee has successfully recovered or reached agreements to recover over $14.753 billion.

384. The Trustee has identified claims in at least eight shareholder class action suits that BLMIS filed before the Trustee's appointment arising out of its proprietary and market making desk's ownership of securities. During the Report Period, the Trustee had received distributions from seven of these class action settlements totaling over $91,000. The Trustee has not and will not receive any distributions from the eighth class action settlement.

385. In addition, the Trustee has identified claims that BLMIS may have in 201 other class action suits also arising out of its proprietary and market making activities. The Trustee has filed proofs of claim in 128 of these cases and, based on a review of relevant records, has declined to pursue claims in 73 additional cases. As of March 31, 2025, the Trustee has recovered $2,655,599.48 from settlements relating to 62 of the 128 claims filed directly by the Trustee during the Report Period, of which $0 was recovered during the Report Period.

IX. THE TRUSTEE'S ALLOCATION OF FUNDS AND DISTRIBUTIONS TO CUSTOMERS

A. The Customer Fund

386. In order to protect customers of an insolvent broker-dealer such as BLMIS, Congress established a statutory framework pursuant to which customers of a debtor in a SIPA liquidation are entitled to preferential treatment in the distribution of assets from the debtor's estate. The mechanism by which customers receive preferred treatment is through the creation of a Customer Fund, as defined in SIPA § 78*lll*(4), which is distinct from a debtor's general estate.

Customers holding allowable claims are entitled to share in the Customer Fund based on each customer's net equity as of the filing date, to the exclusion of general creditors. SIPA § 78fff-2(c).

387. In order to make interim distributions from the Customer Fund, the Trustee must determine or be able to sufficiently estimate: (a) the total value of customer property available for distribution (including reserves for disputed recoveries), and (b) the total net equity of all allowed claims (including reserves for disputed claims). Each element of the equation—the customer property numerator and the net equity claims denominator—is inherently complex in a liquidation of this magnitude.

388. There are unresolved issues in this liquidation proceeding that require the maintenance of substantial reserves. Nonetheless, the liquidation proceeding progressed to a stage at which it was possible for the Trustee, on an interim basis, to determine: (a) the allocation of property to the Customer Fund, or the "numerator" (taking reserves into account), (b) the amount of allowable net equity claims, or the "denominator" (also taking reserves into account), and (c) the calculation of each customer's minimum ratable share of the Customer Fund.

389. The Trustee previously filed sixteen motions seeking entry of orders approving allocations of property to the Customer Fund and authorizing pro rata interim distributions of Customer Property. This Court entered orders approving those motions:

No. of Distribution	**Date of Distribution**	**Amount Allocated**	**Amount Distributed Through 3/31/25**	**Percentage Distributed**	**ECF No. for Motion**	**ECF No. for Order**
1	10/05/2011	$2.618 billion	$891.1 million	4.602%	4048	4217
2	09/19/2012	$5.501 billion	$6.478 billion	33.556%	4930	4997
3	03/29/2013	$1.198 billion	$907.3 million	4.721%	5230	5271

4	05/05/2014	$477.504 million	$610.4 million	3.180%	6024	6340
5	02/06/2015	$756.538 million	$526.0 million	2.743%	8860	9014
6	12/04/15	$345.472 million[15]	$1.578 billion	8.262%	9807 and 11834	12066
7	06/30/16	$247.013 million	$248.5 million	1.305%	13405	13512
8	02/02/17	$342.322 million	$328.8 million	1.729%	14662	14836
9	02/22/18	$1.303 billion	$721.7 million	3.806%	17033	17195
10	02/22/19	$515.974 million	$515.9 million	2.729%	18295	18398
11	02/28/20	$988.770 million	$372.0 million	1.975%	19226	19245
12	2/26/21	$74.325 million	$233.1 million	1.240%	20066	20209
13	2/25/2022	$128.570 million	$113.4 million	0.604%	20963	21036
14	2/24/2023	$44.229 million	$49.7 million	0.265%	22697	22819
15	2/23/2024	$66.690 million	$78.6 million	0.419%	23806	23964
16	2/28/2025	$101.721 million	$76.8 million	0.410%	24583	24650

B. <u>The General Estate</u>

390. If the Trustee is able to fully satisfy the net equity claims of the BLMIS customers, any funds remaining will be allocated to the general estate and distributed in the order of priority established in Bankruptcy Code § 726 and SIPA § 78fff(e).

[15] This represents the amount allocated to the Customer Fund in the Supplemental Sixth Allocation and Sixth Interim Distribution Motion filed on October 20, 2015. The original Sixth Allocation and Sixth Interim Motion filed on April 15, 2015 did not allocate any additional recoveries to the Customer Fund; the Trustee simply re-allocated $1,448,717,625.26 of funds that had previously been allocated to the Customer Fund for the Time-Based Damages Reserve.

391. All BLMIS customers who filed claims—whether their net equity customer claims were allowed or denied—are deemed to be general creditors of the BLMIS estate. The Trustee is working diligently on behalf of all creditors and will seek to satisfy all creditor claims.

X. FEE APPLICATIONS AND RELATED APPEALS

A. Objections to Prior Fee Applications

392. Objections were filed to six of the forty-seven fee applications submitted by the Trustee and B&H. Discussions of the objections to the first through sixth fee applications, and related motions for leave to appeal the Court's orders granting the Trustee's and B&H's fee applications and overruling those objections, are discussed more fully in the Trustee's Amended Third Interim Report ¶¶ 186–90 (ECF No. 2207); the Trustee's Fourth Interim Report ¶¶ 163–66 (ECF No. 3083); the Trustee's Fifth Interim Report ¶¶ 134–43 (ECF No. 4072); and the Trustee's Sixth Interim Report ¶¶ 131–42 (ECF No. 4529). No decision has been entered on the motion for leave to appeal the Second Interim Fee Order, No. M47-b (DAB) (S.D.N.Y.). The motion for leave to appeal the Sixth Interim Fee Order was withdrawn on September 10, 2014. *Sec. Investor Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, Case No. 11 MC 00265 (PGG) (S.D.N.Y.), (ECF No. 9).

B. Forty-Sixth Fee Application

393. On October 25, 2024, the Trustee and his counsel filed the Forty-Sixth Application for Interim Compensation for Services Rendered and Reimbursement of Actual and Necessary Expenses incurred from April 1, 2024 through and including July 31, 2024 with the Bankruptcy Court. (ECF No. 24455). Special counsel and international special counsel also filed applications for Interim Professional Compensation. (ECF Nos. 24456 - 24475). A Certificate of No Objection was filed on November 26, 2024, and an Order was entered granting the Applications on December 9, 2024. (ECF No. 24569).

C. Forty-Seventh Fee Application

394. On February 21, 2025, the Trustee and his counsel filed the Forty-Seventh Application for Interim Compensation for Services Rendered and Reimbursement of Actual and Necessary Expenses incurred from August 1, 2024 through and including November 30, 2024 with the Bankruptcy Court. (ECF No. 24714). Special counsel and international special counsel also filed applications for Interim Professional Compensation. (ECF Nos. 24715 - 24734). A Certificate of No Objection was filed on April 18, 2025, and an Order was entered granting the Applications on April 23, 2025. (ECF No. 24807).

XI. CONCLUSION

The foregoing report represents a summary of the status of this proceeding and the material events that have occurred through March 31, 2025, unless otherwise indicated. This Report will be supplemented and updated with further interim reports.

Dated: New York, New York
April 30, 2025

Respectfully submitted,

/s/ Irving H. Picard

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SECURITIES INVESTOR PROTECTION CORPORATION

Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities, LLC

Period Ended March 31, 2025 **Report No. 196**

CASH RECEIPTS:

General Cash Receipts	Net Change for Period	Prior Period Cumulative	Total Received	Cumulative Detail Customer Fund	General Estate	SIPC	Code
Beginning Cash Balance	$47,039,367.68						
Transfer from Debtor's Estate - Securities	0.00	289,841,911.70	289,841,911.70	289,841,911.70			4011
Transfers from Debtor's Estate - BNY Account	0.00	336,660,934.06	336,660,934.06	336,660,934.06			4014
Transfers from Debtor's Estate - Chase Account	0.00	235,156,309.36	235,156,309.36	235,156,309.36			4016
Transfers from Debtor's Estate - Other	0.00	4,036,145.08	4,036,145.08	4,036,145.08			4018
Interest and Dividends	0.00	1,843,180.59	1,843,180.59	1,843,180.59			4040
Closeout Proceeds - Broker Dealers	0.00	37,316,297.78	37,316,297.78	37,316,297.78			4030
Closeout Proceeds - NSCC	0.00	22,014,345.58	22,014,345.58	22,014,345.58			4031
Closeout Proceeds - DTCC	0.00	18,171,250.49	18,171,250.49	18,171,250.49			4032
Sale of Debtor's Assets	0.00	47.26	47.26	47.26			4070
- Sports Tickets	0.00	91,037.20	91,037.20	91,037.20			4071
- Bank Debt Participations	0.00	7,959,450.94	7,959,450.94	7,959,450.94			4072
- DTCC Shares	0.00	204,170.51	204,170.51	204,170.51			4073
- Market Making Business	0.00	1,419,801.63	1,419,801.63	1,419,801.63			4075
- Abtech	0.00	795,000.00	795,000.00	795,000.00			4076
- NSX Shares	0.00	100,734.60	100,734.60	100,734.60			4077
- BLM Air Charter	0.00	6,494,631.95	6,494,631.95	6,494,631.95			4074
- Auction Sales	0.00	644,579.15	644,579.15	644,579.15			4078
- Other	0.00	11,428.57	11,428.57	11,428.57			4079
Administrative Subtenant Rent Revenue	0.00	531,078.49	531,078.49	531,078.49			4111
Adjusting Administrative Subtenant Rent Revenue	0.00	(531,078.49)	-531,078.49	(531,078.49)			4111a
Refunds - Deposits	0.00	9,841.45	9,841.45	9,841.45			4091
- Dues/Subscriptions	0.00	177,247.15	177,247.15	177,247.15			4092
- Car Registrations	0.00	157.00	157.00	157.00			4093
- Vendors	0.00	62,451.27	62,451.27	62,451.27			4094
- Transit Cards	0.00	833.61	833.61	833.61			4095
- Insurance/Workers Comp	0.00	442,311.56	442,311.56	442,311.56			4096
- Ref. - Political Contributions	0.00	144,500.00	144,500.00	144,500.00			4097
- Refunds Other	0.00	50.84	50.84	50.84			4099
Recoveries - Customer Avoidances	0.00	112,392,379.79	112,392,379.79	112,392,379.79			4020
- Pre-Litigation Settlements	0.00	1,903,783,597.98	1,903,783,597.98	1,903,783,597.98			4021
- Litigation Settlements	13,160,283.74	11,552,146,931.91	11,565,307,215.65	11,565,307,215.65			4022
- Donation Settlements	0.00	875,000.00	875,000.00	875,000.00			4023
- Vendor Preferences	0.00	809,850.39	809,850.39	809,850.39			4024
- MSIL Liquidation	0.00	1,034,311.82	1,034,311.82	1,034,311.82			4025
- Employees	0.00	10,674.74	10,674.74	10,674.74			4102
- Taxing Authorities	0.00	12,777.56	12,777.56	12,777.56			4103
- Class Actions	0.00	2,747,542.17	2,747,542.17	2,747,542.17			4104
- NASDAQ	0.00	308,948.49	308,948.49	308,948.49			4105
- NYSE	0.00	183,683.79	183,683.79	183,683.79			4106
- Transaction Fees	0.00	96,816.23	96,816.23	96,816.23			4107
- Other	0.00	806,530.35	806,530.35	806,530.35			4109
Miscellaneous	0.00	0.36	0.36	0.36			4110
Earnings on Trustee's Investments	388,643.00	156,925,465.95	157,314,108.95	157,314,108.95			4120
Interest on Trustee's Savings Accounts	1,025,671.79	42,837,059.09	43,862,730.88	43,862,730.88			4140
	$14,574,598.53	**$14,738,570,219.95**	**$14,753,144,818.48**	**$14,753,144,818.48**			
Administration - Advances	5,240,123.13	2,627,632,589.10	2,632,872,712.23			2,632,872,712.23	2901
Securities - Paid Bank Loans	0.00	0.00	0.00			0.00	2921
- Cash in Lieu	0.00	849,973,412.47	849,973,412.47			849,973,412.47	2922
Sub-total SIPC Advances	**$5,240,123.13**	**$3,477,606,001.57**	**$3,482,846,124.70**			**$3,482,846,124.70**	
Funds Transferred from Investment Accounts *See Note (2) on Page 3	0.00	12,732,441,443.91	12,732,441,443.91				1901
Total Cash Receipts	**$19,814,721.66**	**$30,948,617,665.43**	**$30,968,432,387.09**	**$14,753,144,818.48**	**$0.00**	**$3,482,846,124.70**	

Period Ended March 31, 2025 **Report No. 196**

CASH DISBURSEMENTS:

Administrative Disbursements General Administrative Disbursements	Net Change for Period	Prior Period Cumulative	Cumulative Total Paid	Code
Computer - Rental	0.00	11,121.59	11,121.59	5011
- Software Support	0.00	55,159.20	55,159.20	5012
- Equipment Leases	0.00	204,159.01	204,159.01	5013
Employee Related - Salaries-Net	0.00	4,361,844.80	4,361,844.80	5020
- FICA-Employer	0.00	318,550.60	318,550.60	5021
- Fed. & St. Unemploy.	0.00	4,296.08	4,296.08	5023
- Temporary Help	0.00	29,612.50	29,612.50	5024
- Employee Medical Plan	0.00	830,103.99	830,103.99	5025
- Employee LTD	0.00	6,887.03	6,887.03	5026
- Employee Expense Reimbursement	0.00	1,125.87	1,125.87	5027
- Employee Life/AD&D	0.00	9,006.83	9,006.83	5028
- Other	0.00	1,622.90	1,622.90	5029
Insurance - Trustee Bond	0.00	9,600.00	9,600.00	5030
Insurance - Surety & Fidelity Bonds	0.00	37,400.00	37,400.00	5031
Insurance - Workers Comp	0.00	12,578.00	12,578.00	5032
Insurance - Other	0.00	91,508.44	91,508.44	5039
Fees - Payroll Processing	0.00	8,195.96	8,195.96	5045
Fees - Escrow	0.00	1,221,698.85	1,221,698.85	5046
- Other	0.00	24,168.64	24,168.64	5047
Expenses for Asset Sales	0.00	48,429.09	48,429.09	5048
Rent - Office	0.00	3,987,347.17	3,987,347.17	5050
- *Adjustment for Administrative Subtenant Rent Revenue*	0.00	(531,078.49)	(531,078.49)	5050a
- Equipment	0.00	1,695.89	1,695.89	5051
- Warehouse	21,881.07	3,383,118.06	3,404,999.13	5052
- Bulova	0.00	310,130.75	310,130.75	5053
- Other	0.00	69,725.61	69,725.61	5059
Costs - Vacating 885 Third Avenue	0.00	20,179.46	20,179.46	5111
Telephone and Telegraph	0.00	360,456.68	360,456.68	5060
Communication Fees	0.00	670,057.02	670,057.02	5061
Utilities - Electricity	227.60	69,719.29	69,946.89	5070
Office Supplies & Expense - Maint. & Repairs	0.00	79,815.73	79,815.73	5080
- Moving & Storage	7,643.74	627,072.27	634,716.01	5081
- Postage/Handling/Preparation	0.00	40,961.12	40,961.12	5082
- Reproduction	0.00	183,889.65	183,889.65	5083
- Locksmith	0.00	5,811.39	5,811.39	5084
- Security	0.00	249,897.70	249,897.70	5085
- Supplies	0.00	3,865.31	3,865.31	5086
- Temporary Help	0.00	4,588,642.69	4,588,642.69	5087
- Process Server - Complaint	0.00	244,026.52	244,026.52	5088
- Other	0.00	36,250.63	36,250.63	5089
Taxes	0.00	555.51	555.51	5090
NYC Commercial Rent Tax	0.00	154,269.47	154,269.47	5091
Claims Related Costs - Mailing Costs	0.00	23,053.28	23,053.28	5101
- Publication	0.00	163,961.13	163,961.13	5102
- Supplies	0.00	16,244.58	16,244.58	5103
- Printing	0.00	2,207.42	2,207.42	5104
Court Related Noticing - Postage/Handling/Preparation *See Note (1) Below	0.00	0.00	0.00	5106
- Reproduction	0.00	0.00	0.00	5107
- Supplies	0.00	0.00	0.00	5108
Scanning - Investigation	0.00	5,189,846.75	5,189,846.75	5110
Foreign Research	0.00	38,975.00	38,975.00	5112
Miscellaneous	0.00	666.91	666.91	5115
Hosting Expense	41,696.40	85,925,926.49	85,967,622.89	5244
Sub-total General Admin. Disbursements	**$71,448.81**	**$113,204,360.37**	**$113,275,809.18**	
Professional Fees and Expenses				
Trustee Fees	0.00	4,377,662.10	4,377,662.10	5200
Trustee Expenses	0.00	2,549.25	2,549.25	5201
Trustee Counsel Fees (Baker)	8,176,067.49	1,708,925,904.63	1,717,101,972.12	5210
Trustee Counsel Expenses (Baker)	44,564.41	24,433,125.39	24,477,689.80	5211
Trustee Counsel Fees (Windels)	4,053,172.57	109,186,158.71	113,239,331.28	5212
Trustee Counsel Expenses (Windels)	5,048.64	876,888.66	881,937.30	5213
Special Counsel Fees	0.00	114,746,970.46	114,746,970.46	5220
Special Counsel Expenses	0.00	16,269,598.90	16,269,598.90	5221
Accountant Fees	0.00	0.00	0.00	5230
Accountant Expenses	0.00	0.00	0.00	5231
Consultant Fees	205,546.28	511,991,037.69	512,196,583.97	5240
Consultant Expenses *See Note (1) Below	3,399.10	21,389,859.49	21,393,258.59	5241
Investment Banker Fees	0.00	1,050,000.00	1,050,000.00	5242
Sales Tax	0.00	1,885,425.07	1,885,425.07	5243
Mediator Fees	6,930.00	5,927,953.21	5,934,883.21	5245
Mediator Expenses	0.00	24,573.18	24,573.18	5246
Receiver Counsel Fees	0.00	300,000.00	300,000.00	5260
Receiver Counsel Expenses	0.00	6,449.08	6,449.08	5261
Receiver's Consultants Fees	0.00	316,000.00	316,000.00	5262
Receiver's Consultants Expenses	0.00	15,000.00	15,000.00	5263
Sub-total Professional Fees and Expenses	**$12,494,728.49**	**$2,521,725,155.82**	**$2,534,219,884.31**	
Total Administrative Disbursements	**$12,566,177.30**	**$2,634,929,516.19**	**$2,647,495,693.49**	

*** Note (1) See Supporting Schedule on Page 6**

Period Ended March 31, 2025 **Report No. 196**

CASH DISBURSEMENTS:	Net Change	Prior Period	Total	Cumulative Totals			
Claim Related Disbursements	for Period	Cumulative	Paid	Customer Fund	General Estate	SIPC	Code
Customer - Paid Bank Loan		$	$	$		$	6021
- Securities - Cash in Lieu	(30,723.98)	14,579,894,257.80	14,579,863,533.82	13,729,890,121.35		849,973,412.47	6022
- Securities - Purchases							6023
- Indemnification							6031
- Cash Balance							6041
Customer -							6050
Customer -							6060
Customer - Trustee Journal Entry							
per Allocation							6000
Other - Contractual Commitments							6111
- Pd. Bank Loan							6121
- Indemnification							6131
Other -							6140
Other -							6150
Other -							6160
Other - Trustee Journal Entry							
per Allocation							6100
General Creditor							6200
Sub-total Claim Disbursements	**($30,723.98)**	**$14,579,894,257.80**	**$14,579,863,533.82**	**$13,729,890,121.35**	**$0.00**	**$849,973,412.47**	
Other Disbursements (except investments)							
SIPC - Refunds - Recoupment							6301
- Indemnification							6310
- Contr. Commitments							6311
- Paid Bank Loan							6321
- Subrogation	0.00	261,453,379.41	261,453,379.41	261,453,379.41			6322
Other -							6400
Other -							6401
Other -							6402
Other -							6403
Other -							6404
Sub-total Other Disbursements	**$0.00**	**$261,453,379.41**	**$261,453,379.41**	**$261,453,379.41**	**$0.00**	**$0.00**	
Investments by Trustee - Purchases *See Note (2) Below	**$1,414,314.79**	**$13,425,301,144.35**	**$13,426,715,459.14**				**1900**
Sub-total Administrative Disb. - page 2	**$12,566,177.30**	**$2,634,929,516.19**	**$2,647,495,693.49**	**$0.00**	**$0.00**	**$2,647,495,693.49**	
Total Disbursements	**$13,949,768.11**	**$30,901,578,297.75**	**$30,915,528,065.86**	**$13,991,343,500.76**	**$0.00**	**$3,497,469,105.96**	
Total Receipts less Disbursements	**$5,864,953.55**	**$47,039,367.68**	**$52,904,321.23**	**$761,801,317.72**	**$0.00**	**($14,622,981.26)**	
Ending Cash Balance *See Note (3) Below	**$52,904,321.23**						

*** Note (2) Two preferred custody accounts and an insured money market account have been established at Citibank for investment purposes and additional investment accounts are maintained at JP Morgan Chase and Goldman Sachs. The Goldman Sachs Account was established in December 2016 in connection with the Chais Settlement. A Broker's account, which was previously established at Morgan Joseph, was closed in January 2012. Since January 20, 2009, $13,426,715,459.14 of recovered funds have been transferred into these investment accounts and $12,732,441,443.91 of these funds have subsequently been used for interim distributions to customers with allowed claims and for operations. (See Page 5 for more details).**

*** Note (3) The ending cash balance includes a $51,521,798.88 balance in the Citibank Business Checking Account and $1,382,522.35 in the Citibank Distribution Account.**

Period Ended March 31, 2025

Report No. 196

SUMMARY INFORMATION ON STATUS OF LIQUIDATION

	Customer Claimants	Broker/Dealer Claimants	General Estate Claimants
Claims received	16,521	49	95
Claims satisfied by distribution of cash and/or securities:			
a. As part of the transfer in bulk			
b. On an account by account basis-Fully Satisfied	1,759		
c. On an account by account basis-Partially Satisfied	896		
	2,655	-	-
Claims Determined - no claims	12		
Claims Deemed Determined - pending litigation	6		
Claims Determined - withdrawn	420		
Claims Determined but not yet satisfied	1		
Claims under review	-	49	95
Claims Denied:			
a. Other Denials for which no objections were filed	10,338		
b. Denials for which objections were filed:			
- Trustee's Determinations Affirmed	3,076		
- Hearing not yet set	13		
- Set for Hearing			
	13,866	49	95

	Filing Date Value
Customer name securities distributed	
Customer fund securities distributed	
	$

Irving H. Picard / by Denis O'Connor
(Trustee's Signature)

4/17/2025

William Kingsford
(Accountant's Signature)

4/17/2025
(Date)

Period Ended March 31, 2025 **Report No. 196**

IRVING H. PICARD, TRUSTEE FOR THE LIQUIDATION OF BLMIS, LLC
Investment Accounts

	Citibank Preferred Custody Account				Citibank IMMA Account	Citibank Certificate of Deposits	
	Cash Assets/Mutual Funds (5)	U.S. Treasury Bills (4)	Accrued Interest (4)	Account Balance	Account Balance (5)	Account Balance (5)	Total Citibank
Balance February 28, 2025	2,746	183,651,134	166	183,654,046	2,530,649	109,914,358	296,099,053
Maturing of U.S. Treasury Bills				-			-
Purchase of U.S. Treasury Bills				-			-
Purchase of Certificate of Deposit				-			-
Realized Gains (Losses)				-			-
Unrealized Gain or (Loss)		629,405		629,405			629,405
Interest and Dividends Earned							
Interest	167		(156)	11	1,935	388,072	390,018
Dividends				-			
Transfer of Funds to the Citibank Operations Account				-			-
Balance March 31, 2025	2,913	184,280,539	10	184,283,462	2,532,584	110,302,430	297,118,476

	JP Morgan Chase				Goldman Sachs		
	Cash Assets (5)	Savings/Commercial (5)	U.S. Treasury Bills (4)	Account Balance	Cash Assets/Mutual Funds (5)	Alternative Investments (5)	Account Balance
Balance February 28, 2025	53,219	287,013,421	112,906,580	399,973,220	65,406	169,571	234,977
Maturing of U.S. Treasury Bills				-			
Purchase of U.S. Treasury Bills				-			
Annual Bank Fee							
Distributions Received							
Proceeds of Tender Offer for Securities							-
Unrealized Gain or (Loss)			382,317	382,317		17,176	17,176
Interest and Dividends Earned	171	1,023,737		1,023,908	233		233
Transfer to the Citibank Distribution Account				-			-
Balance March 31, 2025	53,390	288,037,158	113,288,897	401,379,445	65,639	186,747	252,386

*** Note (4) The summation of U.S. Treasury Bills is $297,569,446.**

*** Note (5) The summation of these short-term investments, money market funds, savings accounts, certificate of deposit, mutual fund accounts and other investments, including alternative investments is $401,180,861.**

Period Ended March 31, 2025 **Report No. 196**

IRVING H. PICARD, TRUSTEE FOR THE LIQUIDATION OF BLMIS, LLC
Consultant Expenses for Court Related Noticing and Interim Distributions

	Net Change for Period	Prior Period Cumulative	Cumulative Total Paid
Postage / Handling / Preparation	0.00	549,011.20	549,011.20
Printing	0.00	44,945.40	44,945.40
Reproduction Costs	0.00	762,418.30	762,418.30
Supplies	0.00	102,509.45	102,509.45
Total *See Note Below	**$0.00**	**$1,458,884.35**	**$1,458,884.35**

*Note: All of the expenses above were incurred by consultants in connection with court related noticing procedures and Interim Distributions, which are included in the Consultant Expenses line (Account #5241) on Page 2 of the SIPC Form 17.

EXHIBIT B

SIPC v. BLMIS
Case No. 08-01789 (LGB)

ACTIVE BAD FAITH/FEEDER FUND CASES[1]

APN	DEFENDANT(S)	TYPE
10-03800	Fairfield Greenwich Group, et al.	Bad Faith
09-01239	Fairfield Investment Fund Ltd., et al.	Feeder Fund
09-01364	HSBC Bank PLC, et al.	Feeder Fund
10-04285	UBS AG, et al.	Feeder Fund
10-04330	Square One Fund Ltd, et al.	Feeder Fund
10-05286	Legacy Capital Ltd., et al.	Feeder Fund
10-05311	UBS AG, et al.	Feeder Fund
Total: 7		

[1] Two cases were resolved by either dismissal and/or settlement during the Report Period. *See Picard v. Oreades SICV, et al.,* Adv. Pro. No. 10-05120 and *Picard v. Frank J. Avellino, et al.*, Adv. Pro. No. 10-05421.

EXHIBIT C

SIPC v. BLMIS
Case No. 08-01789 (LGB)

ACTIVE SUBSEQUENT TRANSFEREE CASES[1]

APN	DEFENDANT(S)
10-05345	Citibank, N.A., et al.
10-05346	Merrill Lynch International
10-05348	Nomura International PLC
10-05351	Banco Bilbao Vizcaya Argentaria, S.A.
10-05353	Natixis, et al.
10-05354	ABN AMRO Bank, N.V.
10-05355	ABN AMRO Bank (Ireland) Ltd, et al.
11-02493	Abu Dhabi Investment Authority
11-02538	Quilvest Finance Ltd.
11-02539	Meritz Fire & Insurance Co. Ltd.
11-02540	Lion Global Investors Limited
11-02542	Parson Finance Panama S.A.
11-02553	Unifortune Asset Management SGR SpA, et al.
11-02554	National Bank of Kuwait S.A.K.
11-02568	Cathay Life Insurance Co. LTD.
11-02569	Barclays Bank (Suisse) S.A. et al.
11-02570	Banca Carige S.P.A.
11-02572	Korea Exchange Bank
11-02573	The Sumitomo Trust and Banking Co., Ltd.
11-02732	Bureau of Labor Insurance
11-02733	Naidot & Co.
11-02758	Caceis Bank Luxembourg, et al.
11-02759	Nomura International PLC
11-02761	KBC Investments Limited
11-02784	Somers Dublin Limited et al.
11-02796	BNP Paribas Arbitrage SNC
11-02910	Merrill Lynch Bank (Suisse) SA
11-02922	Bank Julius Baer & Co. Ltd.
11-02925	Credit Suisse AG et al.
11-02929	LGT Bank in Liechtenstein Ltd.
12-01004	Fullerton Capital PTE Ltd.

[1] Six cases were resolved by either dismissal and/or settlement during the Report Period. *See Picard v. ZCM Asset Holding Company (Bermuda) Limited,* Adv. Pro. No. 12-01512 and *Picard v. SNS Bank N.V., et al.,* Adv. Pro. No. 12-01046. Four confidential settlements were entered into during the Report Period. *See Sec. Investor Prot. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, Adv. No. 08-01789, ECF Nos. 24541, 2474, 24773 and 24796.

APN	DEFENDANT(S)
12-01019	Banco Itau Europa Luxembourg S.A., et al.
12-01021	Grosvenor Investment Management Limited
12-01022	Credit Agricole (Suisse) SA
12-01047	Koch Industries, Inc.,
12-01048	Banco General S.A. et al.
12-01194	Kookmin Bank
12-01195	Six Sis AG
12-01202	Bank Vontobel AG et. al.
12-01209	BSI AG
12-01210	Schroder & Co.
12-01211	Union Securities Investment Trust Co., Ltd., et al.
12-01216	Bank Hapoalim B.M.
12-01273	Mistral (SPC)
12-01278	Zephyros Limited
12-01565	Standard Chartered Financial Services (Luxembourg) SA, et al.
12-01576	BNP Paribas S.A. et al
12-01577	UBS Deutschland AG, et al.
12-01669	Barfield Nominees Limited et al.
12-01670	Credit Agricole Corporate and Investment Bank et al.
12-01676	Clariden Leu AG
12-01677	Société General Private Banking (Suisse) SA, et al.
12-01690	EFG Bank S.A., et al.
12-01693	Banque Lombard Odier & Cie
12-01697	ABN AMRO Fund Services (Isle of Man) Nominees Limited, et al.
12-01698	Banque International a Luxembourg SA, et al.
12-01699	Royal Bank of Canada, et al.
12-01701	RD Trust, et al. (Piedrahita)
20-01316	Rafael Mayer, et al.
22-01087	BNP Paribas – Dublin Branch
23-01017	Natixis Financial Products LLC, et al.
23-01098	Martin Sage and Sybil Sage
23-01099	Malcolm Sage and Lynne Florio
23-01181	Russell Oasis
25-01085	BNP Paribas Arbitrage SNC[2]
Total: 65	

[2] *Picard v. BNP Paribas Arbitrage SNC*, Adv. Pro. No. 25-01085 was filed on April 10, 2025, outside of the Report Period, included here for accuracy.