



SECURITIES & FINANCIAL INSTITUTIONS COMPLIANCE AND DEFENSE

ALERT

**CLIENTS AFFECTED BY MADOFF SCANDAL
SHOULD TAKE A PROACTIVE APPROACH**

By Ernest Badway and Joshua Horn

In light of recent developments involving Bernard Madoff, his funds and securities firm, Fox Rothschild wants its clients and friends to know that attorneys are diligently monitoring all events and are available to assist you in taking appropriate steps to protect your rights.

Fox Rothschild's attorneys are ready to guide reactions to this massive fraud, which has affected businesses, individuals and charitable organizations. Clients who have, unfortunately, found themselves involved in this predicament should consider the business, estate and tax planning ramifications, as well as any other legal consequences from the loss of funds. Attorneys in the Litigation, Corporate and Tax & Estates Departments are available to discuss any issues that may arise from this financial quagmire.

Despite the fact that any monies recovered likely will not be returned to investors for some time, clients should take a proactive approach. Among other things, Fox recommends that clients take the following actions:

1. Gather all records that reflect any investments with Madoff and his fund so that Fox can assist in determining what, if any, claims you may have to recover funds as a result of this fraud;
2. Gather all records that detail any disclosures received about Madoff and his fund;
3. Gather all records that reflect any due diligence you or anyone on your behalf performed with respect to Madoff and his fund;
4. Gather all tax records for the years in which you invested; there may be tax implications associated with any distributions received from Madoff and his funds; and
5. Gather any records pertaining to distributions received from Madoff and his fund; you are at risk of a claim to claw back those proceeds into the receivership estate that the court has created.

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