

MADOFF TIMELINE

1958

→Avellino joins Saul Alpern (Madoff's father-in-law) in his accounting business

1960

→Bernard L. Madoff (BM) starts Bernard L Madoff Investment Securities (BLMIS) with \$5,000

1962

→ Madoff begins managing investments channeled through Alpern & Avellino

1963

→SEC launches investigation of BM's mother, Sylvia R. Madoff (Gibraltar Securities) and others (August 1963)

1968

→Bienes joins Avellino to form the accounting firm Avellino & Bienes (A&B)

1970 – 1990

→Madoff's trading business skyrockets

→A&B gradually shift their focus from accounting to raising money for Madoff

→1970 Peter Madoff joins Bernard L. Madoff Investment Securities (BLMIS)

→1977 Madoff allegedly begins a new options strategy – broad-based portfolio of S&P securities and hedged with derivatives (Source: Wall

Street Journal, 1992)

1983

- 1983 -1984 Ira SORKIN serves as SEC Regional Director
- Madoff elected to NASD Advisory Counsel

1984

- Walter Noel and Jeff Tucker of Fairfield Greenwich start Fairfield Sentry Limited and invest all \$4 million with Madoff
- Madoff elected to NASD Board of Govenors (January 1984)

1990

- 1990-1993 BM serves as Chairman of NASDAQ
- Merkin gives Madoff “a significant portion of the assets” of two of his hedge funds – Ariel and Gabriel. Merkin creates Ascot Partners IP and Ascot Fund Limited – managed exclusively by Madoff. (November 1990)

1992

- SEC launches investigation into A&B fearing a Ponzi Scheme – based on a tip. A&B pays a fine. Madoff claims ignorance, returns the lion's share of the money to A&B to distribute to their clients, but shortchanges them \$18 million.
- A&B hires Sorkin (on BM's recommendation) to present them in the proceedings with the SEC and bankruptcy Trustee
- Sanra Manzke, founder of Tremont and MAXAM meets Madoff and Madoff, whose investment advisory business is not registered with the SEC, insists she not publicly name him in her prospectus. Also tells her that he makes money via commissions vs traditional fees.
- Federal judge orders Price Waterhouse to audit the financial statements of A&B who refuse. Neither the court or the SEC pursues this refusal.

→Lee Richards is court-appointed Trustee in the A&B bankruptcy proceedings.

→Peter Madoff elected Vice Chairman of NASD

→Wall Street Journal Article: Martin Kupferberg, SEC Sr. Associate Regional Administrator in New York refuses to disclose the name of the broker dealer in the Avellino and Bienes case, but says, “Right now, there's nothing to indicate fraud.” This comment was never retracted. (December 1, 1992)

→WSJ identifies firm investigated in A&B fraud case as BLMIS and again says there's been no evidence of fraud. (December 16, 1992)

2000

→Harry Markopolis submits an 8-page memorandum outlining his concerns to the SEC's Boston office. The memorandum outlines the fraud and gives clear red flags to the SEC (May 2000)

2001

→Barron's Article: “Don't Ask, Don't Tell”

→Michael Ocrant writes “Madoff Tops Charts, Skeptics Ask How” (May 2001)

→Fairfield Greenwich partner Jeff Tucker meets with Madoff to verify Madoff's holdings – now worth about \$3 billion. Meets with Madoff and Di Pascali who shoed Tucker trades, named a 3rd party who had cleared them but did not ask for verification, nor did he visit the firm's 17th Floor offices (May 2001)

→Markopolis resubmits his initial 8-page document (October 2001)

2005

→Markopolis meets (at Markopolis' request) with Mike Garrity, SEC Boston Branch Chief (October 25, 2005)

→ Markopolis emails Meaghan Cheung, SEC NY Branch Chief, identifies himself as the whistleblower and attaches a revised 21-page

report detailing fraud (November 4, 2005)

2006

- Madoff is interviewed by the SEC but admits (in confession to FBI) that he lied to investigators (January 2006)
- Meaghan Cheung AGAIN dismisses Markopolis (5 minute phone call) (March 3, 2006)
- SEC and WSJ ignore plea from Chicago Board Options Exchange to investigate (September 29, 2006)
- More money flows into Madoff with the collapse of Lehman Bros (November 2006)
- SEC finds “no evidence of fraud,” though concluded that FG needed to revise its disclosures. Recommends files to be destroyed. (November 2006)

2007

- Shana Madoff, BM's daughter, marries former SEC attorney Eric Swanson
- Markopolis again emails Meaghan Cheung (NY Branch Chief) and Ed Manion, Boston office (June 29, 2007)

2008

- Madoff pushes FG to raise more money. FG starts a massive fundraising campaign for a new fund. Tucker sends letter to Madoff apologizing for redemptions. (January 1, 2008)
- Madoff tells sons he's facing \$7 billion in redemptions. Tells Ruth to wire transfer money from a brokerage acct to her personal banking account. (September 1, 2008)
- Lee Richards appointed as the receiver for BLMIS (December 2008)
- Madoff allegedly confesses to sons (December 10, 2008)

→Madoff turns himself in. Government files criminal fraud charges against Bernard Madoff (December 11, 2008)

→Thierry de la Villehuchet commits suicide (December 23, 2008)

2009

→Madoff tries to mail packages with jewelry and watches worth millions to family and friends. (January 5, 2009)

→Madoff pleads guilty (March 10, 2009)

→Sylvia Madoff concedes violation – but there is no penalty if she agrees to stay out of the securities business (June 2009)

→BM pleads guilty to US Government criminal fraud complaint (June 15, 2009)