

# Madoff Fund Litigator on SCOTUS Denial to Hear HSBC v. Picard

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The Supreme Court's decision to deny review of HSBC Holdings PLC vs Picard has major ramifications 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, and also significant implications for future international bankruptcy proceedings.

[Speaking to ValueWalk](#), David Flugman, who represents Herald Fund SPC, one of the largest investment fund victims of the Madoff Ponzi scheme, explained, “By denying review, the Supreme Court has affirmed the Second Circuit's decision. Now the many cases on pause while this issue was being litigated should move forward, and the Madoff trustee will have the chance to recover up to \$2.1 billion in transfers between those foreign investors.”

Petitioners in the case are foreign individuals and entities who invested with Madoff through offshore "feeder funds" - intermediary vehicles designed to pool money from investors.

Madoff represented that each of these funds had a brokerage account established at BLMIS through which Madoff bought and sold securities as part of his “split-strike conversion strategy.” As the world would later learn, however, the money was never actually invested. Instead, it was deposited into a U.S. bank account, from which new contributions were used to enrich Madoff and his associates, while servicing older redemptions as part of a massive Ponzi scheme.

Read more about [the Supreme Court's decision here](#).

## Attorney

- David Flugman

## Practices

- Bankruptcy & Insolvency
- Appellate
- Private Equity & Hedge Funds