

Mr. Neil Friedman
2438 Carriage Place
Palm City, FL 34990

Honorable Chairman Garrett
Subcommittee on Capital Markets and Government Sponsored Enterprises
House of Representatives

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Thank you, Mr. Chairman and the Committee for giving me an opportunity to tell you my story as a victim of the Madoff fraud. Just to give you some background, I am 79, my wife, who I love and miss dearly, passed away in January 2012. I have two children, Rena who lives in New York, and Alan, who lives in California, and I'm fortunate to also have four grandchildren. My daughter Rena struggles with MS. Like the vast majority of the Madoff victims, I was not rich. I worked hard to make a living, save for a modest retirement, and then the Madoff tragedy took away our life savings.

I graduated from New York University many years ago with a Bachelor of Science, and majored in Accounting. I began my career as an accountant, and over time moved to Connecticut General, trained as a life insurance brokerage representative servicing property and casualty agents, and built up a number of agencies. I then moved on to Beneficial National, another insurance company, set up my own agency and helped many clients over the years. Over time, my business evolved to include pension and retirement planning services. At age 65, having built up enough savings, I retired and moved to Florida with my lovely wife.

So it happens, when I was living in Far Rockaway in the 1960s, I had a personal friend who was a neighbor and a CPA, Jerome Horowitz. He became my business accountant, and much later, when I was in the pension and retirement plan business, he introduced me to Madoff to assist with setting up a pension plan. This was in the 80's.

At this time Madoff's firm was at 1 Wall Street, NYC, and I was granted access to all the employees of his firm. Although the plan was implemented for the benefit of his employee they were very disappointed because the investment was restricted to high quality bonds, and not stocks. This plan was ultimately discontinued, but my relationship with Bernard Madoff, and his staff was friendly. With Jerry's success in his investment with Madoff, I expressed interest in opening an account. Bernard Madoff's minimum new account was in excess of \$500,000 (if my memory serves me correctly) but he made an exception for me that he would accept whatever I could afford. It should be noted that my accounts were opened during the 80's. Assured by Jerry, that if all else fails we have protection up to \$500,000 per account from SIPC.

I was very aware of Madoff's high level of credibility in the industry. Even though I didn't see myself as an expert in the securities industry, my CPA told me that Madoff was being considered for a government position. I also knew from social circles that he was considered in the very highest regard, and was honorable. I was told that the SEC, when they visited him, were "interviewing for job positions", they were so taken with his business and reputation.

When I set up my 401k retirement plan for my own business, like many people who thought they were investing in a properly overseen firm investing in very conservative securities, I put all my retirement assets into this account. I also had a personal account, into which I put my other savings, my son's wedding funds, college funds for the grandchildren, and funds to help my daughter to cover her very high medical expenses and medications when needed.

We lived very modestly. Over the years, however, I withdrew funds to cover taxes, some living expenses, and took the required minimum distributions from the retirement plan.

Now comes December 8, 2008, with Madoff being arrested, and I was wiped out personally and in my retirement plan.

When the news broke, I called Jerry Horowitz only to find him in a state of shock. His one comforting comment was that SIPC provided security for up to \$500,000.

Since then, I was declared by the SIPC Trustee to be a "net winner", primarily because of the IRS mandate that required that I withdraw, starting at 70 ½ an amount calculated by use of a mortality table times the balance of funds in the Profit Sharing (401K).

Now I would like to call to your attention the effects that our loss of all our money had in our life. With the prospect of losing our home, a friend took over our mortgage and waived charging us interest until we sold our house or our death; however, his need for repayment caused me to enter into a reverse mortgage and repay all the money (this occurred after my wife's death).

Existing on only our Social Security, we had to monitor everything. No longer were we able to visit our children & grandchildren, carefully spending for food, budgeting for insurance, house repairs, and supplemental health & drug insurance. I'm sure I omitted a number of other important things.

My daughter with multiple sclerosis is now on social security disability. As you can imagine, her stress levels have increased tremendously, which is very bad for her condition.

With the loss of everything and the denial by SIPC of our right of benefit, my wife could no longer smile, stop worrying, and, apparently, find any reason to continue living. She was deeply depressed. During the month of December 2011, she had a fatal accident, and died in January 2012.

In the year 2000 I weighed in at 232 pounds, I now weigh 150.

I applied to Publix for a job, and was deemed too qualified.

My time is now spent as a volunteer at Hospice and visiting with Military Veterans under Hospice Care, and presenting them with a Veteran Appreciation Certificate which states "We pay special tribute to their military service to America and for advancing the universal hop of freedom and liberty to all". In addition to aforementioned Certificate, we present them with a lapel pin - a US Flag & another Flag with the words "Honored Veteran".

I'm also trying to put my photographic skills to good use, making postcards, trying to raise a little extra cash so I can visit my children. Without my wife, I am now very much alone.

I think that the actions of the Madoff Trustee & President of SIPC in changing the 1970 SIPA Law, for their own benefit, was beyond their legal authority. Nothing can give me back all that I worked so hard for and lost, but being denied the insurance protection that SIPC had promised has made our life so much harder. I'm pushing on, but years after this tragedy, it really saddens me that no one in Congress had yet been able to stop SIPC's illegal actions and force SIPC to do the right thing.

Mr. Chairman, I thank you for your time and everything you're trying to do to help me and my fellow victims who by themselves could never counter the power of SIPC and the SIPC Trustee.

Sincerely,

Neil Friedman