

EXHIBIT J

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

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,
v.

Rule 2004
Examination of:

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,
Defendant.

ASHOK CHACHRA

-----x
In Re:

BERNARD L. MADOFF,

Debtor.
-----x

TRANSCRIPT of testimony as taken by and before
MONIQUE VOUTHOURIS, Certified Court Reporter, RPR,
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 Friday,
October 8, 2010, commencing at 10:16 a.m.

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1 compliance was whatever you share with one investor,
2 you have to be willing to share it with everyone.

3 Q. Whether they are a GP or LP?

4 A. Yeah, exactly, and also because every
5 GP was an LP and it could be misinterpreted, so we
6 pretty much tried not to share anything.

7 Q. Other than what's in this document?

8 A. Yeah. But whatever we sent out,
9 especially after registration, was don't try -- try
10 not to share a lot of details unless you want to
11 share with every single limited partner.

12 Q. So that, just so I understand, that
13 rule, if you call it, that was implemented
14 post-registration as an investment advisor?

15 A. I think it became more explicit
16 post-registration.

17 Q. Because of compliance reasons?

18 A. Because of compliance reasons.

19 Q. Okay. If you can turn to page 23,
20 which ends in Bates number 050, this page identifies
21 the senior investment team, and at that time in
22 February 2005 who did you understand to be the
23 senior investment team for Sterling Stamos?

24 A. I mean, day-to-day it was --
25 day-to-day was Peter and myself.

1 Q. I see that you both are listed here
2 and then Ellen Horing is listed as well.

3 A. Yeah.

4 Q. What was her role?

5 A. We wanted her to be full-time. She
6 was a -- you know, she was very experienced in the
7 business. She just couldn't do it because she had
8 three children, and so she would spend like a day a
9 week, with me more than with Peter.

10 Q. In terms of dealing with making
11 investment decisions for the funds or --

12 A. Yeah. We just talked through what's
13 going on in the portfolio, what's happening in
14 markets.

15 Q. And then I see that Saul Katz is
16 listed there as part of the senior investment team.

17 A. Yeah.

18 Q. What was Saul Katz's role at that
19 time prior to registration in February of 2005?

20 A. His role was really to work with
21 Peter on the business, like helping introduce Peter
22 to potential clients.

23 Q. In terms of -- so getting funding --

24 A. That was principally my
25 understanding. I mean, that's where I -- whenever,

1 you know -- you know, Peter would say Saul
2 introduced me to, you know, whoever, and that person
3 became a limited partner.

4 Q. Okay. In addition to introducing
5 Peter Stamos to potential investors and limited
6 partners, did Mr. Katz play any role in selecting
7 fund managers do you recall?

8 A. No.

9 Q. Not to your recollection or you know
10 that he did not?

11 A. I don't believe he played a role.

12 Q. Okay. So, to your recollection, he
13 didn't play any role in deciding which funds to
14 invest in?

15 A. No. He didn't actually know many of
16 the fund managers.

17 Q. Okay. With respect to David Katz,
18 he's listed here as a senior investment team member.
19 What was his role at that time prior to
20 registration?

21 A. Saul's son. There was no role. He
22 attended one -- after Noreen left, he attended one
23 fund manager interview with me.

24 Q. Okay.

25 A. He happened to be in the city that

1 day and I was going to a meeting, and he said can I
2 come along and I said sure.

3 Q. So other than that one fund manager
4 meeting, you don't recall any other --

5 A. No.

6 Q. -- investment-related meetings that
7 Mr. David Katz attended?

8 A. He attended, no.

9 Q. Why -- you didn't draft this, but why
10 would Saul Katz and David Katz be identified as part
11 of the senior investment team if to your
12 recollection they didn't play much of a role in the
13 investment portion of the business? I'm just
14 confused by the document, that's all.

15 A. I'm confused as well.

16 Q. Now, David Katz you mentioned had
17 managed a fund, an account.

18 MS. BIEBER: Object. But you can
19 answer.

20 A. I don't think I --

21 Q. Not a fund. You identified it as
22 some sort of an account.

23 A. It was like a brokerage account.

24 Q. So other than that management of that
25 account and the one meeting with the fund manager,

1 those are the only two instances that you know that
2 David Katz was involved in any way with the
3 investments of Sterling Stamos?

4 MS. BIEBER: I object. You can
5 answer.

6 Q. You can answer.

7 A. I said he was not involved --

8 Q. Well, he managed an account. Right?

9 A. He was like -- he managed -- it was
10 like his broker -- it was his brokerage account.

11 Q. It wasn't for the --

12 A. I don't know who it was for. It was
13 a brokerage account. And he attended this one fund
14 manager meeting with me, that was it. That was his
15 only involvement with me on this topic. We would
16 talk about the Mets and the World Series in '86.
17 But on investing that was the only interaction that
18 we had.

19 Q. That you had?

20 A. That I can remember.

21 Q. If you turn to page 25, it lists --
22 ends at Bates 52, it has other investment
23 professionals, and it lists Fred Wilpon. What does
24 it mean -- what does other investment professionals
25 mean to you?

1 A. I don't know.

2 Q. Do you know why Fred Wilpon would be
3 listed as another investment professional?

4 A. No.

5 Q. Do you know what role, if any, Fred
6 Wilpon had in any of the Sterling Stamos'
7 investments?

8 A. I don't believe Fred Wilpon or Saul
9 Katz or David Katz had anything to do with the
10 investments of Sterling Stamos.

11 Q. So with respect to Saul Katz, the
12 only thing that you recall was helping Peter bring
13 in clients?

14 A. Yes.

15 MR. BOHORQUEZ: Okay. Can I get tab
16 7. Okay. If you can mark that as Exhibit 4,
17 please.

18 (Exhibit Chachra-4 marked for
19 identification.)

20 Q. I've handed you, Mr. Chachra, a short
21 two-page document. And why are you laughing?

22 A. I've never seen this document.

23 Q. That was going to be my first
24 question. So you've never seen this document. Is
25 this document another marketing document?

1 Q. Okay. Who is DeMarche Associates?

2 A. I don't know.

3 Q. Have you ever seen this document
4 before?

5 A. No.

6 Q. Have you ever seen a document -- this
7 is a hedge fund manager questionnaire. Have you
8 ever seen documents similar to Exhibit 5?

9 A. I've seen a hedge fund due diligence
10 questionnaire before, yes.

11 Q. And in connection with completing
12 hedge fund due diligence questionnaires, are you --
13 have you been consulted in completion of those
14 questionnaires in the past?

15 A. During my time at Sterling Stamos, I
16 mean, if there was a question that someone was
17 having trouble answering as it relates to the
18 investments or the portfolio, they may have asked me
19 a question.

20 Q. When you say "they," who are you
21 referring to?

22 A. Whoever was preparing.

23 Q. And was there a particular team at
24 Sterling Stamos who prepared --

25 A. It was the team that worked for Kevin

1 Okimoto.

2 Q. So Kevin Okimoto was the head of the
3 team that completed hedge fund questionnaires?

4 A. Yes.

5 Q. If you can turn to page 2 of the
6 document, which ends in Bates 408, item number 9,
7 among other things, asks who are the key people in
8 your organization, and if you turn to the next page,
9 page 3 ending in 409, you see it has listed
10 Mr. Stamos, yourself, and then Saul Katz and then
11 the next page David Katz.

12 Would you have considered Saul Katz
13 and David Katz as key people in Sterling Stamos at
14 that time in February of '05?

15 A. What would you define as a key
16 person?

17 Q. Well, let me ask you what is your
18 understanding of who a key person would be?

19 A. If a key person is defined as someone
20 who had a significant amount of capital at risk,
21 Saul Katz had a significant amount of capital at
22 risk.

23 Q. Why don't we look at -- go to -- back
24 to number 9, item number 9, that's on page 2, after
25 it asks who are the key people in your organization,

1 the next paragraph, the last sentence says, "Shown
2 below are the names and backgrounds of the primary
3 portfolio decision-makers for Sterling Stamos," and
4 then listed there, again, are you, Mr. Stamos and
5 Saul Katz and David Katz.

6 Is that an accurate statement, that
7 at that time Saul Katz and David Katz were the
8 primary portfolio decision-makers for Sterling
9 Stamos?

10 A. There was only one decision-maker.
11 It's an inaccurate statement.

12 Q. So it's an inaccurate statement?

13 A. Yes.

14 Q. So at that time who was the primary
15 portfolio decision-maker?

16 A. There was only ever one
17 decision-maker and it was Peter Stamos. Ever, I
18 mean in the entire time that I was at Sterling
19 Stamos it was only Peter.

20 Q. So your understanding is that this
21 document is inaccurate then?

22 A. My understanding this document is
23 inaccurate.

24 Q. And do you know who drafted this
25 document or filled it out?

1 A. No.

2 Q. Based on the fact that it's a hedge
3 fund manager questionnaire, do you think it was
4 Kevin Okimoto or part of his team?

5 A. I don't know who drafted it.

6 Q. On page 3 where it has listed Saul
7 Katz, it says, "Mr. Katz is a general partner of
8 Sterling Stamos and is actively involved in the
9 investment decisions as well as the management of
10 Sterling Stamos." Do you think that is an accurate
11 statement?

12 A. He was a member -- it's half
13 accurate. He was a member of the general
14 partnership, but from my -- I'm not attesting to be
15 a lawyer to understand how the corporate structure
16 worked. He owned half the company was my
17 understanding, but he was not -- he didn't interact
18 with me on the investment decisions, so I view that
19 as an inaccurate statement. He may have interacted
20 with Peter, and that he may have talked to Peter
21 about.

22 Q. To your understanding he was not
23 actively involved in the investment decisions?

24 A. My understanding he was not involved
25 at all in the investment decision-making. As it

1 relates to introducing clients and/or the revenue
2 and profits of the business, my understanding he was
3 involved.

4 Q. And with respect to -- we talked
5 about introducing clients to the business. With
6 respect to the revenue and profits of the business,
7 what was his role in that --

8 A. I think he advised Peter on when
9 Peter wanted to open up an office in California and
10 we were going to spend money, my understanding he
11 consulted Saul. If we were going to make -- you
12 know, we were going to open up our own office when
13 we moved from 575 Fifth to 455 Park, he consulted
14 Saul. We were spending the firm's money.

15 Q. Anything else that you recall? If
16 you can go to the next page which ends in 410, you
17 see under David Katz it says the same thing, David
18 Katz "is actively involved in the investment
19 decisions, as well as the management of Sterling
20 Stamos." Do you consider that to be inaccurate as
21 well?

22 A. Yes.

23 MR. BOHORQUEZ: Why don't we take a
24 break there because it's pushing 1:30, and to try to
25 accommodate you, Mr. Chachra, let's take a 15-minute