

**PRESS RELEASE**

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**MEESCHAERT ESTABLISHES THE ASSOCIATION DES VICTIMES DE LUXALPHA-MADOFF**

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**Working actively on behalf of victims since the revelation of the Madoff investment scandal, the Meeschaert group has formed a non-profit organization composed of victims, private and institutional investors who invested in the Luxembourg –based fund known as Luxalpha.**

Over a dozen investors, representing a total claim of over 50 million euros, have joined the association established by the Meeschaert group. The association’s goal is to defend the interests of the victims of the Madoff fraud. *“The more participants we have representing major claims, the better we will be able to defend our rights to the parties involved in the case”*, explains Cédric Meeschaert, president of Meeschaert. *“Our group will strive to ensure that our claims will at least be considered in the American bankruptcy proceedings.”*

After the meeting, currently being planned, with the Luxembourg bankruptcy officials, the group will decide on how to address the proceedings of the American bankruptcy trustee, Irving Picard. In doing so, the association will present its claims to the bankruptcy trustees in Luxembourg as well as in the United States.

Since 2008, the Meeschaert group has closely followed the Luxalpha fund scandal. Luxalpha was a Madoff-established Luxembourg investment fund for which the Swiss bank, UBS, provided custodial services and which was marketed in Europe by Access International. Meeschaert is the only financial institution to have assumed such responsibility on behalf of its clients and to have totally compensated all of its clients in 2009 and 2010 for their losses stemming from Luxalpha investments. *“It was simply unthinkable to inflict on our clients such an unacceptable loss, when the ultimate responsibility for this situation lies with the financial industry, its regulators, and the judicial systems of the countries involved,”* said Cedric Meeschaert. The Meeschaert Group was also the first company in 2009 to take direct action against Bernard Madoff’s own assets, notably, his yacht anchored off the coast of southern France.

*“Those steps”* added Cedric Meeschaert, *“placed us early on at the center of the process established by the American bankruptcy trustee, Irving Picard. This approach is intended to recover from around the world fund withdrawals through a ‘clawback’ procedure in order to redistribute these funds to the entire group of creditors.”*

The “clawback” is based on a major, almost irrefutable principle of American law, by which certain withdrawals of cash by creditors in specified periods preceding a company’s bankruptcy must be returned to the pot for future redistribution by the liquidator (in this case, Trustee Irving Picard) to all of the bankrupt’s creditors. The goal is to re-establish a balance between those who inequitably received distributions from the Ponzi scheme (including so-called “fictitious profits”) and those who did not.



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Through this mechanism, bankruptcy trustee Irving Picard has already recovered nearly \$11 billion, which is roughly 60 percent of the net losses incurred by direct Madoff investors around the world. Mr. Picard has reimbursed from those recovered funds more than \$6 billion to defrauded investors. Even so, the Luxalpha fund, and thus its investors, have not yet been authorized by American law to be a part of these redistributions.

*“The Luxembourg bankruptcy officials of Luxalpha must quickly become a part of the discussion with the only tangible entity in a position to compensate Madoff’s victims, namely, the American bankruptcy trustee, Irving Picard,”* added Cedric Meeschaert. *“As of today, several funds (Herald Lux, Herald Offshore, Tremont, Defender Ltd.) have announced that they have negotiated with Trustee Irving Picard to become parties in the American bankruptcy proceedings. The Luxalpha fund must also become a party in these proceedings.”*

The situation has now become critical, as Trustee Irving Picard filed on April 15, 2015 a motion in the US Bankruptcy Court seeking a sixth pro rata interim distribution from the Customer Fund to BLMIS customers with allowed claims.

Faced with this urgency, the Meeschaert Group and several private and institutional investors have formed this association. These victims of Madoff’s fraud intend to compel the Luxembourg trustees to undertake constructive negotiations with Trustee Irving Picard. They also wish to work collaboratively with the Luxembourg trustees, convinced that compensation through Luxalpha represents their best chance of recovering a significant part of their losses.

*“We will explore every possible legal option to ensure that our claim is considered by the American bankruptcy trustee, Irving Picard,”* concluded Cedric Meeschaert. *“Despite all of the harm resulting from Madoff’s fraud, the many judicial proceedings that have been undertaken thus far by individual members of our association have been rejected, whether in France or in Luxembourg.*

*We hope that all of the affected investors will join us to achieve at last the compensation they are owed as victims of the Madoff fraud.”*

## **About the Association des Victimes de Luxalpha-Madoff**

To contact or join the association: [VictimesLuxalpha-Madoff.com](http://VictimesLuxalpha-Madoff.com)

## **About the Meeschaert group**

Created in 1935, the Meeschaert group represents close to 6 billion euros in assets under management and supervision. It is organised in four divisions: wealth management, family office, asset management and private equity. The company has offices in several French cities, notably Bordeaux, Cannes, Lille, Marseille, Nantes, Paris, Strasbourg and Toulouse, as well as abroad, in Brussels and New York.

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