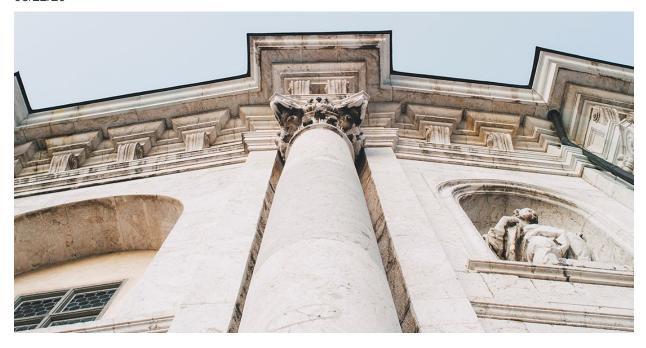
Upcoming SCOTUS HSBC vs Picard Decision to Have Major Ramifications

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The Supreme Court's pending decision on whether to grant review of HSBC Holdings PLC vs Picard will have major ramifications not only on the ability of Irving Picard, the bankruptcy trustee of the Madoff estate, to pursue billions of dollars of transfers for the benefit of Madoff victims, but on international bankruptcy proceedings writ large.

Speaking with ValueWalk, partner David Flugman, who represents Herald Fund SPC, one of the largest investment fund victims of the Madoff Ponzi scheme, discussed the implications of SCOTUS's highly anticipated decision, which is expected on June 1. He noted:

"In particular, its decision whether to grant review and, if so, whether to affirm or reverse the Second Circuit, will determine the circumstances under which offshore funds/investors can expect to be hauled into U.S. courts over money they received in wholly foreign transactions. These kinds of transfers are routine in the hedge fund world where U.S.-based 'master funds' invest money pooled by foreign 'feeder funds' from foreign individuals and entities.

If review is granted, and the Supreme Court reverses the Second Circuit, the Madoff trustee (and future U.S. trustees) will likely have to bring lawsuits abroad to recover transfers between foreign investors, even if the money originated from the United States. If review is denied, or alternatively if the Supreme Court affirms the Second Circuit, the Madoff trustee will have the chance to recover up to \$2.1 billion in transfers between those foreign investors and the power of US bankruptcy trustees to pursue the return of fraudulent transfers made by U.S. debtors will be greatly expanded."

Read the full interview in ValueWalk.

Attorney

David S. Flugman

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