

# EXHIBIT BB

**In The Matter Of:**

*SIPC v. BLMIS*

---

*PETER S. STAMOS*

*August 19, 2010*

---

*BENDISH REPORTING, INC.*

*271 Route 46W - Suite D204*

*Fairfield, New Jersey 07004*

*973.244.1911*

*business@bendish.com*

Original File 08-19-10 STAMOS.txt

Min-U-Script® with Word Index

## PETER S. STAMOS - August 19, 2010

04:24:11 1 I was referring to.

04:24:13 2 Q. Then you next write that no  
04:24:17 3 third-party administrator, et cetera. What did you  
04:24:20 4 mean by no third-party administrator?

04:24:23 5 A. I think I was conflating of something  
04:24:27 6 we had just learned the last week. I don't believe  
04:24:29 7 that the no third-party administrator was part of  
04:24:33 8 our operational due diligence at that time. I  
04:24:36 9 believe that that was one of the issues that we  
04:24:37 10 started to talk about in the context of what we just  
04:24:41 11 found out on Friday about the possibility that  
04:24:44 12 Gabriel had some of its capital in cash invested  
04:24:49 13 with Madoff.

04:24:49 14 Q. So the no third-party administrator  
04:24:52 15 issue was something you became aware of with respect  
04:24:55 16 to Madoff after the fraud?

04:24:57 17 A. With respect to all managers after  
04:25:01 18 the fraud and after the issue with Merkin.

04:25:06 19 Q. In the next sentence you go on to  
04:25:10 20 write: "Unfortunately, our partners, Saul and Fred,  
04:25:13 21 against our recommendations, invested as individuals  
04:25:17 22 and through their real estate firm." And there you  
04:25:20 23 use the word "recommendations." Now, what did you  
04:25:23 24 mean by that statement?

04:25:24 25 A. I was stretching it, because I know

## PETER S. STAMOS - August 19, 2010

04:25:26 1 what my recommendation was to them. My  
04:25:28 2 recommendation was to not put more than ten percent  
04:25:31 3 of their personal assets there, period.

04:25:34 4 Q. And is that the only recommendation  
04:25:36 5 that you're referring to in that email?

04:25:43 6 A. As I said, I think I was trying to  
04:25:45 7 separate myself from Madoff, so I was probably  
04:25:48 8 stretching it by marketing more. I didn't -- I  
04:25:51 9 don't recall ever recommending to Saul and Fred that  
04:25:54 10 they have no capital with Madoff, that they just not  
04:25:58 11 put more than 10 percent of their assets with  
04:26:00 12 Madoff.

04:26:01 13 Q. But that paragraph doesn't reference  
04:26:03 14 any single-manager risk issues --

04:26:06 15 A. No.

04:26:06 16 Q. -- or anything; you would agree with  
04:26:09 17 that, right?

04:26:09 18 A. Correct.

04:26:14 19 Q. If you go on to the third paragraph,  
04:26:23 20 you write: "We've been doing the same for your  
04:26:26 21 portfolio manager, my manager, looking for black  
04:26:29 22 boxes and administrative irregularities."

04:26:33 23 What do you mean by administrative  
04:26:35 24 irregularities?

04:26:38 25 A. All of the issues that are identified