

Outline for FIRMA Speech – Nashville, April 2015

The Legacy of the Madoff Scandal

By

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- I. Madoff Challenged Our View of Ponzi Schemes
 - a. Global, not local
 - b. Durable, not short-lived
 - c. Modest promises, not sky-high returns
 - d. Appeals to investors’ fear, not to their greed
 - e. The basics remain: blind trust and a bank account

- II. Mr. Ponzi’s Bankers
 - a. The essential relationship between all Ponzi schemers and their banks
 - b. The role of banks in catching Ponzi schemes – or not!

- III. The Madoff Story and Its Lessons
 - a. Childhood influences
 - b. “Liar” versus “Failure”
 - c. A remarkable camouflage
 - d. A fatal charm
 - e. Madoff and his bankers

- IV. Beyond Mr. Madoff’s Bankers
 - a. The banking lapses in the Madoff case were not unique
 - b. A murky legal and regulatory landscape – in flux
 - c. The unchanging moral landscape and the public’s trust
 - d. Final lessons