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Madoff Victims' Lawyers Establish Global Alliance in Madrid

Brian Baxter/The American Lawyer
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While [Bernard Madoff](#) has the able counsel of [Ira Sorkin](#), the savvy [Dickstein Shapiro](#) litigator [recently profiled in *The New York Law Journal*](#), lawyers for many of the disgraced investment manager's alleged victims are in the process of organizing an international network to coordinate future legal actions.

On Feb. 17, the first such meeting of the "Global Law Firm Alliance" was held at the offices of leading Spanish firm [Cremades & Calvo-Sotelo](#) in Madrid (the photo above is of the participants at that meeting). The firm's founding partner and executive director, [Javier Cremades](#), was appointed president of the alliance. [McCarter & English](#) international practice group chair [Gaytri Kachroo](#) was named vice president.

The alliance also appointed a permanent secretariat sitting in Madrid in [Henning Wegener](#), a former German ambassador to the United Nations and current vice secretary of NATO.

[Cremades](#) said in a statement that the group was formed to "evaluate the scope of damage caused and to articulate the right to defense" of those defrauded through the Madoff scandal. [Cremades](#) said that the meeting of 34 law firms from more than 20 countries is thought to be among the first where an international response is sought to an alleged fraud with global implications.

"This is even more important in a case like [Madoff], as it escapes the traditional reach of national jurisdictions," said [Cremades](#), estimating that the group would try to serve more than 3 million Madoff victims.

[Kachroo](#) says she cannot recall a fraud of Madoff's magnitude ever having occurred as long as she's practiced law, so she feels it's natural to devise an appropriate international response to consider the various permutations of a Ponzi scheme that's [puzzled many with its complexity](#).

"This is obviously happening at a time where there are many other organizations -- both informal and formal -- that are coming up as technological and other means make it possible for us to have global coalitions," says [Kachroo](#), who did not attend the conference in person but spoke to [Cremades](#) by phone.

The alliance includes three Am Law 200 firms -- [Goodwin Procter](#), [McCarter & English](#), and [Sonnenschein Nath & Rosenthal](#) -- as well as plaintiffs firm [Labaton Sucharow](#). Firms that are part of the group represent banks, hedge funds, public institutions, and individuals.

[Cremades](#)'s firm became involved in the Madoff mess in late January when it [joined Labaton in a class action suit](#) filed against Spanish banking giant [Banco Santander](#) in U.S. district court in Miami.

[Santander](#) acknowledged that its clients had nearly \$3 billion in exposure via a bank fund that invested with Madoff. Subsequent to the class action filing, [Santander](#), represented by [Hunton & Williams](#) commercial litigation chief [Samuel Danon](#), offered a settlement to clients with Madoff losses [valued at roughly \\$1.8 billion](#). It remains the only Madoff-related settlement offer by a financial institution so far.

The New York Times reported on Thursday that [roughly 70 percent of Santander's clients have agreed](#) to the settlement. It's not known how many [Cremades](#) and [Labaton](#) clients have accepted the offer. (Lead [Labaton](#) partner [Javier Bleichmar](#), listed as a member of the Global Alliance, did not respond to a request for comment.)

The alliance hopes to serve as a "point-of-contact" for exchanging non-privileged information and expertise, says McCarter & English's Kachroo.

"There's going to be some sort of cooperation between folks as they're going forward to figure out appropriate strategies to deal with this," says Kachroo, who represents Boston-based financier Harry Markopoulos -- widely hailed as the [chief whistleblower in the Madoff matter](#). "While we're representing similar interests, we don't want to be acting in conflicting ways."

Kachroo also represents the [team that, with Markopoulos, spent 10 years investigating Madoff](#). The team includes senior research analyst Neil Chelo of Ocean Ridge, Fla.-based [Benchmark Financial Services](#), Frank Casey of London-based hedge fund [Fortune Asset Management](#), and former financial journalist Michael Ocran. (We [caught up Kachroo once before in early January](#), before Markopoulos testified before the House Committee on Financial Services.) As a result of the work, she says, she's forged relationships with congressional counsel and SEC Inspector General David Kotz.

"My input would come as co-counsel to hopefully many of these [Global Alliance] firms because of the inside knowledge that I have of the investigation," she says. In March, Kachroo will be in Washington, D.C., with Cremades, Wegener, and other members of the alliance for a gathering that will include meetings with federal officials like SEC chair Mary Schapiro.

Sonnenschein bankruptcy and restructuring partner Carole Neville also plans to be in D.C. that week.

"There are a lot of issues that have to be dealt with -- client confidentiality, privilege, and joint events," says Neville, whose firm is representing investors directly involved with Madoff's broker-dealer [Bernard L. Madoff Investment Securities](#).

Neville says she has no cases to file because the broker-dealer's trustee -- [Baker & Hostetler's Irving Picard](#) -- has the right to all causes of action. (Picard presided over the [first meeting of the broker-dealer's creditors](#) on Friday in Manhattan.) Still, she's grateful for the support of her colleagues abroad, especially in light of other evolving international scandals [like that at Stanford Financial](#).

"I think this Global Alliance is going to have more than one fraud to handle," she says.

The following is a list of lawyers and law firms that comprise the Madoff Global Alliance:

Argentina

Marcelo Gebhardt at [Aguirre Saravia & Gebhardt](#) in Buenos Aires.

Julián Martín Obiglio at [Estudio Borda](#) in Buenos Aires.

José Ignacio Vocos at [Vocos, Monfarrell, Casas, Castro & Associates](#) in Córdoba.

Austria

Gabriel Lansky at [Lansky, Ganzger & Partner](#) in Vienna.

Brazil

Renato Faria Brito at [Brito & Associates](#) in Sao Paulo.

Chile

Paulo Montt at [Ferrada Nehme](#) in Santiago.

Michael Grasty at [Grasty, Quintana, Majlis & Cia](#) in Santiago.

Ecuador

Javier Robalino at [Pérez Bustamante & Ponce](#) in Quito.

France

Yves Ardaillou at [Bersay & Associates](#) in Paris.

Michel Pitron at [Gide Loyrette Nouel](#) in Paris.

Daniel Kahn at [Kahn & Associates](#) in Paris.

Sophie Scemla at [Orrick Rambaud Martel](#) in Paris.

Germany

Eckhart Schleifenbaum at [Nörr Stiefenhofer Lutz](#) in Munich.

Walter Späth at [Rohde & Späth](#) in Berlin.

Israel

Gadi Ouzan at [Shibolet & Co.](#), in Tel Aviv.

Jeremy Benjamin at [Goldfarb, Levy, Eran, Meiri, Tzafrir & Co.](#), in Tel Aviv.

Solo practitioner [Jacob Sabo](#) in Tel Aviv.

Italy

Luca Pardo at [Coccia De Angelis & Associates](#) in Rome.

Velia Leone at [Studio Legale Leone & Associates](#) in Rome.

Lithuania

Mindaugas Vadapalas at [Eurolex](#) in Vilnius.

Luxembourg

Laurent Fessmann at [Noble & Scheidecker](#) in Luxembourg City.

Lex Thielen at [Thielen & Stroesser](#) in Luxembourg City.

Malta

Henri Mizzi at [Camilleri Preziosi](#) in Valletta.

Mexico

José Marín Meza Sánchez at [C&M Lawyers](#) in Mexico City.

Carlos Alberto Martínez at [IDN Consultoría de Negocios](#) (consulting firm) in Mexico City.

Luis Manuel Guadarrama Díaz at [Pontones, Guadarrama, Lopez Malo & Guerra](#) in Mexico City.

Ulrich Richter Morales at [Richter Ramírez & Associates](#) in Mexico City.

Netherlands

Fee von Maltzahn and Mijke Sinnighe Damsté at [Loyens & Loeff](#) in Amsterdam.

Jurjen Lemstra at [Pels Rijcken & Droogleever Fortuijn](#) in The Hague.

Panama

Jaime Ingram at [Mossack Fonseca & Co.](#), in Panama City.

Spain

Juan Manuel Díaz Guerrero at [Cremades & Calvo-Sotelo](#) in Bogotá, Colombia.

Juan Pablo Gallego at [Cremades & Calvo-Sotelo](#) in Buenos Aires, Argentina.

Luís Nobre Guedes and Hugo Ramos Alves at [Cremades & Calvo-Sotelo](#) in Lisbon, Portugal.

Javier Cremades at [Cremades & Calvo-Sotelo](#) in Madrid.

Switzerland

Daniel Fischer at [Fischer & Partner](#) in Zurich.

Jean-Marie Vulliemin at [Froriep Renggli](#) in Geneva and Madrid.

United Kingdom

Geoffrey Gauci at [Bristows](#) in London.

David Greene at [Edwin Coe](#) in London.

Patrick Giles at [Rawlings Giles](#) in London.

Nick Gibbons at [Speechlys Bircham](#) in London.

Uruguay

Agustín Etcheverry at [Blanco & Etcheverry](#) in Montevideo.

Andrés Mariño at [Di Bello - Reino](#) in Montevideo.

Joaquín Reyes at [Reyes Rius](#) in Montevideo.

Solo practitioner Arturo Caumont.

United States

Charles Grice and Michael O'Keefe at [CRI Compliance](#) (consulting firm) in New York.

Brenda Sharton at Goodwin Procter in Boston.

Thomas Hefferon and David Permut at Goodwin Procter in Washington, D.C.

Javier Bleichmar at Labaton Sucharow in New York.

Gaytri Kachroo at McCarter & English in Boston.

Carole Neville at Sonnenschein Nath & Rosenthal in New York.

This article first appeared on [The Am Law Daily](#) blog on [AmericanLawyer.com](#).