

Exhibit 2

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.	FRED WILPON
SAUL B. KATZ, et al.,	
Defendants.	

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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 Tuesday,
 January 10, 2012, commencing at 9:28 a.m.

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A P P E A R A N C E S:

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ALSO PRESENT:

GREGORY P. NERO, ESQ., Sterling Equities
DANIEL McCLUTCHY, Videographer

1 about it. In '85 we decided to make some
2 investments with the individuals, partners made some
3 investments with Madoff. And as time went on it was
4 a constant kind of thing, that we were constantly
5 hearing, thinking, you know, observing how Bernie
6 Madoff performed, how others performed, and so it
7 was -- it was a sort of, if I may use, it was a
8 motion picture, you know, in terms of a learning
9 process.

10 Q. Right.

11 A. And there was a time when, I don't
12 know the year, but the stock market went down
13 significantly. And it was, Bernie Madoff was -- his
14 investments came through that. There was a time
15 when some Florida investors were sanctioned or
16 something by the SEC. Ike Sorkin was one of the
17 lawyers at Squadron at the time, he was the
18 former -- I think he was the former head of the SEC
19 in New York. Something -- someone we knew.

20 And I remember being at their offices
21 that day and describing what happened, that the SEC
22 came and -- and did an analysis of that particular
23 situation. I don't know how far they went, but that
24 particular situation. And they sanctioned the two
25 people in Florida, and they said that the Madoff

1 said something, he used some words, clean bill of
2 health or something like that, with respect to that.
3 And I remember that the newspapers reported and --
4 that they had sent the money back.

5 Q. Okay.

6 A. That Bernie Madoff had sent the money
7 back.

8 Q. Using that as a point in time,
9 whether it's '92 or some other year, using that as a
10 point in time, did there come a time after that when
11 you became aware of any other SEC investigation of
12 Mr. Madoff?

13 A. Now, I'm -- I would answer yes, but
14 I'm going to give you a qualification, that I'm not
15 sure I remember when -- when I knew of this versus
16 what I've read afterwards. Because there's so much
17 publicity that's been about this. But I did know
18 that Madoff was, I thought the word "regularly,"
19 maybe regularly like everybody else, but regularly
20 was -- was, I'm going to use the word "monitored," I
21 don't know if that's the right word, by the -- by
22 certain regulatory bodies, like NASDAQ or the SEC or
23 other government agencies.

24 Q. When you said that -- is that an
25 assumption on your part, that that happened on a

1 regular basis?

2 A. That was my assumption.

3 Q. Did you have any personal knowledge
4 that investigations by the SEC were taking place
5 after the one that you testified to here earlier
6 today?

7 A. My recollection is that -- that I was
8 told that. I can't tell you who told me, but I was
9 told that a number of times, that -- that Bernie
10 Madoff was cleared with the SEC.

11 Q. Do you -- you have no recollection of
12 who that was that told you that?

13 A. I know Ike Sorkin said it that one
14 time. I don't remember who else.

15 Q. Okay. Do you remember when that
16 would have transpired that somebody told you that?

17 A. I really don't.

18 Q. Okay. The -- we talked a little bit
19 earlier today, still in the context of the SEC,
20 about Mr. Madoff registering as an investment
21 adviser. Do you recall that?

22 A. Yes.

23 Q. All right. Do you recall whether or
24 not he registered because the SEC made him register?

25 A. My recollection is that -- that there