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# Legal experts see wide fallout from Madoff case

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By Martha Graybow

NEW YORK (Reuters) - The arrest of investment manager Bernard Madoff on charges of running a \$50 billion "Ponzi scheme" may be only the beginning of the legal saga involving the Wall Street veteran.

Legal experts say the case, perhaps the biggest Wall Street fraud case ever, could widen as federal prosecutors and securities regulators comb through the books of Madoff's money management firm and investigate his trading activities.

Investors are also sure to seek civil lawsuits or other legal action to try to recover money they placed in Madoff's hedge fund, a process that could drag on for years. Lawyers who represent investors say they already have been getting calls from frantic Madoff clients.

Madoff was charged in a criminal complaint on Thursday with a sole count of securities fraud, a charge that carries up to 20 years in prison. He has been released on \$10 million bail.

The case "is in a very early stage," said Robert Giuffra, a partner at law firm Sullivan & Cromwell LLP who specializes in white-collar criminal defense.

"The obvious question that folks are going to have is who knew about this, and if there was a Ponzi scheme, how was it kept concealed for so long?"

Madoff has not yet been formally indicted by a grand jury in the case and has not yet responded to the fraud charge in court.

He could face additional charges if government investigators find more evidence against him, said attorney Charles Ross, another white-collar defense expert. He said investigators are surely examining the activities of others connected to the hedge fund as well.

"In a case of this magnitude, and with this much money, I would think they would be looking at everyone involved in the business," said Ross, of law firm Charles A. Ross & Associates.

Lawyers who represent investors say they have been busy trying to advise them since news broke of Madoff's arrest.

Attorney Ross Intelisano of law firm Rich & Intelisano LLP said he has spoken to three individual investors who were investors. Investors are also sure to seek civil lawsuits or other legal action to try to recover money they placed in Madoff's hedge fund, a process that could drag on for years. Lawyers who represent investors say they already have been getting calls from frantic Madoff clients.

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