

EXHIBIT Y

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.

FRED WILPON

-----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,
July 20, 2010, commencing at 10:04 a.m.

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8 For Irving Picard, Trustee

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17 DAVIS POLK & WARDWELL LLP
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19 New York, NY 10017
20 BY: DANA M. SESHENS, ESQ.
21 KAREN E. WAGNER, ESQ.
22 For Sterling Equities, certain
23 affiliated entities, and the Witness

24

25 ALSO PRESENT:

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

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1 Q. Did Mr. Stamos ever express concern
2 that Madoff lacked transparency?

3 A. Not that I know of.

4 Q. What do you understand that concept
5 to be, the lack of transparency, what's your
6 understanding of that?

7 A. That if someone said they were going
8 to invest in widgets, and they invested in widgets,
9 that was what they were supposed to do. But then
10 all of a sudden they invested in widgets and water,
11 or something else, they were going out of their
12 strategy, that the people at Sterling Stamos would
13 object to that, because they only wanted to invest
14 with them if this was their strategy.

15 Q. So your understanding of the lack of
16 transparency concept is when a fund diverts from the
17 initial strategy?

18 A. (Witness nods.)

19 MS. SESHENS: That was a yes,
20 correct? You nodded.

21 THE WITNESS: Do I have to answer
22 you?

23 MS. SESHENS: Yes.

24 A. Yes.

25 MR. BOHORQUEZ: All right. Why don't

1 Q. Was the issue of Madoff's lack of
2 transparency ever discussed amongst the Sterling
3 partners at any time?

4 A. I don't know if he had a lack of
5 transparency.

6 Q. Pardon me?

7 A. I'm not sure he had a lack of
8 transparency.

9 Q. That's what I'm asking you. If it
10 was ever discussed that Madoff may have a lack of
11 transparency?

12 A. No.

13 Q. When Peter Stamos raised the issue of
14 Bayou having a lack of transparency, did anyone
15 within the Sterling organization decide to
16 investigate as to whether Madoff, as well, had a
17 lack of transparency?

18 A. I think I testified that what I meant
19 by Stamos, in terms of his determination of lack of
20 transparency is that he -- if he believed that there
21 was a strategy that was going to be successful and
22 he invested in that fund of funds, that was
23 transparency to him. He'd be able to see they were
24 investing in that strategy. But if they changed the
25 strategy and veered from that strategy, then he was

1 not happy about that.

2 As far as I know, Bernie never
3 changed his strategy one iota from all the time we
4 were investors.

5 Q. So to be clear, it's your
6 understanding that Madoff's investment strategy was
7 consistent for the entire time that you were
8 invested with him?

9 A. That's my understanding.

10 Q. Have you ever heard of the term
11 "front-running"?

12 A. Only...

13 Q. I don't want to get into any
14 discussions you've had with counsel about that.

15 A. Only of late.

16 Q. Only with what?

17 A. Only of late.

18 Q. In connection with the preparation
19 for your deposition?

20 A. Correct.

21 Q. Prior to preparation for your
22 deposition, have you had any discussion -- did you
23 have any discussions with the partners concerning
24 the general concept of front-running?

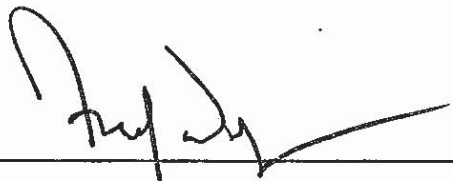
25 A. No. Not that I can recall.

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JURAT

I, FRED WILPON, do hereby certify that I have read the foregoing transcript of my testimony taken on July 20, 2010 and have signed it subject to the following changes:

PAGE	LINE	CORRECTION
SEE ATTACHED	EXHIBIT A	



FRED WILPON

Sworn and subscribed to before me on this day of 13th day of October, 2010

NOTARY PUBLIC: 

URSULA M. MIKA
NOTARY PUBLIC, STATE OF NEW YORK
No. 01MI6216250
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JANUARY 11, 2014