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Intelisano: For Madoff Victims Two Years Later, It'll Never Be the Same

Published: Thursday, 9 Dec 2010 | 11:41 AM ET
By: Ross B. Intelisano
Attorney, Rich & Intelisano, LLP

December 11, 2008 started like a typical year-end work day. Then the phone rang with a hysterical retired widow screaming and crying that she had just lost almost all of her money investing with **Bernie Madoff.**

That might seem strange to many, but we receive calls like this all of the time. Our law firm represents investors who've been defrauded by Wall Street.

But the phone kept ringing, all day, every day, from December through February. And the numbers were staggering: tens or even hundreds of millions of dollars lost. Generations of wealth were completely wiped out.

We knew immediately this was going to be the largest fraud ever, by a long shot. And it was. $18 billion. Almost ten times larger than any other **Ponzi scheme.**

It became clear very early that the direct Madoff investors were doomed. SIPC **(Securities Investor Protection Corporation)** would provide it's limited coverage and hopefully litigation would scrape some money back.

But that didn't stop direct Madoff investors from calling. For about four hours every day we heard the most awful financial stories: sick seniors with no money for medicine, retirees who were now refugees.

Although we knew we couldn't help these people legally, we spent three months providing emotional support to investors, some of whom were friends of friends, parents of colleagues, and even my wife's middle school teacher's family. It was the most torturous time of my professional career.

Prior to Madoff, when I told people what I did for a living, I often heard responses like, "Really? There's fraud on Wall Street?" Since Madoff, it's been "You must be really busy." Uh, yes.

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Unbeknownst to many people, **most Madoff investors** were not directly invested with Madoff but were indirect investors. They got to Madoff through feeder funds often recommended by third party advisors.

Many of the indirect Madoff investors had no idea that there money ended up in a Madoff feeder fund. These are the most tragic stories, often including people of modest wealth who lost most of their savings. There has been substantial backlash levied against direct investors alleging greed, ignorance and worse. But the **unsuspecting indirect Madoff investors** hired investment professionals to look after them.

Some of these advisors did whatever they could to direct client money to Madoff feeder funds and represented that it was appropriate for clients' safety needs. There lies the greed. When Madoff blew up, the advisors shrugged their shoulders and cried, "How was I supposed to know?". That is as much a sham as Madoff himself.

Luckily, we've been able to help a bunch of indirect **Madoff investors recover money** from the few third party advisors who were financially viable even after Madoff exploded. Last week, almost two years to the date of Madoff's arrest, the retired widow called me crying again.

We had just resolved her case against a third party advisor and it brought back all of her horrible memories of the winter of Bernie Madoff. She told me she still can't trust anyone. I understood. She said it will never be the same again. She's right.

Though securities fraud will survive so long as there are brokers and customers, we will never see an $18 billion Ponzi scheme that destroyed so many families. Ever.

Ross B. Intelisano is a partner of the law firm of Rich & Intelisano, LLP. He has extensive experience in large and complex securities and commodities fraud cases. He and his partner John Rich have won two of the seven largest customer arbitration awards ever rendered against Wall Street firms. Intelisano is a leading authority on securities fraud and Ponzi schemes and is a frequent televison and print commentator.
