

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 69492 / May 1, 2013**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3598 / May 1, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15089**

**In the Matter of**

**IRWIN LIPKIN,**

**Respondent.**

**ORDER MAKING FINDINGS AND  
IMPOSING REMEDIAL SANCTIONS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940**

**I.**

On November 9, 2012, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Irwin Lipkin (“Lipkin” or “Respondent”).

**II.**

In response to these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, as set forth below.

### III.

On the basis of this Order and the Respondent's Offer, the Commission finds that:

1. Lipkin, age 74, began working as the controller of Bernard L. Madoff Investment Securities LLC ("BMIS") in or around 1964, and became BMIS's Financial and Operations Principal in 1991. He retired from BMIS in or around 1998.

2. On November 8, 2012, Lipkin pled guilty to, among other things, one count of conspiracy (a) to commit securities fraud, (b) to falsify the books and records of a broker-dealer, (c) to falsify the books and records of an investment adviser, (d) to make false filings with the Commission, and (e) to falsify statements in relation to documents required by the Employee Retirement Income Security Act ("ERISA"); and one count of falsifying statements in relation to documents required by ERISA (the "Criminal Counts") before the United States District Court for the Southern District of New York, in United States v. Irwin Lipkin, 10 Cr. 228 (LTS). The cumulative maximum sentence for the Criminal Counts is 10 years imprisonment. As of the date of this Order, Lipkin has not been sentenced.

3. The counts of the criminal information to which Lipkin pled guilty alleged, inter alia, that at the instruction of BMIS' principal, Bernard Madoff, Lipkin made deceptive entries in BMIS' books and records to manipulate the firm's reported financial results. In particular, Lipkin made false entries in the firm's accounting records, including the general ledger, related sub-ledgers, and stock record. These false entries were reflected in FOCUS reports and annual financial statements that BMIS filed with the Commission and provided to various BMIS investors. The criminal information also alleged that Lipkin requested other BMIS employees to reflect fake trades in BMIS accounts belonging to Lipkin and his family members, including for the purpose of artificially reducing taxable gains. The criminal information further alleged that Lipkin arranged for "no show" jobs at BMIS, which allowed Lipkin and his wife to receive a salary and benefits that they were not entitled to receive, even after Lipkin retired from BMIS.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Irwin Lipkin's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent Irwin Lipkin be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy  
Secretary