

Exhibit 5

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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)

-----x
SECURITIES INVESTOR PROTECTION
CORPORATION,

Videotaped

Plaintiff-Applicant,

Rule 2004
Examination of:

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

DAVID KATZ

(Volume I)

Defendant.

-----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 Tuesday,
August 31, 2010, commencing at 10:10 a.m.

BENDISH REPORTING, INC.
Litigation Support Services
877.404.2193
www.bendish.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

BAKER & HOSTETLER LLP
45 Rockefeller Plaza
New York, New York 10111
BY: KATHRYN M. ZUNNO, ESQ.
AMANDA E. FEIN, ESQ.
FERNANDO A. BOHORQUEZ, ESQ.
For Irving Picard, Trustee

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, NY 10017
BY: DANA M. SESHENS, ESQ.
KAREN E. WAGNER, ESQ.
For Sterling Equities, certain
affiliated entities, and the Witness

ALSO PRESENT:

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

1 A. We don't talk.

2 Q. You don't talk?

3 A. No.

4 Q. But Sterling is still invested in
5 Sterling Stamos, right?

6 A. Correct.

7 Q. Is there a reason you don't talk?

8 A. Our visions of the world kind of
9 diverged.

10 Q. Okay. What do you mean by that?

11 A. He looks at things differently. We
12 still want a smaller office. We want what we
13 originally wanted.

14 Q. Was there a particular point in time
15 when Sterling Stamos became something other than a
16 family office?

17 A. Yeah, when they started taking other
18 people's money in more size than just big families,
19 you know what I'm saying.

20 Q. Okay. And do you recall when that
21 happened?

22 A. No.

23 Q. Was it prior to Merrill Lynch's
24 involvement in Sterling Stamos?

25 A. Yes.