

**MADOFF TRUSTEE, SIPC ANNOUNCES \$550 MILLION RECOVERY AGREEMENT  
WITH CARL SHAPIRO, ROBERT JAFFE AND RELATED ENTITIES**

**NEW YORK – December 7, 2010** – Irving H. Picard, a partner with Baker & Hostetler LLP and the SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) joined with the Securities Investor Protection Corporation (SIPC) in announcing today that he has entered into a \$550 million settlement agreement with the family of Carl Shapiro. The agreement resolves the Trustee’s potential claims against the Shapiro Family and its related entities. The \$550 million will be added to the fund of customer property being assembled by the Trustee for equitable distribution to customers of BLMIS with valid claims.

A motion for approval of the settlement was filed today with the United States Bankruptcy Court for the Southern District of New York. A copy of the settlement motion is available on the Trustee's website at <http://www.madofftrustee.com/> or on the Bankruptcy Court’s website at <http://www.nysb.uscourts.gov/>; docket number Bankr. S.D.N.Y., No. 08-01789 (BRL). The Bankruptcy Court will hold a hearing for approval of the settlement motion on December 21, 2010.

The filing states that \$38 million of the \$550 million settlement payment represents the full amount that the Trustee demanded from Robert Jaffe in connection with his role with Cohmad Securities Corporation (“Cohmad”), as well as all amounts he withdrew from Madoff since the 1980s.

“This agreement represents a financially rewarding outcome and it is a strong example of the progress we are making in assembling the largest fund possible for the benefit of BLMIS customers with valid claims,” said Mr. Picard.

Securities Investor Protection Corporation Board Chairman Orlan Johnson said: “The Trustee used the legal tools made available under the Bankruptcy Code and SIPA to benefit the victims here. The Madoff case is now entering a new phase. I hope this marks the beginning of a period that will see many such settlements.”

SIPC President Stephen Harbeck added: “The actions of the Trustee and his attorneys once again demonstrate exactly how the Securities Investor Protection Act is intended to work. SIPC has advanced the administrative expenses for the investigation, factual discovery, and legal proceedings for the benefit of Madoff’s customers. The Trustee has used those funds to generate a substantial fund that can be used to help put Madoff customers on the road to the maximum possible recovery.”

“The global nature of the settlement allows the Trustee to avoid the complications associated with litigating against and collecting judgments from numerous Shapiro BLMIS account holders and permits swift recovery of an amount which exceeds the current net worth of Carl J. Shapiro, Ruth E. Shapiro, and Robert M. Jaffe, combined,” said David J. Sheehan, counsel for the Trustee and a partner at Baker & Hostetler LLP, the court-appointed counsel for the Trustee.

“The payment of \$38 million by Mr. Jaffe is particularly gratifying, as that amount exceeds the Trustee’s demand for all fees paid to him as well as all of his withdrawals—including both fictitious profits and principal—from his own BLMIS accounts dating back to when those accounts opened,” said Oren Warshavsky, a partner with Baker & Hostetler LLP and a lead attorney on the settlement team. “In satisfying the Trustee’s demand in full, Mr. Jaffe has distinguished himself from the other officers and directors of Cohmad, who have yet to recognize any culpability for their involvement in recruiting victims for Madoff.”

Carl Shapiro was one of BLMIS’s earliest investors. He maintained accounts with BLMIS in his own name, in the name of family members and various trusts, limited liability companies, partnerships, and corporate entities, some of which were established in the early 1960s. Mr. Jaffe, his son-in-law, began working for Cohmad in the late 1980’s.

In addition to Mr. Sheehan and Mr. Warshavsky, the Trustee acknowledges the contributions of the Baker & Hostetler LLP attorneys who worked on this settlement agreement and filing: Thomas Lucchesi, Lauren Resnick, Tracy Cole, Seanna Brown, and Marc Hirschfield.

The settlement filed today by the Trustee also states that the Shapiro Family has separately agreed with the United States Department of Justice to settle civil forfeiture claims for an additional payment of \$75 million, bringing the total amount paid by the Shapiro Family to \$625 million, of which \$550 million will be paid to the Trustee for the BLMIS Customer Fund.

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