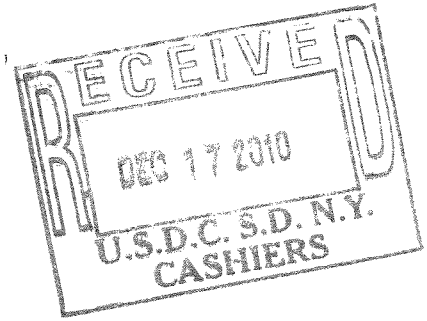


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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

Plaintiff,

- against -

\$7,206,157,717 ON DEPOSIT AT
JP MORGAN CHASE BANK, N.A.,
IN THE ACCOUNTS SET FORTH ON
SCHEDULE A,

Defendant in rem.

VERIFIED COMPLAINT

No. 10 Civ. _____

ECF Case

Plaintiff the United States of America (the "Government"), by its attorney Preet Bharara, United States Attorney for the Southern District of New York, for its verified complaint (the "Complaint") alleges, upon information and belief, as follows:

INTRODUCTION

1. This action is brought by the Government pursuant to 18 U.S.C. § 981(a)(1)(C) seeking forfeiture of certain property traceable to the Ponzi scheme orchestrated by Bernard L. Madoff ("Madoff") that was paid to Jeffrey M. Picower and certain related people and entities, as set forth on Exhibit B hereto (collectively, the "Picower Account Holders").

2. By this Complaint, the Government seeks forfeiture of all right, title and interest in the following property:

\$7,206,157,717 ON DEPOSIT AT JP MORGAN CHASE BANK,
N.A., IN THE ACCOUNTS SET FORTH ON SCHEDULE A,

and all property traceable thereto,

(the "Defendant in rem").

3. Upon entry of a final order forfeiting the Defendant in rem to the United States, the Government intends to request that the funds be distributed to victims of the fraud, consistent with the applicable Department of Justice regulations. *See* 21 U.S.C. § 853(i)(1) and 28 C.F.R. Part 9.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355(a).

5. Venue is proper pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts and omissions giving rise to the forfeiture took place in the Southern District of New York.

FACTUAL ALLEGATIONS

6. The Government's claims for forfeiture arise out of the investigation of Bernard L. Madoff Investment Securities LLC, and its predecessor, Bernard L. Madoff Investment Securities (collectively and separately, "BLMIS").

7. At all times relevant to this Complaint, BLMIS had its principal place of business in New York, New York, most recently at 885 Third Avenue, New York, New York. BLMIS was a broker-dealer that engaged in three principal types of operations: (1) market making, (2) proprietary trading, and (3) investment advisory ("IA") services.

8. BLMIS was registered with the United States Securities and Exchange Commission (“SEC”) as a broker-dealer and, beginning in or about 2006, was registered with the SEC as an investment advisor.

9. At all times relevant to this Complaint, Madoff was the founder of BLMIS, and served as its sole member and principal. In that capacity, Madoff controlled the business activities of BLMIS. Madoff also owned the majority of the voting shares and served as the Chairman of the Board of Directors of Madoff Securities International Ltd. (“MSIL”), a BLMIS affiliate established in the United Kingdom.

The Fraud

10. From at least as early as the 1980s through on or about December 11, 2008, Madoff and others perpetrated a scheme to defraud the clients of the BLMIS IA business (the “IA Clients”) by accepting billions of dollars from them under false pretenses, and then failing to invest their money as promised. To conceal the fact that the IA business was, in fact, a Ponzi scheme, Madoff and others created and disseminated fake account statements and other fraudulent documents to IA Clients purporting to show that their funds had been invested, and lied to regulators and others. In truth, the IA Client funds were misappropriated and converted to the use of Madoff, BLMIS, and others for, among other things, their personal enrichment and to conceal the growing fraud.

11. Madoff used IA Clients’ funds (i) to meet periodic redemption requests; (ii) to purchase and maintain property and services for the personal use and benefit of Madoff, his family members, and associates; and (iii) to fund wire transfers (including to and from MSIL) intended to give the false appearance that he was conducting securities transactions in Europe on behalf of the IA Clients and to support the market-making and proprietary trading operations of BLMIS.

12. To execute the scheme, Madoff solicited, and caused others to solicit, prospective clients to open trading accounts with BLMIS by promising to use investor funds to purchase shares of common stock, options, and other securities of large, well-known corporations to achieve high rates of return for clients, with limited risk. These representations were false.

13. In connection with the scheme, Madoff accepted billions of dollars of IA Client money, cumulatively, from individual investors, charitable organizations, trusts, pension funds, and hedge funds, among others, and established on their behalf thousands of accounts at BLMIS.

14. Madoff used an account in the name of BLMIS at JP Morgan Chase, New York, New York, for the receipt and disbursement of client funds for the IA business (the "BLMIS IA Client Account"). Substantially all funds transferred to BLMIS by clients of the IA business were deposited, by wire or by check, into the BLMIS IA Client Account, and substantially all redemptions sent to IA Clients were made from this account.

15. From the outset of the scheme, and continuing throughout its operation, Madoff obtained IA Client funds through interstate wire transfers from financial institutions located outside New York State and through mailings delivered by the United States Postal Service.

16. In furtherance of the scheme, Madoff made and caused to be made false representations on tens of thousands of account statements and other documents sent through the United States Postal Service to BLMIS IA Clients throughout the operation of the fraud.

17. Madoff created and caused to be created a broad infrastructure at BLMIS to generate the impression and support the appearance that BLMIS was operating a

legitimate investment advisory business in which client funds were actively traded as he had promised, and to conceal the fact that no such business actually was being conducted.

18. As of on or about November 30, 2008, BLMIS had approximately 4,800 IA Client Accounts. On or about December 1, 2008, BLMIS issued account statements for the calendar month of November 2008, reporting that those client accounts held balances of tens of billions of dollars. In fact, BLMIS had approximately \$200 million to \$300 million in cash in the BLMIS IA Client Account, and IA Clients had informed BLMIS of their intent to redeem sums that far exceeded BLMIS's cash on hand. During the course of the Madoff fraud, IA Clients lost approximately \$20 billion in funds that they invested with BLMIS.

The Guilty Plea

19. On March 12, 2009, in connection with the Ponzi scheme operated through BLMIS, Madoff pleaded guilty to Information 09 Cr. 213 (DC), which charged him with securities fraud, investment advisor fraud, mail fraud, wire fraud, two counts of international money laundering, money laundering, false statements, perjury, false filings with the SEC, and theft from an employee benefit plan. Among other things, Madoff admitted that despite his promise to clients and prospective clients that he would invest their money in shares of common stock, options, and other securities of well known corporations, he in fact almost never invested those clients' funds in the securities as he had promised. Madoff further admitted that he attempted to conceal his fraud by, among other things, issuing false account statements and otherwise deceiving the IA Clients, lying to regulators, and wiring money between BLMIS (in the United States) and MSIL (in the United Kingdom) to create the impression that BLMIS was actually trading securities.

20. On June 29, 2009, the Honorable Denny Chin sentenced Madoff to 150 years' imprisonment, billions of dollars worth of criminal forfeiture money judgment, and forfeiture of specific property.

THE DEFENDANT IN REM

21. The Defendant in rem constitutes property traceable to funds obtained from victim investors of the BLMIS IA operation, and property traceable to such property.

22. Since the late 1970s, Picower held an account in his own name at BLMIS, and, from time to time, controlled BLMIS accounts for each of the Picower Account Holders.

23. The Picower Account Holders funded their BLMIS IA accounts, in part, with actual cash and securities. Beginning in or about the late 1970s and continuing to in or about December 2008, the Picower Account Holders deposited \$619,456,578 in their IA accounts and withdrew a total of \$7,825,614,295 from BLMIS. Accordingly, the Picower Account Holders' net withdrawal from BLMIS was \$7,206,157,717.

24. In addition to their BLMIS IA accounts, various of the Picower Account Holders also held accounts at Citibank (collectively, the "Citibank Accounts") and Goldman Sachs (collectively, the "Goldman Trading Accounts"), as well as at JP Morgan Chase, Mellon Bank, and Wells Fargo (collectively, the "Other Accounts"). As a general matter, Picower, either directly or indirectly, (i) used the Citibank Accounts to hold the Picower Account Holders' liquid assets, and made disbursements to third parties from these accounts, (ii) used the Goldman Trading Accounts for the purpose of conducting legitimate securities trading on behalf of the Picower Account Holders, and (iii) frequently moved funds between the Citibank Accounts, the Goldman Trading Accounts, the Other Accounts, and the Picower Account Holders' IA accounts.

25. The Citibank Accounts, the Goldman Trading Accounts, and the Other Accounts were funded in large part with transfers from the BLMIS IA Client Account.

26. On December 17, 2010, Barbara Picower, as the duly-appointed representative of the Estate of Jeffrey M Picower, entered into an agreement with the United States Attorney's Office for the Southern District of New York wherein she agreed to the forfeiture of the Defendant in rem.

CLAIM FOR FORFEITURE
(18 U.S.C. § 981(a)(1)(C))

27. The Government incorporates by reference paragraphs 1 through 26 above as if fully set forth herein.

28. Pursuant to 18 U.S.C. § 981(a)(1)(C), “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting ‘specified unlawful activity’ . . . , or a conspiracy to commit such offense,” is subject to forfeiture to the Government.

29. “Specified unlawful activity” is defined in 18 U.S.C. § 1956(c)(7) to include, among other things, any offense listed under 18 U.S.C. § 1961(1). Section 1961(1) lists, among other things, violations of 18 U.S.C. §§ 1341 (mail fraud), 1343 (wire fraud), and “fraud in the sale of securities.”

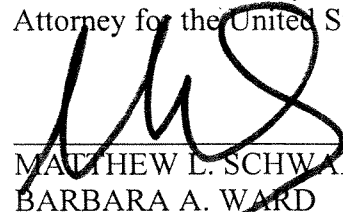
30. Pursuant to 18 U.S.C. § 981(a)(2)(A), for purposes of the civil forfeiture statutes, “proceeds” refers to “property of any kind obtained directly or indirectly, as a result of the commission of the offense giving rise to forfeiture, and any property traceable thereto, and is not limited to the net gain or profit realized from the offense.”

REQUEST FOR RELIEF

WHEREFORE plaintiff, the United States of America, requests that judgment be entered in its favor and against the Defendant in rem, and that process issue to enforce the forfeiture of the Defendant in rem, and that all persons having an interest in the Defendant in rem be cited to appear and show cause why the forfeiture should not be decreed, and that this Court decree forfeiture of the Defendant in rem to the United States of America for disposition according to law, and that this Court grant the Government such further relief as this Court may deem just and proper, together with the costs and disbursements in this action.

Dated: New York, New York
December 17, 2010

PREET BHARARA
United States Attorney
Attorney for the United States of America



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E-mail: matthew.schwartz@usdoj.gov

SCHEDULE A

Account No.	Account Holder
[REDACTED]	JPM AS ESC AGT FOR B PICOWER, AS EST EXEC OF J PICOWER, US GOVT, IRVING PICARD, AS SIPA TRUSTEE, AND SIPC
[REDACTED]	JPM AS ESC AGT FOR B PICOWER, AS EST EXEC OF J PICOWER, US GOVT, IRVING PICARD, AS SIPA TRUSTEE, AND SIPC

SCHEDULE B
(The "Picower Account Holders")

Account No.	Account Name
1C1006	Capital Growth Company
1D0010	Decisions Incorporated
1D0011	Decision Inc #2
1D0030	Decision Inc #3
1D0032	Decision Inc #4
1D0036	Decisions Inc #5
1D0082	Decisions Incorporated #6
1E0123	ACF Services Corporation Money Purchase Pension Plan
1F0002	Favorite Fund
1J0001	JA Primary Ltd Partnership
1J0002	JAB Partnership
1J0003	JEMW Partnership
1J0004	J F Partnership
1J0005	JFM Investment Co.
1J0008	JLN Partnership
1J0009	JMP Limited Partnership
1J0024	JA Special Ltd Partnership
1M0046	The Retirement Income Plan for Employees of Monroe Systems for Business Inc
1P0017	The Picower Institute for Medical Research
1P0018	Trust FBO Gabrielle H Picower

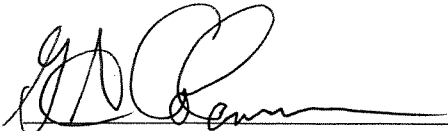
1P0019	Barbara Picower
1P0020	Trust FBO Gabrielle H Picower
1P0021	Jeffry M Picower
1P0022	Jeffry M Picower, P.C.
1P0023	Jeffry M Picower Special Co
1P0024	The Picower Foundation
100407	Decisions Inc Special
100416	Jeffry M Picower D P Partnership
101615	Jeffry M Picower #2
101007	Decisions Incorporated L A/C
101006	JMP Investment
101610	Picson Management Group

VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK :
SOUTHERN DISTRICT OF NEW YORK)

GREGORY A. COLEMAN, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation, and as such has responsibility for the within action; that he has read the foregoing Verified Complaint and knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.

The sources of deponent's information and the ground of his belief are official records and files of the United States, information obtained directly by the deponent, and information obtained by other law enforcement officials and representatives during an investigation of alleged violations of Titles 15 and 18, United States Code.



GREGORY A. COLEMAN
Special Agent
Federal Bureau of Investigation

Sworn to before me this
17th day of December, 2010:



NOTARY PUBLIC

CANDI N. GREEN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01GR6179157
Qualified in New York County
Commission Expires December 24, 2011