

## **Madoff Matters: Determining Fiduciary Responsibility is a Key to Recovering Claims When Investment Dealings Sour**

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Los Angeles ([PRWeb](http://PRWeb)) January 5, 2009 -- Bernie Madoff's name has become synonymous with being ripped off financially. But his huge Ponzi scheme is only the most famous example of fiduciary foul play in the news today. Thanks to Mr. Madoff's notoriety, BFD (Breach of Fiduciary Duty) may soon enter the American public's lexicon as a description for swindling investment clients. As events unfold in the Madoff matter, [www.fiduciaryexpert.com](http://www.fiduciaryexpert.com) has issued a summary report related to liability and potential recovery which can be viewed at [www.experts.com](http://www.experts.com).

This is information that can aid victims, their attorneys and CPAs in their efforts to recover funds and help others to avoid being wronged. In addition to victims, many other parties all along the investment chain can benefit from learning more about their responsibility and potential for recovery. Of particular note are feeder funds, introducing parties, board members or trustees of nonprofits and other eleemosynary organizations, advisers thereto, and any parties to insurance coverage(s); personal and or commercial. All of these are targets for recovery. Those who have been wronged, including in matters related to claims filed in or by Securities Class actions, FINRA Arbitration, ERISA, Trust and Estate, Charities, Schools and Hospitals, Foundations and Endowments, should consider consulting an expert like Chris McConnell before filing any recovery papers or responding to legal challenges.

McConnell's firm, Chris McConnell & Associates offers FiduciaryFORENSICS<sup>®</sup> and provides professional consulting on all matters related to fiduciary duty, performance, liability, damages, and recovery.

According to McConnell, "Attorneys and CPAs need to accurately understand issues and parse information pertaining to fiduciary duty. Not just for the Madoff scandal but for every client who is a trustee, fiduciary or beneficiary."

FiduciaryFORENSICS<sup>®</sup> measures the financial responsibility of all potential parties within the FiduciaryTheater<sup>™</sup> regarding fiduciary duty, performance, liability and damages and potential recovery of funds. Functional fiduciaries, in addition to named fiduciaries, warrant investigation and may have significant liability personal exposure. Connecting the concept of "fiduciary duty" to specific required, represented acts, omissions and or shortfalls portends liability and damages and recovery requires expert advice.

Potential Recovery Sources:

McConnell & Associates identify several sources for potentially recovering mis-invested funds in the Madoff

debacle and others like it:

- bankruptcy court-ordered Claw backs from investors
- Madoff-controlled entities' employees, agents
- Feeder funds
- introducing parties including Business managers, Attorneys and CPAs
- excess SIPC insurance coverage
- board members and trustees at certain nonprofits, foundations, endowments, hospitals, colleges and universities and 3rd party advisers thereto who may be personally liable
- any and all insurance coverage(s) maintained by same--whether personal or commercial

Red Flags, Due Diligence, Fraud & Recovery issues:

Here are areas of concern for all victims and investors who may need help identifying and analyzing:

1. SIPC and Excess SIPC coverage, if any
2. self-reported and custodied securities; proxy voting a small CPA firm
3. self-executed and reported trades; best execution, soft dollars
4. Account type - investment advisory, hedge fund and or discretionary brokerage account
5. performance attribution, quarterly monitoring, CPA audit firm
6. account agreements, customer statements, trade confirmations, year end 1099 statements
7. recovering taxes paid on "phantom" capital gains and income
8. tax Deductions may be available for loss of investment due to theft (in the year discovered)
9. regulatory filings triangulation - SEC and SRO (FINRA / NASD, NYSE) duties
10. offshore accounts - are they beyond the reach of US court jurisdiction
11. feeder funds - personnel, policies, procedures, ADV's, incentives, AIMR GPS standards
12. exposure for referring Attorneys, Business Managers, CPAs (see <http://www.fiduciaryexpert.com/page12.html>)
13. recovery for charities - are board members and advisers personally liable?

About Chris McConnell, AIFA®:

Chris McConnell received a BA, Economics/Accounting from Rutgers University in 1983, passed the CPA exam for New York State in 1986, and received an MBA from Pepperdine University in 1990. He received the AIFA® designation by the Center for Fiduciary Studies in 2003. With 25 years of combined experience in the securities industry and or as an expert witness, he is a recognized expert in his field.

For more information, visit [www.fiduciaryexpert.com](http://www.fiduciaryexpert.com) or email us by clicking on the link in the above right side bar.

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