

EXHIBIT CC

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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.

BASIL STAMOS, M.D.

SAUL B. KATZ, et al.,

Defendants.

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TRANSCRIPT of testimony as taken by and before
LESLIE ROCKWOOD, RPR, CSR No. 3462, at the offices
of Shearman & Sterling, Four Embarcadero, Suite 3800,
San Francisco, California, on Tuesday, January 3, 2012,
commencing at 9:30 a.m.

1 Q. And when you say that "we were solvent, that
2 we were doing well," who were you referring to?

3 A. The firm was doing well.

4 Q. The firm being Sterling Stamos?

5 A. Correct.

6 Q. When you said in the email -- well, actually,
7 do you recall writing this email after having reviewed
8 it?

9 A. I don't remember, no.

10 Q. Do you have any reason to doubt that you sent
11 this email?

12 A. I have -- sorry about that.

13 THE VIDEOGRAPHER: Can you just slide it up?
14 Thanks.

15 THE WITNESS: Better?

16 THE VIDEOGRAPHER: Thank you.

17 THE WITNESS: I have no reason to doubt.

18 Q. BY MS. GRIFFIN: When -- the date of the
19 email is December 13, 2008. Did you still have an email
20 address with Sterling Stamos?

21 A. Yes.

22 Q. When you wrote "to my brother's credit, Peter
23 made this call many years ago," what did you mean by
24 that?

25 A. I meant that he got us out of Sterling -- out

1 of Madoff Securities because of -- well, that he just got
2 us out of Madoff Securities, yes.

3 Q. And you say -- when you say "he got us out of
4 Madoff Securities, "who were you referring to, to be
5 clear?

6 A. My family and myself.

7 Q. And the reasons that he got you out were?

8 A. Because of the -- one, the lack of
9 transparency and lack of diversification.

10 Q. The press release that's copied below on
11 Trustee's 233 that says "Sterling Stamos Funds Not
12 Invested in Madoff Securities"?

13 A. Uh-huh.

14 Q. Do you know who drafted this press release?

15 A. No, I do not.

16 Q. Do you know whether or not Sterling Stamos
17 issued a press release in connection with the revelation
18 of Madoff's fraud?

19 A. Yes. I know this was released by Sterling
20 Stamos, but who in particular, I do not know.

21 Q. Do you know what the purpose of this press
22 release was?

23 A. Yes. I believe it was to correct the -- as I
24 said earlier, the erroneous information that -- confusing
25 Sterling Equities with Sterling Stamos.

1 A. I don't recall, and I haven't seen a response
2 here yet.

3 Q. Okay.

4 A. Okay.

5 Q. We can move on.

6 A. Okay.

7 Q. I'm going to show you what's been marked as
8 Trustee's 234. For the record, it's an email from
9 Basil Stamos sent Sunday, December 14, 2008 at 1:43 a.m.
10 It's Bates range SSMT00934640.

11 Mr. Stamos, have you had a chance to review
12 Trustee's 234?

13 A. If I can find it. Here it is, forgive me.
14 Okay.

15 Q. [REDACTED]

16 [REDACTED]

17 A. Uh-huh.

18 Q. [REDACTED]

19 Can you tell me, do you recognize those email
20 addresses?

21 A. Yes.

22 Q. And can you tell me who has those addresses?

23 A. These were two people I was working with in
24 Cambodia on a biodiesel project for healthcare clinics in
25 Cambodia.

1 Q. The email, do you recognize this email?

2 A. Again, just now having read it, but I don't
3 recall having sent it to them.

4 Q. Do you have any reason to doubt that you sent
5 it to them?

6 A. No.

7 Q. The email reads: Great news. Thanks, John
8 and Tim. In case you've been following the latest news
9 out of Wall Street, I wanted to share with you a recent
10 press release. Madoff Securities was just charged with
11 fraud, perhaps the biggest fraud in Wall Street history.
12 Fortunately, my brother Peter called it over seven years
13 ago. The man is good at what he does."

14 Again, can you tell me why you shared this
15 information with John and Tim?

16 A. Yes. For the same reasons with the other
17 philanthropic partners I had.

18 Q. Which were?

19 A. Which was to let them know that we were not
20 Sterling Equities, it was Sterling Stamos, and not to
21 confuse the two.

22 Q. And that was important to them because?

23 A. Because I'm a donor to this nonprofit.

24 Q. When it refers to -- when you wrote,
25 "Fortunately, my brother Peter called it over seven years

1 ago, "can you tell me what you're referring to there?

2 A. Yes. Again, it was the lack of
3 diversification that we -- I was not diversified. I had
4 all my funds in Bernie Madoff, and that it wasn't
5 transparent, and it was sort of a sigh of relief that I
6 was out.

7 Q. When you say "called it," what exactly do you
8 mean by that?

9 A. Exactly that.

10 Q. Called what?

11 A. That it was a way of saying that we should
12 get out of the fund.

13 Q. I'm going to show you what's Trustee's
14 Exhibit 235.

15 MS. BIEBER: Right here (indicating).

16 THE WITNESS: Thanks. Okay.

17 Q. BY MS. GRIFFIN: Have you had a chance to
18 review Trustee's Exhibit 235?

19 A. Yes.

20 Q. And it's an email from Basil Stamos sent
21 Sunday, December 14, 2008 at 1:56 a.m. to

22 [REDACTED]?

23 A. Uh-huh.

24 MS. GRIFFIN: And the Bates range for the
25 record is SSMT00934636.

1 Q. It's an email -- in the email -- well,
2 actually, do you recognize this email?

3 A. Yes.

4 Q. Do you recall sending it at or about the date
5 of the email?

6 A. I don't recall.

7 Q. Okay. Do you have any reason to doubt that
8 you drafted this email?

9 A. No.

10 Q. What is the -- do you know who has the email
11 address [REDACTED]?

12 A. Yes.

13 Q. And who is that?

14 A. His name as [REDACTED].

15 Q. And what is your relationship to [REDACTED]
16 [REDACTED]?

17 A. He was formerly with the [REDACTED] Foundation
18 and is now the executive -- I'm sorry, he's now the CEO
19 of [REDACTED], the same nonprofit that I
20 mentioned before. And at the time, I was trying to
21 recruit him to come to work for this nonprofit.

22 Am I correct, was -- yes, 2008, yes.

23 Q. When you say "this nonprofit," what --

24 A. [REDACTED] which was involved
25 with the hospital in Cambodia.

1 Q. In your email you wrote under -- it says:
2 "Done. See you at 6:30 on Wednesday. Just let me know
3 the name of the restaurant. Peace, Bas. P.S., in case
4 you've been following the news from Wall Street lately, I
5 thought you might like the following press release.
6 Peter made the call on this many years ago."

7 Why were you sending this email to [REDACTED]
8 [REDACTED]?

9 A. For the same reasons of the previous two
10 emails.

11 Q. And just for the record to be clear.

12 A. Right. That I had -- that we had -- were
13 able to withdraw our funds and the timing seems -- when
14 did I say it? Yeah, he made this call. That we've
15 withdrawn our funds because of the lack of
16 diversification and transparency.

17 Q. When you say you've withdrawn the funds, that
18 means your family had withdrawn its funds --

19 A. Yes.

20 Q. -- from Madoff?

21 A. Yes.

22 Q. Why did you think he might like the following
23 press release? It's what you wrote there, actually.

24 A. Right.

25 Q. Do you know why you wrote that?

1 A. Right. I was actively trying to recruit him
2 to work for this nonprofit. And for the same reasons
3 that I mentioned in the other emails, I didn't want
4 people to confuse Sterling Stamos with the Sterling
5 Equities.

6 Q. Why is that? If this is not for profit, is
7 it connected to Sterling?

8 A. Yes.

9 Q. And how is that?

10 A. We had been major, major donors, both
11 individually and as a firm, and I was on the board of
12 this nonprofit.

13 Q. Okay. How is it, the fact that Peter made
14 the call on this many years ago, reflected on the
15 solvency of Sterling Stamos? Did it?

16 MR. DITCHFIELD: Objection.

17 MS. BIEBER: Objection.

18 You can answer.

19 Q. BY MS. GRIFFIN: What was the reason you
20 wrote "Peter made the call on this many years ago"?

21 A. Like I said, I wanted to -- first of all, I
22 was proud of my brother for having gotten me and my
23 family out of Bernie Madoff, and again, I didn't want any
24 of my philanthropic partners to confuse us with Sterling
25 Equities and the apparent amount of money that they had

1 lost. I didn't want people to think that Sterling Stamos
2 had lost all of this money.

3 Q. Okay. Could you take a look at Trustee's
4 236.

5 A. Thank you. Yes.

6 Q. You've had a chance to review Trustee's 236?

7 A. Yes.

8 MS. GRIFFIN: [REDACTED]

9 [REDACTED]

10 [REDACTED] [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED]

12 Q. Do you recognize Trustee's 236?

13 A. I don't -- I mean, I don't -- again, I
14 recognize these people and I recognize the email, and I
15 do recall having sent this one.

16 Q. You do?

17 A. Yes.

18 Q. Okay. Can you tell me who [REDACTED] is?

19 A. Yes. His name is Dr. [REDACTED].

20 Q. Okay. And what is your relationship to
21 [REDACTED]?

22 A. We were donors, major donors to his
23 organization called [REDACTED].

24 Q. And who is [REDACTED]?

25 A. She's the CEO of [REDACTED].

1 Q. And in the email you wrote: "Dear [REDACTED]
2 [REDACTED], I wanted to share with you a recent press
3 release concerning the massive Madoff Securities, a
4 tilde, 50 billion scandal. In case you hadn't heard,
5 this is probably the greatest case of fraud in the
6 history of Wall Street. Fortunately, Peter made the
7 correct call many years ago and Sterling Stamos is
8 totally in the clear."

9 [REDACTED]
10 [REDACTED]?

11 A. Again, for the same reasons. These were
12 major philanthropic partners, and I wanted them to know
13 that Sterling Stamos was not Sterling Equities, which had
14 been released -- or not released, it had been in the
15 press before this press release came out.

16 Q. Was Sterling -- was Sterling Stamos involved
17 in all of these not-for-profits that we've been
18 discussing in Trustee's 232 through 243?

19 A. Yes. We were donors.

20 Q. Donors. When you wrote "fortunately Peter
21 made the correct call many years ago and Sterling Stamos
22 is totally in the clear," for the record, what did you
23 mean by that?

24 MS. BIEBER: Objection.

25 You can answer again.

1 THE WITNESS: That it was -- in my mind, it
2 was because we had withdrawn our funding from Madoff
3 Securities as a family.

4 Q. BY MS. GRIFFIN: That's what you meant by
5 "correct call"?

6 A. Yes.

7 Q. And when you say "Sterling Stamos is totally
8 in the clear," what did you mean by that?

9 A. That Sterling Stamos is not Sterling Equities
10 as had been in the press.

11 Q. And that was important -- again, why was that
12 important?

13 A. They were --

14 MS. BIEBER: Objection.

15 You can answer again.

16 MS. GRIFFIN: To be clear on the record, we
17 are talking about a different exhibit altogether.

18 MS. BIEBER: He's saying the answers are the
19 same so there's no reason for him to reiterate what the
20 answers are each time when he's told you they're the
21 same.

22 MS. GRIFFIN: You can answer.

23 THE WITNESS: Those are the same reasons why
24 I had sent the emails to other philanthropic partners.
25 These were major philanthropic partners.