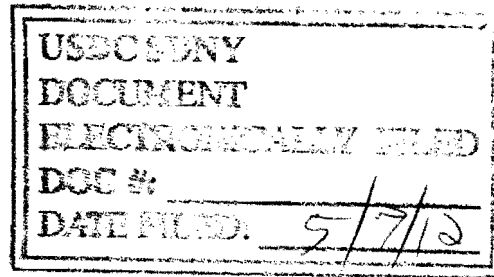


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May 4, 2012

Doc. to be filed as a Letter

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The Honorable Jed S. Rakoff, U.S.D.J.
United States District Court, Southern District of New York
500 Pearl Street, Room 1340
New York, NY 10007
Attention: Mr. Caleb Deats, Law Clerk

Re: *Picard v. Saul B. Katz, et al., 11 Civ. 03605 (JSR)(HBP)*

Dear Judge Rakoff:

We write to confirm the plaintiff's request, with the consent of the defendants, for a postponement of the hearing scheduled for May 15, 2012, at 4:00 p.m., for the Court to consider approval of the settlement of the above-referenced litigation, and the related scheduling dates. During a telephone conference on May 3, 2012, with Mr. Deats and counsel for the defendants, we were informed that the Court granted the request and rescheduled the hearing date to May 31, 2012, at 4:00 p.m., fixed May 24, as the date for any objections to be filed and served, and May 29 as the date on which any reply may be filed and served. The Court also requested that we provide the reason for the requested postponement.

The reason for the postponement is to ensure that notice has been properly given in accordance with the applicable Bankruptcy Rules. On April 13, 2012, the plaintiff filed with this Court his settlement motion pursuant to 11 U.S.C. § 105(a) and Rules 2002(a)(3) and 9019(a) of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rule"). On that date, the plaintiff also properly served the motion papers and filed in this action affidavits of service with the Clerk of this Court. See ECF Nos. 184-1, 185-4, 186-1 and 187-1.

Bankruptcy Rule 9019(a) requires notice in accordance with Bankruptcy Rule 2002 which requires at least 21 days' advance notice of the hearing on approval of a compromise or settlement of a controversy to all creditors. Here, to provide the requisite notice to all creditors, Bankruptcy Rule 2002 and the Bankruptcy Court's December 5, 2011 "Order Establishing Notice Procedures and Limiting Notice" ("Bankruptcy Order Limiting Notice") [Bankr. Doc. No. 4560] required a notice of the hearing to be filed in the main SIPA proceeding in the Bankruptcy Court.

Chicago Cincinnati Cleveland Columbus Costa Mesa
Denver Houston Los Angeles New York Orlando Washington, DC

Inadvertently, however, the notice of hearing was filed and docketed only in Adv. Pro. No. 10-05287(BRL), and not in the main SIPA proceeding, which is Adv. Pro. No. 08-01789(BRL). Because the notice of hearing was not filed and docketed in the main SIPA proceeding, the master service list did not receive notice in accordance with Bankruptcy Rules 2002(a)(3) and 9019(a) and the Bankruptcy Order Limiting Notice. We requested the postponement to provide all those on the master service list in the main SIPA proceeding with a copy of the "Notice of Rescheduled Hearing," a copy of which is attached. We also will serve notice of the rescheduled hearing date and related dates to all interested parties in this action and file affidavits of service in the Bankruptcy Court and this Court before the rescheduled hearing date.

We regret any inconvenience to the Court and the parties.

Respectfully,



Fernando A. Bohorquez

Enclosures

cc: Robert Wise, Esq., Davis, Polk & Wardwell
Dana M. Seshens, Esq., Davis, Polk & Wardwell
Brian E. O'Connor, Esq., Willkie, Farr & Gallagher LLP

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*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

SAUL B. KATZ, et al.,

Defendants.

Adv. Pro. No. 08-01789 (BRL)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-05287 (BRL)

NOTICE OF RESCHEDULED HEARING

PLEASE TAKE NOTICE that Irving H. Picard ("Trustee"), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.*, and the substantively consolidated estate of Bernard L. Madoff, by and through the Trustee's undersigned counsel, has filed a motion ("Motion") in the United States District Court for the Southern District of New York ("District Court"),

assigned Case No. 11-Civ.-03695, which is pending in the District Court. for entry of an Order pursuant to 11 U.S.C. § 105(a) and Rules 2002(a)(3) and 9019(a) of the Federal Rules of Bankruptcy Procedure, approving the Settlement Agreement entered into between the Trustee and the Defendants in the above-captioned matter.

PLEASE TAKE FURTHER NOTICE that in support of the Motion, the Trustee has filed in the District Court and shall rely upon the Trustee's Motion and Memorandum for Entry of Order Pursuant to Section 105(a) of the Bankruptcy Code and Rules 2002(2)(3) and 9019(a) of the Federal Rules of Bankruptcy Procedure Approving Settlement Agreement, together with all attachments, and the supporting Affidavit of Irving H. Picard ("Moving Papers"). The Moving Papers may be viewed electronically on the District Court's docket at ECF Nos. 185-188 or in person at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York, first floor ("Moynihan Courthouse").

PLEASE TAKE FURTHER NOTICE that responses, if any, to the Motion must be filed with the District Court on or before May 24, 2012, and on that date be served upon (a) Baker & Hostetler LLP, 45 Rockefeller Plaza, New York, New York 10111, Attention: David J. Sheehan, Esq., counsel to the Trustee, (b) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attention: Robert F. Wise, Jr., counsel to the Defendants, and (c) the Securities Investor Protection Corporation, 805 Fifteenth Street, N.W., Suite 800, Washington, D.C. 20005, Attention: Kevin Bell, Esq., with a courtesy copy to the chambers of The Honorable Jed S. Rakoff, United States District Judge, at the Moynihan Courthouse.

PLEASE TAKE FURTHER NOTICE that any reply papers may be served and filed in the District Court on or before May 29, 2012.

PLEASE TAKE FURTHER NOTICE that the District Court has scheduled a hearing on the Motion at 4:00 p.m., on May 31, 2012, ("Hearing").

PLEASE TAKE FURTHER NOTICE that objecting parties are required to appear at the Hearing, and failure to appear may result in entry of an order granting the relief requested in the Motion without further notice to the objecting parties or opportunity to be heard.

Dated: New York, New York
May 4, 2012

/s/ David J. Sheehan
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