

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

Adv. Pro. No. 08-01789 (LGB)

SIPA Liquidation

(Substantively Consolidated)

**APPLICATION OF KENNEDYS CHUDLEIGH LTD. AS SPECIAL COUNSEL
TO THE TRUSTEE FOR ALLOWANCE OF INTERIM COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FROM DECEMBER 1, 2024 THROUGH MARCH 31, 2025 AND FOR
RELEASE OF A PORTION OF FEES HELD BACK**

Mark Chudleigh, together with the other members and associates at the Bermuda law firm of Kennedys Chudleigh Ltd. (“Kennedys”), special counsel for Irving H. Picard (the “Trustee”), Trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act of 1970, 15 U.S.C. §§ 78aaa *et seq.* (“SIPA”), and Bernard L. Madoff, submits this Application for interim compensation of legal fees in the amount of \$80,454.60 (of which 20% is to be deferred until the conclusion of the liquidation period), reimbursement of actual and necessary expenses in the amount of \$77,106.57 for the period from December 1, 2024 through March 31, 2025 (the “Compensation Period”) and the release of \$28,652.63 (which represents a portion of fees held back). In support of the Application, Kennedys respectfully submits as follows:

I. BACKGROUND

1. On December 15, 2008, Judge Stanton of the United States District Court for the Southern District of New York, upon application filed on the same date by the Securities Investor Protection Corporation (“SIPC”), entered an order calling for the liquidation of BLMIS in accordance with SIPA and appointing the Trustee as BLMIS’s trustee.

2. BLMIS’s liquidation proceeding was removed to this Court pursuant to SIPA § 78eee(b)(4), and, pursuant to SIPA § 78fff(b), is being conducted as though it were a case under chapters 1, 3, and 5 and subchapters I and II of chapter 7 of title 11 of the United States Code.

3. On June 13, 2024, this Court entered an order approving the Trustee’s motion to retain Kennedys, *nunc pro tunc* as of June 13, 2024, as special counsel to the Trustee in all matters pertaining to Bermuda law.

4. The Trustee’s motion to retain Kennedys established a fee arrangement pursuant to which Kennedys agreed to a fee reduction in the amount of 10%. Kennedys also agreed to an additional holdback of fees in the amount of 20% (“Holdback”).

II. SERVICES RENDERED BY KENNEDYS CHUDLEIGH LTD.

5. The legal services performed by Kennedys on behalf of the Trustee during the time period covered by this Application are as follows:

6. On behalf of the Trustee, Kennedys continued to represent and assist with matters in Bermuda.

7. Kennedys analyzed, researched, and advised the Trustee on legal matters in Bermuda. In addition, Kennedys assisted the Trustee with issues of Bermuda law and insolvency procedures arising in the context of U.S. recovery proceedings.

III. COMPENSATION REQUESTED

8. The Application demonstrates how Kennedys has both added value to BLMIS's estate and advanced BLMIS's liquidation proceeding.

9. Kennedys has been mindful of the need to avoid undue legal fees in this case and has taken all reasonable steps to provide cost-effective representation while rendering services with the highest degree of skill and professionalism. To that end, Kennedys endeavored to eliminate duplication of efforts by giving responsibility for the day-to-day conduct of the case to two attorneys and involving other attorneys only when necessary.

10. From December 1, 2024 through March 31, 2025, Kennedys provided a total of 163.90 hours of legal services to the Trustee in this case. Prior to the 10% discount, the total amount of fees incurred in this time period was \$89,394.00 and the total blended rate for professional services was \$545.42/hour. After the 10% discount, the total amount of fees incurred is \$80,454.60 and the total blended rate is \$490.88/hour. Kennedys has agreed to a further 20% holdback of fees in the amount of \$16,090.92 resulting in the present request for compensation in the amount of \$64,363.68.

11. A breakdown of the total number of hours performed by each Kennedys timekeeper is provided in **Exhibit A** attached hereto.

12. Kennedys seeks reimbursement for out-of-pocket expenses incurred in connection with its representation of the Trustee during the Compensation Period in the amount of \$77,106.57. An itemized list of these expenses is detailed in **Exhibit B** attached hereto.

IV. RELEASE OF THE HOLDBACK

13. The Trustee's motion to retain Kennedys established a Holdback fee arrangement in which 20% of the approved compensation is deferred until further order of the Court.

14. For the prior and current compensation periods, the amount of the Holdback for Kennedys fees is \$57,305.25. Kennedys seeks a release of the Holdback in the amount of \$28,652.63 upon the support of SIPC.

15. SIPC has advised Kennedys that it will file a recommendation in support of the fees and expenses in this Application and the release of the Holdback in the amount of \$28,652.63 for Kennedys.

16. Hence, Kennedys respectfully requests that this Court authorize the release of the Holdback payment to Kennedys in the amount of \$28,652.63, as supported by SIPC.

V.GENERAL MATTERS

17. All of the professional services for which compensation is requested herein were performed by Kennedys for and on behalf of the Trustee, and not on behalf of any other person or entity.

18. No agreement or understanding exists between Kennedys and any other person for sharing compensation received in connection with this case, nor has any other person or entity agreed to provide Kennedys with compensation for the legal services described herein.

19. SIPA § 78eee(b)(5)(A) provides in pertinent part that, upon appropriate application and after a hearing, “[t]he court shall grant reasonable compensation for services rendered and reimbursement for proper costs and expenses incurred . . . by a trustee, and by the attorney for such a trustee.” SIPA § 78eee(b)(5)(C) specifically establishes SIPC’s role in connection with applications for compensation and the consideration the Court should give to SIPC’s recommendation concerning fees, providing as follows:

In any case in which such allowances are to be paid by SIPC without reasonable expectation of recoupment thereof as provided in this chapter and there is no difference between the amounts requested and the amounts recommended by SIPC, the court shall award the amounts recommended by SIPC. In determining

the amount of allowances in all other cases, the court shall give due consideration to the nature, extent, and value of the services rendered, and shall place considerable reliance on the recommendation of SIPC. SIPA § 78eee(b)(5)(C).

20. To the extent the general estate is insufficient to pay such allowances as an expense of administration, SIPA § 78eee(b)(5)(E) requires SIPC to advance the funds necessary to pay the compensation of Kennedys. *See* also SIPA § 78fff-3(b)(2).

21. At this time, the Trustee has determined that he has no reasonable expectation that the general estate will be sufficient to make a distribution to general creditors or pay administrative expenses. SIPC has advised the Trustee that it concurs with this determination. Accordingly, any fees and expenses allowed by this Court will be paid from advances by SIPC without any reasonable expectation by SIPC of recoupment thereof.

22. Therefore, with respect to this Application, Kennedys requests that, consistent with SIPA § 78eee(b)(5)(C), the Court “shall award the amounts recommended by SIPC.” *See McGraw v. Betz (In re Bell & Beckwith)*, 112 B.R. 876 (Bankr. N.D. Ohio 1990). Kennedys expects that SIPC’s recommendation in support of the relief sought by this Application will be filed with this Court separately.

WHEREFORE, Kennedys respectfully requests that this Court enter an Order:

- a. Granting this Application; and
- b. Allowing and awarding \$80,454.60, of which \$64,363.68 is to be paid currently and \$16,090.92 is to be held back through the conclusion of the liquidation period or until further order of the Court, as an interim payment for professional services rendered by Kennedys to the Trustee from December 1, 2024 through March 31, 2025; and
- c. Allowing payment to Kennedys in the amount of \$77,106.57 for reimbursement of expenses incurred by Kennedys from December 1, 2024 through March 31,

2025; and

- d. Releasing \$28,652.63 to Kennedys from the Holdback for prior and current compensation periods; and
- e. Granting Kennedys such other and further relief as this Court deems just and proper.

Respectfully submitted,

Dated: June 20, 2025

Kennedys Chudleigh Ltd.

By: /s/ Mark Chudleigh

Mark Chudleigh
Kennedys Chudleigh Ltd.
1 Church Street, Third Floor
Hamilton HM 11
Bermuda
Telephone: +1-441-296-9276

EXHIBIT A

**SUMMARY OF INTERIM FEE APPLICATION
OF KENNEDYS CHUDLEIGH LTD. FOR SERVICES RENDERED
FOR THE PERIOD OF DECEMBER 1, 2024 THROUGH MARCH 31, 2025**

	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Mark Chudleigh	\$800.00	27.10	\$21,680.00
Erik Penz	\$650.00	81.90	\$53,235.00
Allan Doughty	\$650.00	0.40	\$260.00
Vinesh Mistry	\$400.00	14.60	\$5,840.00
Chaim Schtroks	\$210.00	39.90	\$8,379.00
Total:	\$545.42	163.90	\$89,394.00
Total minus 10% Discount	\$490.88		\$80,454.60
Total Net of 20% Holdback:			\$64,363.68
Holdback for Prior and Current Compensation Periods			\$57,305.25
Release of the Holdback			\$28,652.63
Total Compensation to be Paid			\$93,016.31

EXHIBIT B

**EXPENSE SUMMARY OF KENNEDYS CHUDLEIGH LTD. FOR THE
INTERIM PERIOD OF DECEMBER 1, 2024 THROUGH MARCH 31, 2025**

EXPENSES	AMOUNTS
Photocopies	\$328.80
Counsel Fees	\$76,359.69
Court Hearings	\$400.00
Messenger Services	\$18.08
Grand Total	\$77,106.57