

Exhibit 3

C O N F I D E N T I A L

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
11-CV-03605(JSR)(HBP)

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IRVING H. PICARD, Trustee for
the Liquidation of Bernard L.
Madoff Investment Securities LLC,

Videotaped
Deposition of:

Plaintiff,

v.

DR. STEVE
POMERANTZ

SAUL B. KATZ, et al.,

Defendants.

-----x

TRANSCRIPT of testimony as taken by and before
NANCY C. BENDISH, Certified Court Reporter, RMR, CRR
and Notary Public of the States of New York and New
Jersey, at the offices of Davis, Polk & Wardwell,
450 Lexington Avenue, New York, New York on Sunday,
January 8, 2012, commencing at 9:27 a.m.

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1 knows.

2 Q. And the same would be true with
3 Mr. Wilpon; other than whatever went on with BLMIS,
4 you don't know that he has any other experience with
5 stock brokerage accounts?

6 A. Well, I mean, there's an affiliation
7 with Sterling Stamos, and there's certainly a lot of
8 knowledge that is presented to general partners of
9 an entity like that. So, there's plenty of
10 experience with those types of things.

11 Q. Do you know what Mr. Wilpon's
12 connection to Sterling Stamos was, other than being
13 named a general partner?

14 A. I believe he was a general partner.

15 Q. Right. Other than that?

16 A. Other than what Sterling Stamos
17 offers his contribution to be, I don't know.

18 Q. Do you know whether he ever attended
19 any of the investment management meetings at
20 Sterling Stamos?

21 A. I don't know.

22 Q. Do you know whether he ever purported
23 to pick investments at Sterling Stamos?

24 A. I don't know.

25 Q. How about Mr. Friedman, do you know

1 Q. You don't know whether in the United
2 States people are free to invest their own money as
3 they wish?

4 MR. KORNFELD: Object to form.

5 A. That's not what I'm saying. There's
6 a lot of information that is disclosed as part of
7 the investment management industry. There is a
8 prospectus, there are annual reports, there are
9 confirmations. If people were free to completely
10 ignore everything, then there would be no reason to
11 disclose any of this information. The reason it's
12 being disclosed is because it then imparts a
13 responsibility to an investor to understand and have
14 some basis for what's going on. You're not
15 completely free to ignore everything and -- and then
16 not have some legal consequence to it.

17 Q. And the opinions that you've rendered
18 in here are based upon the understanding that you've
19 just testified to?

20 MR. KORNFELD: Object to form.

21 A. That's not what I said.

22 Q. Well, are they?

23 A. No. I said that -- I've said that I
24 view these defendants as sophisticated investors,
25 for reasons that I cite, mainly that I see them as

1 having the indicia of sophisticated investors. And
2 I furthermore think that as a result of that
3 sophistication, there are expectations.

4 Q. Expectations by whom?

5 A. The court.

6 Q. So you think the law imposes an
7 expectation that investors will investigate their
8 investments?

9 MR. KORNFELD: Object to form.

10 A. That's not what I said. I said that
11 they have indicia of sophisticated investors and the
12 court will react to that as it sees fit.

13 Q. All right. Let's look at some of the
14 other things you say here.

15 You refer throughout your opinion to
16 "Sterling," and I think if we go back to page, page
17 7 of your report, the bottom line in the text. You
18 say, "similarly situated to Sterling Equities."

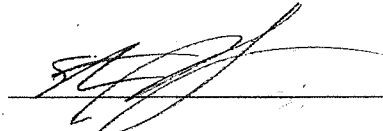
19 A. Yes.

20 Q. And then there's a parenthetical and
21 it says, quote, "Sterling," close quote; do you see
22 that?

23 A. Yes.

24 Q. So, I understand that you're adopting
25 the term "Sterling" to mean Sterling Equities; is

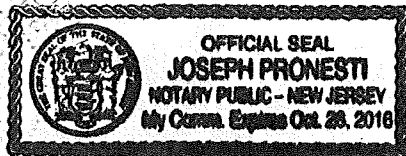
1 I, DR. STEVE POMERANTZ, have read the
2 foregoing deposition and hereby affix my signature
3 that same is true and correct, except as noted
4 above.


5 
6 DR. STEVE POMERANTZ

7
8 THE STATE OF New Jersey
9 COUNTY OF Mercer

10
11 Before me, Joseph Pronesti, on this day
12 personally appeared Steve Pomerantz, known to me
13 (or proved to me on the oath of or through
14 NT license
P633972300 03602 (description of identity card or other
15 document) to be the person whose name is subscribed
16 to the foregoing instrument and acknowledged to me
17 that he/she executed the same for the purpose and
18 consideration therein expressed.

19 Given under my hand and seal of office on this
20 3 day of Feb, 2012.



21
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23 NOTARY PUBLIC IN AND FOR
24 THE STATE OF New Jersey

25 My Commission Expires: Oct 26th 2016