

EXHIBIT FF

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

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
ADV. PRO. NO. 08-01789 (BRL)

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Videotaped

Plaintiff-Applicant,
v.

Rule 2004
Examination of:

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,
Defendant.

SAUL B. KATZ

-----X

In Re:

BERNARD L. MADOFF,

Debtor.

-----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 Baker & Hostetler, 45
Rockefeller Plaza, New York, New York on Wednesday,
August 4, 2010, commencing at 10:04 a.m.

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1 Q. Is it your testimony that the
2 discussions -- first of all, you never discussed it
3 with Ruth, correct?

4 A. Absolutely not.

5 Q. I asked that in a bad way.

6 A. I've never discussed any business
7 with Ruth, including anything in that document.

8 Q. The discussions that you had with
9 Bernie about the \$54 million, why don't you tell me
10 what that was. Tell me what the discussion was.

11 A. Let me put it in context. The
12 control of our media, of our content, is an
13 exceedingly valuable asset. Because of the document
14 that we got signed with Cablevision earlier, we had
15 a 30-day window to buy back that content. If we
16 didn't, Cablevision would own that content -- when I
17 say own it, they'd have control of it, they'd have
18 to pay us for it but they'd have control of the
19 content not only for the next ten years but because
20 of the way that thing read, forever. It was a
21 continuing, potentially forever. So we had a 30-day
22 window to buy that content back. We were able to
23 start a network once we got the content, which we
24 did, which is SNY.

25 We made a deal with the banks, two

1 banks to lend us each \$27 million for the \$54
2 million. We were satisfied that the two banks were
3 going to deliver the money. Because the content was
4 very valuable, worth substantially more than the \$54
5 million.

6 Banks being what banks are were
7 crossing the T's and dotting the I's, and we were
8 running out of time and we could not take the chance
9 that there would be a blip. Because if we didn't
10 pay by May 31st, we'd lose that opportunity, a
11 one-time opportunity, 30 days.

12 So I remember being in a car with
13 Fred, Marvin and we were coming into the City and we
14 were trying to figure out what to do. I said, we
15 just can't wait any longer. Let's call Bernie,
16 close one of our accounts or two of our accounts or
17 whatever it takes and get us \$54 million, even if
18 it's in the middle of a cycle.

19 So we called Bernie, told Bernie
20 where we were and he says, why break it, I'll wire
21 you \$54 million and either you'll pay me back in a
22 couple of days when you get the money from the bank
23 or at the end of the cycle on June 30th, when we
24 unwind whatever we have to unwind, you'll pay me
25 back the money.

1 We thanked him profusely, hung up the
2 phone. I never talked to him about it again. That
3 was the extent of the conversation we had with
4 Bernie. Never talked to Ruth.

5 The money came the next day.

6 Q. Bernie's money?

7 A. Bernie's money came the next day.
8 The same day the bank put the money in the bank.
9 The banker called me and said, what is going on
10 here, I got \$54 million just came into the account
11 and I just put 54 million in. I said, the deal
12 closed? Yes. We got our money? Yes. Okay, send
13 Bernie back his money, and we shipped Bernie back
14 his money the next day.

15 Q. Who did you give that instruction to?

16 A. The bank.

17 Q. You gave it directly to the bank?

18 A. Whether some pieces of paper had to
19 be sent to them, wire instructions, I don't know,
20 but the conversation took place between me and the
21 banker that the thing was completed. Because this
22 was very important that I was on top of closing that
23 deal to make sure we got the money in the bank to
24 send to Cablevision.

25 Q. Do you recall who the banker was that

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Rule 2004 Examination of Saul Katz
EXHIBIT A
REDACTED

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EXHIBIT A
REDACTED

REDACTED

198	13	Fred, Marvin and we were coming into the City and we	Fred and Marvin, and we were coming into the City and we	Grammatical error
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SIPC v. BLMIS No. 08-01789-BR:
Rule 2004 Examination of Saul Katz

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