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

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

“The Trustee is pleased that after more than ten years of litigation, the Second Circuit has once again affirmed the correctness of the net investment method to calculate the net profits and losses for each Madoff customer. This ruling reinforces the critical principle that recipients of fictitious profits cannot retain them at the expense of those who have not recovered their actual investments.

“The Second Circuit decision in Sage reaffirmed what we have known all along: Madoff’s operation was a pure Ponzi scheme and all the monies that customers received came from other customers. Regardless of what any one customer may have believed about their Madoff accounts, no trades occurred and no profits were earned, so those customers that received fictitious profits must return them to the Trustee for equitable distribution. The SIPA Trustee and his counsel will move expeditiously to recover and return approximately \$16.8 million from the Sage defendants for Madoff customers with allowed claims who have yet to fully recoup their losses.”