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Payments for more Madoff victims

237 claimants to get up to \$500,000 each for money lost in fraud

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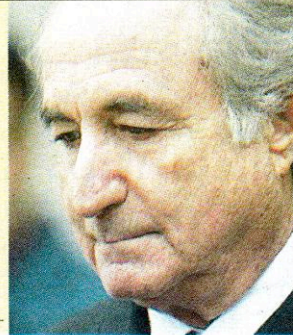
After a big push over Memorial Day, hundreds of victims of swindler Bernard Madoff were approved for \$116 million in compensation, officials said yesterday.

More than 230 individual investors are each getting commitments from the Securities Investor Protection Corp. to cover up to \$500,000 in losses suffered in Madoff's Ponzi scheme, said Stéphen Harbeck, president of SIPC. A \$500,000 payout is the maximum allowed under law to be paid by SIPC, a nonprofit group empowered by Congress to protect investors.

"This case is of a different order of magnitude than anything we have ever handled," Harbeck said yesterday.

The largest payout was \$175

PONZI SCHEME MONEY TRAIL	
Estimated losses \$65 billion	Assets recovered so far \$1.2 billion
Customer claims 8,848	Allowed claims so far 237
Amount claimed \$720.8 million	Payouts by Securities Investor Protection Corp. \$116 million
SOURCE: COURT RECORDS, SIPC, GETTY IMAGES FILE PHOTO	
Bernard Madoff	



million in 2001, an amount largely recouped from discovered assets, he said. The losses in the Madoff case make it unlikely that SIPC can similarly recover what it advances customers.

The 237 customers whose claims were approved comprise only a small portion of the more than 8,800 claimants who have surfaced in the scandal, which investigators believe lost \$65 billion. Irving Picard, the lawyer ap-

pointed as special trustee under SIPC regulations, has set July 2 as a deadline for the filing of claims.

After the scandal broke in the fall, smaller payments were made to a few cheated investors. Two weeks ago, Picard and Harbeck predicted that more than \$100 million in payments would be approved for Madoff victims by Memorial Day. Legal sources said the

number was actually reached Friday and that SIPC and private lawyers at Picard's firm, Baker & Hostetler, worked through the holiday to exceed the goal.

"I think that is fabulous," said Garden City attorney Jerome Reisman, who represents some investors. "He [Picard] has a very difficult job sorting through these claims. . . . Hopefully by the fall most peo-

ple will be paid."

Still, the 237 investors had put in a total of \$720 million in claims, leaving a shortfall of just over \$600 million that can only be recouped if Picard finds enough Madoff assets and other money to make up the difference. Madoff, who pleaded guilty to the Ponzi scheme, faces up to 150 years when he is sentenced next month.

Yesterday, Picard announced that two hedge funds affiliated with Banco Santander, one of Europe's largest banks, agreed to repay \$235 million it had received from Madoff's investment company 90 days before he was arrested. That amount represents 85 percent of what Picard said was owed under the bankruptcy laws by Optimal Strategic U.S. Equity Ltd. and Optimal Arbitrage Ltd. and increases the funds recovered to \$1.2 billion.

A spokesman for both funds said that under the agreement they can still pursue claims totaling more than \$1.5 billion against the Madoff company.