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April 7, 2009

Via E-mail and Regular Mail

Marc Hirschfield, Esq.
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111

Re: Bernard L. Madoff Investment Securities LLC
Bankr. S.D.N.Y. 08-1789 (BRL)

Dear Mr. Hirschfield:

I am in receipt of your letter dated April 3, 2009 regarding my client, Andrew Ross Samuels' ("Client") action against Peter B. Madoff ("Peter Madoff").

I take your reference to Section 550(a) of the United States Code, 11 U.S.C. §§ 101-1330, as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (the "Bankruptcy Code") as nothing more than an attempt to twist a federal statute to intimidate our client into withdrawing an action commenced against Peter Madoff for, *inter alia*, the breach of his fiduciary duties as trustee of the Andrew Samuels Trust. Obviously, our Client's claims against Peter Madoff for dissipating the assets of the Andrew Samuels Trust established for him by his grandfather is a claim independent of, and separate from, those you are administering. Accordingly, I request that you withdraw your letter as it is frivolous and without any cognizable legal basis.

Peter Madoff has not been charged with any crime or wrong-doing by the federal government, nor have his assets, or any part thereof, been established to be part of the bankruptcy estate of Bernard L. Madoff Investment Securities LLC ("BLMIS"). Therefore, any recovery by our Client against Peter Madoff as a result of the action pending in the Supreme Court, Nassau County, Index No. 09-05534, would not trigger any liability of our Client in the BLMIS bankruptcy proceeding pending in the Southern District of New York. Parenthetically, at least some of Peter Madoff's assets must be derivative of the legitimate part of the business your client is selling.

The claims asserted by our Client against Peter Madoff are claims that are personal to our Client as the beneficiary of the Andrew Samuels Trust and not as a general investor who invested money with BLMIS. Peter Madoff as the sole trustee of the Andrew Samuels Trust since 2003 owed my Client "a duty of undivided and undiluted loyalty to those whose interests the fiduciary is to

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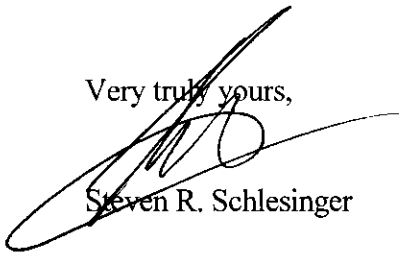
protect.” see In re Estate of Wallens, 9 N.Y.3d 117, 123, 847 N.Y.S.2d 156, 156 (2007) (citations omitted). Peter Madoff, as trustee of the Andrew Samuels Trust, is held, and should be held “to something stricter than the morals of the market place. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior.” Id. at 123, 847 N.Y.S.2d at 156 (citing Meinhard v. Salmon, 249 N.Y. 458, 464 (1928)). As a result of Peter Madoff’s actions and his complete abdication of his duties under the Andrew Samuels Trust, our Client lost the entirety of the trust established for him by his deceased grandfather. The three claims asserted in the complaint against Peter Madoff not only seek the amount that was stated or purported to be in the Andrew Samuels Trust account with BLMIS, but at a minimum establish that for which Peter Madoff is personally responsible for even if he was not involved with BLMIS, if he held no position of importance with BLMIS, or if he was not related to Bernard L. Madoff. See In re Hubbell, 302 N.Y. 246, 255-56 (1951) (“[T]he cases are at one in holding that fiduciaries, whether executors or trustees, are under a duty profitably to employ funds in their hands under penalty of personal liability for their neglect.”).

Please be assured that our Client does not intend to seek a double recovery regarding the Andrew Samuels Trust and that if he is ultimately successful on his claims personally against Peter Madoff for the breach of his fiduciary duties, our client will not share pari passu with the other general unsecured creditors of Bernard L. Madoff Investment Securities LLC as he would have been made whole in the action against the trustee of the Andrew Samuels Trust.

An attempt by you or the Mr. Picard as Trustee for the liquidation of BLMIS to recover any amounts that our Client may be successful in recovering from Peter Madoff would run afoul of the general principles of equity and fairness of the Bankruptcy Court. If you or Mr. Picard still intend to commence an adversary proceeding against our Client to recover any amounts he may receive in the future from Peter Madoff as a result of his personal liability under the Andrew Samuels Trust, please be advised that our Client would have full and complete defenses against such an action and will invoke any and all remedies he may have against the Mr. Picard, including the seeking of sanctions.

Be guided accordingly.

Very truly yours,



Steven R. Schlesinger