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# Clawbacks eyed in mini-Madoff Philip Barry ponzi scam to recoup \$25M from duped investors

BY [Elizabeth Hays](#)

DAILY NEWS STAFF WRITER

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The claws are starting to come out in [Brooklyn](#)'s alleged \$40 million mini-Madoff scandal.

The bankruptcy trustee handling the case has launched an effort to "claw back" up to \$25 million from hundreds of small-time investors who placed money with [Bay Ridge](#) investment advisor and accused Ponzi-schemer Philip Barry in the past six years.

[Trustee Alan Nisselson](#), who is slated to present the effort in court today, insisted on Wednesday he will only demand money from investors who got back more in interest and other payouts than they put in.

But the move sparked outrage among some skeptics who charge that investors who lost their life savings could now be forced to hand back interest payments they received - and spent - in years past. For 30 years, [Barry](#) offered returns of 12% to 36%.

"It's revictimizing the victims," said investor attorney [Alan Pralgever](#), adding that many fleeced investors haven't saved adequate paperwork.

Nisselson scoffed at the idea.

"It is not our intention to seek relief from anyone who invested more money with Mr. Barry than they received," he said.

Nisselson acknowledged the so-called clawback letters will go out to every investor who received interest payments from Barry in the past six years, the statute of limitations under state law.

But, he said, investors who lost money overall will be able to send in proof that their payouts fall short of their investments. If they can't, Nisselson will sue to get the money back.

The largest sum paid out to an investor over that time is \$4 million, though Nisselson would not say how much that investor put in.

Barry was arrested on securities fraud last month and is out on \$500,000 bail.

Other attorneys on the case agreed with Nisselson's approach.

"I'm sure there are folks who have done quite well over the years, but their earnings came from newer victims' deposits," said one lawyer.

Investor Barbara Grebin, 68, who socked away \$50,000 with Barry since 1982 and took out \$32,000 in interest, said she no longer has the paperwork to prove how much she put in.

"If they want money from me I don't know where they're going to get it because I'm broke," said Grebin. "You can't get blood from a stone."

[ehays@nydailynews.com](mailto:ehays@nydailynews.com)

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