

**MADOFF INVESTOR ACTION FILED AGAINST CONNECTICUT BANK IN
PONZI SCHEME FOR \$60 MILLION IN LOSSES**

McCabe Rabin has teamed up with several firms to file a class action against Connecticut Community Bank, N.A., owner of Westport National Bank (“WNB”), on behalf of 26 retirement-account holders who lost \$60 million in their retirement accounts, arising out of the Ponzi scheme orchestrated by Bernard L. Madoff.

The lawsuit alleges that WNB pooled \$60 million in deposits in retirement accounts and allegedly forwarded them to Madoff for investment. Pursuant to their account agreements, WNB agreed to serve as custodian for all investments made by Madoff. The suit alleges that WNB failed to perform its custodial obligations, which would have required Madoff to deliver the securities he was purporting to purchase in the WNB accounts.

WNB’s agreements with the account holders were called “Custodian Agreements” and specifically provided (in paragraph 4) that “the Bank will maintain adequate records indicating the ownership by the Principal of investments with [Madoff] and held by the Bank as custodian.” (emphasis added). According to the suit, had WNB required delivery of the investments that Madoff was supposed to make for WNB’s account holders, Madoff would not have been able to perpetrate his Ponzi scheme on the class members because Madoff had no securities to deliver.

The lawsuit also asserts that WNB improperly charged account fees as if it were holding Madoff’s investments for the account holders. The lawsuit alleges that even though the WNB was never holding any assets, the Bank issued false account statements to its account holders that represented it was holding shares in non-existent investments entitled “BLM 1” and “BLM 2” and then charged substantial fees based on the claimed value of the non-existent shares.

The class action complaint was filed in Connecticut Superior Court in Stamford to recover \$60

million in lost retirement funds, plus millions of dollars in fees charged by WNB.