

**10/28/09 STATEMENT OF
IRVING H. PICARD
COURT-APPOINTED TRUSTEE,
BERNARD L. MADOFF INVESTMENT SECURITIES
LLC (BLMIS)**

GOOD MORNING.

WELCOME TO THIS NEWS CONFERENCE.

**MY NAME IS IRVING H. PICARD. I AM THE COURT-
APPOINTED TRUSTEE FOR THE LIQUIDATION OF
BERNARD L. MADOFF INVESTMENT SECURITIES
LLC...WHICH I WILL REFER TO AS B-L-M-I-S OR
MADOFF. I ALSO AM A PARTNER IN THE LAW FIRM
OF BAKER & HOSTETLER LLP.**

**AS YOU HAVE HEARD, I AM JOINED TODAY BY
SECURITIES INVESTOR PROTECTION
CORPORATION PRESIDENT STEPHEN HARBECK.**

WE WILL BOTH MAKE BRIEF OPENING STATEMENTS AND THEN TAKE YOUR QUESTIONS.

OUR PURPOSE TODAY IS TO GIVE YOU A DETAILED UPDATE ON THE MADOFF LIQUIDATION PROCEEDING – PRIMARILY CUSTOMER CLAIMS INFORMATION THAT IS NEW AND HAS NOT YET BEEN DISCLOSED PUBLICLY.

WHAT WE ARE REALLY HERE TODAY TO TALK ABOUT ARE MAJOR "MILESTONES" – ONE IN RELATION TO THE MADOFF PROCEEDING AND ONE IN RELATION TO SIPC HISTORY. I WILL FOCUS ON THE FORMER AND STEVE HARBECK WILL ADDRESS THE LATTER.

I AM REPORTING TO YOU ON THE ACHIEVEMENT OF A MAJOR MILESTONE IN THE MADOFF LIQUIDATION PROCEEDING: OVER HALF A BILLION DOLLARS IN SIPC ADVANCES HAVE BEEN COMMITTED SO FAR TO MADOFF CUSTOMERS.

AS OF NOON EASTERN TIME YESTERDAY THE TOTAL AMOUNT OF SIPC ADVANCES COMMITTED TO CUSTOMERS IN THE BLMIS LIQUIDATION PROCEEDING HAS TOPPED HALF A BILLION DOLLARS.

I WILL TURN TO CUSTOMER ACCOUNT AND CLAIMS INFORMATION.. OVER THE LIFE OF BLMIS, WE HAVE DETERMINED THAT THERE WERE 8,095 CUSTOMER ACCOUNTS, OF WHICH 4,903 WERE ACTIVE ON DECEMBER 11, 2008.

BASED ON THE MONEY IN/MONEY OUT METHODOLOGY WE ARE USING, 2,335 ACCOUNTS OF THE 4,903 HAD NET LOSSES OF APPROXIMATELY \$21.2 BILLION, AND 2,568 ACCOUNTS RECEIVED MORE THAN WAS DEPOSITED.

AS OF JULY 2, 2009, THE STATUTORY BAR DATE, WE RECEIVED 15,910 CUSTOMER CLAIMS. AFTER THAT DATE, WE HAVE RECEIVED AN ADDITIONAL 64. THAT IS A TOTAL OF 15,974 CUSTOMER CLAIMS.

OF THE 2,335 "NET LOSER" ACCOUNTS, WE RECEIVED CLAIMS FOR 2,275 ACCOUNTS. 59 ACCOUNT HOLDERS DID NOT FILE CLAIMS. WE HAVE DETERMINED AND ALLOWED 1,558 DIRECT CLAIMS INCLUDING DUPLICATES ASSOCIATED WITH 1,368 OF THE 2,276 NET LOSER ACCOUNTS. THAT IS, WE HAVE DETERMINED AND ALLOWED THE CLAIMS FOR 56.5% OF THOSE ACCOUNTS. WE ALSO HAVE DETERMINED AND DENIED 1,303 CLAIMS. THUS, TO DATE, WE HAVE DETERMINED 2,861 DIRECT CUSTOMER CLAIMS.

ONE WORD OF CAUTION, I EXPECT THAT THESE CUSTOMER CLAIM STATISTICS, INCLUDING THE NUMBER OF CLAIMS FILED, WILL CHANGE AS WE CONTINUE TO REVIEW AND EVALUATE THEM. FOR

EXAMPLE, WE ARE FINDING THAT MORE THAN ONE CLAIM MAY HAVE BEEN CLIPPED TOGETHER AND CONTINUE TO GET MORE VISIBILITY INTO ACCOUNT HISTORIES.

WE HAVE RECEIVED IN EXCESS OF 11,000 INDIRECT CUSTOMER CLAIMS. THEY INCLUDE CLAIMS FROM INVESTORS IN FEEDER FUNDS, IN VARIOUS ENTITIES AND WHERE MORE THAN ONE PERSON HAS FILED A CLAIM FOR ONE ACCOUNT.

LET ME GIVE YOU SOME MORE SPECIFIC DETAIL. SIPC COMMITTED ADVANCES FOR THE ALLOWED CUSTOMER CLAIMS FOR 1,368 ACCOUNTS TOTAL \$534,250,113.22. THAT'S \$534.25 MILLION.

YOU WILL HEAR FROM STEVE HARBECK IN A MOMENT. HE WILL PUT THAT INTO PERSPECTIVE FOR YOU IN TERMS OF SIPC HISTORY.

I WANT TO MAKE CLEAR THAT THE \$534.25 MILLION IN SIPC COMMITTED ADVANCES FOR THE ALLOWED CUSTOMER CLAIMS THAT HAVE BEEN DETERMINED IS A SUBSET OF THE TOTAL ALLOWED CLAIM FIGURE OF \$4.43 BILLION.

TO THE EXTENT THAT WE RECOVER CUSTOMER PROPERTY FROM WHATEVER SOURCE, WE WILL BE ABLE TO MAKE PRO RATA DISTRIBUTIONS AGAINST THAT LARGER ALLOWED CLAIM TOTAL.

IN CLOSING, I WANT TO EMPHASIZE HOW PLEASED I AM TO BE ABLE TO REPORT THAT WE HAVE MADE SIGNIFICANT HEADWAY IN RECENT MONTHS IN THE PROCESSING OF BLMIS CUSTOMER CLAIMS UNDER WHAT HAVE BEEN VERY CHALLENGING CIRCUMSTANCES.

WITH MORE THAN \$4.43 BILLION IN CUSTOMER CLAIMS ALREADY ALLOWED AND ADVANCES OF OVER HALF A BILLION COMMITTED BY SIPC, MY

STAFF CONTINUES TO WORK TIRELESSLY TO ENSURE THAT EVERY BLMIS CUSTOMER WITH A VALID CLAIM IS GIVEN FULL CONSIDERATION AND HANDLED AS EXPEDITIOUSLY AS POSSIBLE.

THAT WILL CONTINUE TO BE OUR FOCUS IN THE COMING WEEKS AND MONTHS.

THAT CONCLUDES MY OPENING REMARKS. I LOOK FORWARD TO TAKING YOUR QUESTIONS.