



*Network for Investor
Action and Protection*

April 25, 2011

Mr. Irving H. Picard
Baker Hostetler
45 Rockefeller Plaza – 11th Floor
New York, NY 10111

Dear Mr. Picard:

We have received many phone calls expressing concern regarding various aspects of the hardship claim process and are writing to seek information about the handling of these claims. As you know, the Madoff debacle continues to cause tremendous distress among thousands of victims and your assurances of compassionate treatment for those hardest hit is commendable.

We understand from your various press briefings that you have granted over 200 such requests to date, but it seems that a vast majority of those were claims that were submitted prior to the avoidance action. Many hardship claimants are in deep despair, some concerned about being evicted from assisted living facilities, not turning on the air conditioning or heat for fear that they will have literally nothing left to live on should hardship not be granted, or needing to subsist on food stamps. Some believe they have not received fair or proper treatment in their seeking of hardship status and others remain terrified of applying for hardship in fear of providing information that will be used against them or their loved ones. Some of the concerns that were voiced in a recent survey of our membership include:

- Many who filed hardship claims in December and January were surprised to receive their avoidance action, with no recognition of having submitted the application
- Lack of objective standards or guidelines for determination of hardship claims
- Onerous and often humiliating demands for additional documentation
- Lack of timely responses to telephone calls or other communications
- Lost or misplaced applications
- Unknowledgeable and unhelpful clerical staff manning the hotlines

We hear that some claims have been in the Baker and Hostetler office for months, with no resolution in sight. These issues lead many to question the real commitment of your offices to providing relief to those in greatest need. We urge you to redouble your efforts to:

- expedite the processing of hardship claims,
- insure that claimants and potential claimants are afforded a consistent and high level of compassion and customer service,
- create some accountability within your offices to insure a consistent and high level of service in the future.

Acknowledging the need for some degree of subjective evaluation regarding the “neediness” of applicants and appropriateness of hardship status, we also request that NIAP – and the victims -- be provided with more specific guidelines regarding hardship designations, so as best to manage expectations, minimize unnecessary data gathering, and provide encouragement for others.

I hope for both an expeditious response to these concerns, and implementation of appropriate improvements to help relieve some the tremendous distress of victims.

Most sincerely,

A handwritten signature in cursive script, appearing to read "Ronald Stein".

Ronald Stein, President