

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

<p>SECURITIES INVESTOR PROTECTION CORPORATION, Plaintiff-Applicant, v. BERNARD L. MADOFF INVESTMENT SECURITIES LLC, Defendant.</p>	<p>Adv. Pro. No. 08-01789 (BRL) SIPA LIQUIDATION (Substantively Consolidated)</p>
<p>In re: BERNARD L. MADOFF, Debtor.</p>	
<p>IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC, Plaintiff, v. PETER B. MADOFF, ESTATE OF MARK D. MADOFF, ANDREW H. MADOFF, individually and as Executor of the Estate of Mark D. Madoff, SUSAN ELKIN, STEPHANIE S. MACK, DEBORAH MADOFF, and SHANA D. MADOFF, Defendants.</p>	<p>Adv. Pro. No. 09-1503 (BRL) BC 13,0016</p>

CONSENT JUDGMENT

WHEREAS, Irving H. Picard (the “Trustee”) is the trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) substantively consolidated with the estate of Bernard L. Madoff (“Madoff”) under the Securities Investor Protection Act (“SIPA”) §§ 78aaa *et seq.*, as amended, currently pending in the United States

Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) as Adv. Pro. No. 08-01789 (BRL);

WHEREAS, the Trustee is duly qualified to serve and act on behalf of the estates of BLMIS and Madoff (together, the “BLMIS Estate”);

WHEREAS, in the Second Amended Complaint filed by the Trustee in a related Adversary Proceeding No. 09-1503 (BRL) (“Avoidance Action”), as set forth in Exhibits C and D thereto, the Trustee alleges Peter B. Madoff (“Peter Madoff”) received transfers from BLMIS in the amount of Ninety Million Three Hundred Ninety Thousand Five Hundred United States Dollars (\$90,390,500) (the “Transfers”), which are avoidable and/or recoverable under, *inter alia*, the Bankruptcy Code, SIPA, and the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law §§ 270-281) (the “Trustee’s Claims”);

WHEREAS, Peter Madoff does not dispute that had the Trustee litigated the Avoidance Action to judgment, the Bankruptcy Court or any other court of competent jurisdiction would have avoided the Transfers and/or held them recoverable and entered judgment permitting the Trustee to recover the Transfers from Peter Madoff;

WHEREAS, in the criminal proceedings entitled *United States of America v. Peter Madoff*, 10-cr-00228 LTS (S.D.N.Y.), Peter Madoff agreed to forfeit \$143.1 billion, which includes and exceeds all of his personal and real property to the United States of America (“USA”);

WHEREAS, Shana Madoff, Peter Madoff’s daughter, is a defendant in this Avoidance Action and has agreed to the forfeiture of personal and real property to the USA;

WHEREAS, Marion Madoff, Peter Madoff's wife, is a defendant in a separate, related adversary proceeding entitled *Picard v. Marion Madoff*, Adv. Pro. 10-04310 (BRL) ("Marion Madoff Action") and has agreed to the forfeiture of real and personal property to the USA;

WHEREAS, after the forfeiture of assets set forth above, Peter Madoff has no other assets from which the Trustee could directly recover the avoided Transfers or the value of such Transfers;

WHEREAS, Peter Madoff has consented to the entry of judgment against him with respect to the Transfers and the Trustee's Claims as set forth below;

WHEREAS, in light of the above outlined facts and circumstances and in consideration for Peter Madoff's consent to entry of judgment, the Trustee has agreed to (a) accept solely Peter Madoff's consent to judgment, (b) forbear from seeking recovery of the Trustee's Claims against Shana Madoff in this Avoidance Action; and (c) immediately voluntarily dismiss with prejudice the Trustee's claims against Marion Madoff in the Marion Madoff Action; and

WHEREAS, nothing in this Consent Judgment (defined below) shall affect the Trustee's Claims against all other defendants in this Avoidance Action, which are expressly preserved and shall be pursued in their entirety.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, ORDERED AND ADJUDGED THAT JUDGMENT be entered as follows:

1. Peter Madoff consents to the jurisdiction of this Court to enter a final judgment as against him in this proceeding.
2. The initial Transfers from BLMIS to Peter Madoff set forth in Exhibits C and D of the Second Amended Complaint are hereby avoided.

3. Judgment (the “Consent Judgment”) is hereby entered in favor of the Trustee and against Peter Madoff only on the Trustee’s Claims in the amount of Ninety Million Three Hundred Ninety Thousand Five Hundred United States Dollars (\$90,390,500).

4. To the extent that Peter Madoff, upon request of the Trustee, makes reasonable efforts to cooperate with the Trustee in the Trustee’s efforts to recover funds for the BLMIS Estate, including providing truthful information to the Trustee upon request, the Trustee will forebear from seeking to enforce this Consent Judgment. Nothing herein shall be construed to waive any testimonial right or privilege that Peter Madoff may have.

5. This Consent Judgment is not assignable.

6. The Bankruptcy Court shall have exclusive jurisdiction over any action to enforce this Consent Judgment, or any provision thereof.

7. The undersigned represent that the respective parties have obtained the advice of counsel and are consenting and agreeing to all of the terms of this Consent Judgment freely and voluntarily.

8. The Clerk of Court shall enter this Consent Judgment promptly on the docket of the Court.

AGREED AND CONSENTED TO:

/s/ Peter B. Madoff
Peter B. Madoff, individually

/s/ Irving H. Picard
Irving H. Picard, solely as Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC and the estate
of Bernard L. Madoff

**AGREED AND CONSENTED TO FORM
AND SUBSTANCE:**

LANGLER SIFFERT & WOHL LLP

BAKER & HOSTETLER LLP

/s/ Charles T. Spada
Charles T. Spada

/s/ David J. Sheehan
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Attorneys for Defendant, Peter B. Madoff

*Attorneys for Plaintiff Irving H. Picard,
Trustee for the Liquidation of Bernard L.
Madoff Investment Securities LLC*

SO ORDERED

This 6th day of February 2013

/s/Burton R. Lifland
HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE