

# BLB&G Files Class Action Suit Against Union Bancaire Privée and Related Entities for Investments with Bernard Madoff

May 14, 2009

BLB&G filed a class action lawsuit in the United States District Court for the Southern District of New York on behalf of a class of all persons and entities who purchased limited partnership interests in investment funds offered and managed by the Swiss bank Union Bancaire Privée (“UBP”) and certain of its subsidiaries and individual officers (collectively the “UBP Funds”).

The UBP Funds were heavily invested with Bernard L. Madoff Investment Securities LLC (“BMIS”), an investment advisory service founded by Bernard L. Madoff (“Madoff”), that Mr. Madoff has since admitted was a fraud and “basically a giant Ponzi scheme” with estimated losses around \$65 billion. Mr. Madoff pled guilty to 11 counts of fraud, money laundering, perjury and theft on March 13, 2009. UBP has announced that, through several fund of funds, the bank and its subsidiaries had invested and lost at least \$700 million of the Class’s capital invested with BMIS.

The action alleges that UBP breached its fiduciary duties by failing to perform adequate due diligence into the legitimacy of Mr. Madoff and BMIS and by failing to monitor the UBP Funds’ investments being managed by Mr. Madoff, despite serious concerns raised by other individuals and firms regarding Madoff’s operations, as well as explicit concerns raised by UBP’s own head of research. According to the Complaint, had the Defendants conducted a “reasonable” due diligence investigation, the UBP Funds would not have invested in Madoff and BMIS. As a result of this gross negligence, the UBP Funds’ investments have been wiped out, thereby damaging the Class.

The UBP Funds identified in the Complaint are:

- Selectinvest ARV LP
- Selectinvest ARV II
- Selectinvest ABF Ltd
- UBP Multi-Strategy Alpha Fund
- DINVEST – Total Return
- DINVEST – Concentrated Opportunities
- DINVEST – Select I
- DINVEST – Select II
- DINVEST – Select III
- DINVEST – Concentrated Opportunities III Equity
- TrendSquare

If you wish to discuss this action or have any questions, feel free to contact Partner Jerry Silk at [jerry@blbglaw.com](mailto:jerry@blbglaw.com).