Exhibit 33

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CONFIDENTIAL 1 2 UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK ADV. PRO. NO. 08-01789 (BRL) 3 4 -----X 5 SECURITIES INVESTOR PROTECTION Videotaped CORPORATION, б Plaintiff-Applicant, Rule 2004 7 Examination of: v. 8 BERNARD L. MADOFF INVESTMENT FRED WILPON SECURITIES, LLC, 9 Defendant. -----x 10 In Re: 11 BERNARD L. MADOFF, 12 Debtor. -----x 13 14 15 TRANSCRIPT of testimony as taken by and before 16 NANCY C. BENDISH, Certified Court Reporter, RMR, CRR 17 and Notary Public of the States of New York and New Jersey, at the offices of Baker & Hostetler, 45 18 19 Rockefeller Plaza, New York, New York on Tuesday, 20 July 20, 2010, commencing at 10:04 a.m. 21 22 23 BENDISH REPORTING, INC. 24 Litigation Support Services 877.404.2193 25 www.bendish.com

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1	talking about the same thing. Do you mean legally	10:43:42	1	investment I wasn't alone. Several of us made,	10:46:40
2	created or the decision is made to form an entity?	10:43:44	2	or maybe all of us made an investment in, starting	10:46:44
3	MR. BOHORQUEZ: Well, let's back up.	10:43:48	3	in, you said '85, it could be. And subsequent to	10:46:50
4	Q. What do you understand me to be	10:43:50	4	that we had periodic conversations with him about	10:46:59
5	asking when I'm asking you, when an entity is	10:43:52	5	the investment. The investments grew, obviously,	10:47:04
6	created? What is your understanding?	10:43:56	6	over the years.	10:47:12
7	A. Something that's started.	10:43:59	7	Q. When did you first meet Mr. Madoff?	10:47:13
8	Q. Who makes the decision to start an	10:44:04	8	A. I met him Jeff must have been	10:47:18
9	entity, for whatever purpose?	10:44:06	9	about 15 and Mark Madoff was about 14, something	10:47:27
10	A. The group.	10:44:08	10	like that, they were about the same age. Maybe 13	10:47:35
11	Q. The group, okay.	10:44:09	11	or 14, I'm not sure exactly when, but when they were	10:47:38
12	A. Partners.	10:44:11	12	kids in school, I met them. We lived in the same	10:47:42
13	Q. After the decision is made to start	10:44:12	13	town. So, Jeff is 49. Over 30 years.	10:47:46
14	an entity, for whatever purpose, who is then in	10:44:15	14	Q. What town did you live in?	10:47:56
15	charge of creating the legal entity?	10:44:21	15	A. Roslyn, Long Island.	10:47:59
16	A. The general counsel.	10:44:28	16	Q. And how far was at that time how	10:48:02
17	Q. Meaning Mr. Tepper, in the past?	10:44:30	17	far was your home from the Madoff home?	10:48:06
18	A. When it was Mr. Tepper.	10:44:34	18	A. Three, four, five miles. I've never	10:48:14
19	Q. And then after Mr. Tepper, it would	10:44:35	19	been to the Madoff home in Long Island. I don't	10:48:18
20	be Mr. Nero?	10:44:38	20	know exactly where he lived, but I know he lived in	10:48:21
21	A. Right. And many times they would use	10:44:40	21	the same town.	10:48:24
22	outside counsel. Depending on the complexity of the	10:44:43	22	Q. Okay. And tell me about how you	10:48:25
23	acquisition, or entity.	10:44:50	23	first met him in connection with your son and Mark	10:48:29
24	Q. So backing up to the question I asked	10:44:55	24	Madoff.	10:48:36
25	earlier: Did Sterling at some time, some point make	10:44:59	25	A. Mark and Andy, his younger brother,	10:48:37
		33			35
1	a decision to start entities for the purpose of	10:45:08	1	and some other kids that were going to school	10:48:40
2	investing in Madoff?	10:45:11	2	together met, and from time to time I'd see them at	10:48:43
3	A. I don't think we started an entity.	10:45:15	3	our house. They were always around, playing ball or	10:48:49
4	I think we started a relationship where each of the	10:45:18	4	whatever. Soon thereafter we met their parents.	10:48:53
5	partners independently invested with Bernie Madoff,	10:45:22	5	Generally we would meet the parents of our kids'	10:49:02
6	going way back, obviously.	10:45:30	6	friends.	10:49:09
7	Q. Well, why don't we take it from that	10:45:33	7	And so we knew them, you know, we met	10:49:18
8	end. When do you recall when you first invested in	10:45:35	8	them at that time, and then subsequent to that I	10:49:24
9	Madoff? You personally.	10:45:38	9	think they moved to New York when their kids were	10:49:29
10	A. Me personally?	10:45:41	10	maybe going to high school. I'm not exactly sure	10:49:35
11	Q. Yes.	10:45:43	11	when they moved, but they moved to New York sometime	10:49:38
12	A. More than 20 years ago.	10:45:46	12	thereafter. Lived in New York most of the time that	10:49:43
13	Q. Our records show that the first	10:45:48	13	we knew them. New York City, I'm talking about.	10:49:48
14	investment was in about October of 1985. Does that	10:45:52	14	Q. Right. How did it come to pass that	10:49:51
15	sound right to you?	10:45:56	15	after you met Mr. Madoff through your children, that	10:49:54
16	A. Yeah, kind of.	10:45:57	16	you then invested in his business?	10:49:57
17	Q. Prior to making that initial	10:46:02	17	A. He, he was in the investment	10:50:06
18	investment in Madoff, did you have any discussions	10:46:04	18	business, investing people's money. We were in the	10:50:10
19	with Mr. Madoff in connection with making that	10:46:12	19	real estate business primarily at that time. And he	10:50:14
20	investment?	10:46:15	20	evidenced an interest to diversify. Said if there's	10:50:19
21	A. The first investment?	10:46:16	21	any, if there's a time in the future you would like	10:50:23
22	Q. Yes.	10:46:17	22	to invest, I could invest some of your funds and I'd	10:50:28
23	A. I don't know what you mean,	10:46:19	23	like the opportunity to invest in some real estate.	10:50:36
	discussions. He was well known in the industry, was	10:46:21	24	That didn't happen for a while but he	10:50:41
24 25	discussions. He was well known in the moustry, was	10.10.21		talked about it once or twice, and then we decided	10.00.11

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1	we were going to invest with him. And then sometime	10:50:46	1	A. Squadron, Ellenoff, something and	10:54:22
2	thereafter we were acquiring a property. We asked	10:50:51	2	something.	10:54:25
3	him whether he wanted to invest. I don't remember	10:50:56	3	Q. There's always a something and	10:54:26
4	which one or exactly when it happened, but he did.	10:51:01	4	something.	10:54:29
5	And then subsequently in numbers of real estate	10:51:06	5	A. I don't think the something and	10:54:32
6	investments, and as time went on we kept investing	10:51:12	6	something would be very happy with that description.	10:54:33
7	with him.	10:51:18	7	Q. All that work getting to become a	10:54:35
8	Q. Was that first property that	10:51:18	8	name partner and nobody recognizes you.	10:54:39
9	Mr. Madoff invested with Sterling, was that Sterling	10:51:21	9	A. Yours is easy, you've got two names.	10:54:42
10	Vessels?	10:51:25	10	Q. The marketing folks.	10:54:45
11	A. I don't know.	10:51:28	11	Other than Mr. Squadron, you had	10:54:48
12	Q. If you wanted to know, what records	10:51:31	12	mentioned other investors other individuals who	10:54:52
13	would you review to see what was the first	10:51:34	13	had investments with Madoff at that time that you	10:54:55
14	investment that Mr. Madoff made with Sterling?	10:51:36	14	spoke to. Who were they?	10:54:57
15	A. I'd ask Mr. Nero.	10:51:41	15	A. I don't really recall.	10:55:08
16	Q. I don't know if he wants us to do	10:51:44	16	Q. Were these discussions with the other	10:55:09
17	that, but we'll get to that if we have to. Okay,	10:51:46	17	investors, were they over the phone?	10:55:12
18	fair enough.	10:51:50	18	A. No.	10:55:17
19	When Mr. Madoff approached you to	10:51:52	19	Q. Were they in person?	10:55:17
20	invest in your business and for you to invest in	10:51:58	20	A. They may have been both. I don't	10:55:20
21	his, did he provide you with any materials	10:52:02	21	recall.	10:55:23
22	concerning his business?	10:52:06	22	Q. And you also had discussions with	10:55:27
23	A. Not that I can recall.	10:52:08	23	your partners at that time concerning the	10:55:30
24	Q. After Mr. Madoff made the initial	10:52:14	24	possibility of investing in Madoff?	10:55:33
25	approach to you about investing, did you have any	10:52:18	25	A. Correct.	10:55:36
		37			39
1	discussions with any of your partners about	10:52:22	1	Q. Can you tell me a little more about	10:55:40
2	investing with Madoff, at that time?	10:52:25	2	those discussions with your partners before, before	10:55:42
3	A. Yes.	10:52:28	3	actually investing in Madoff?	10:55:47
4	Q. Tell me about those, those initial	10:52:28	4	A. We were already seeking someone to	10:55:55
5	discussions.	10:52:34	5	invest some of our liquidity. It wasn't a very lot	10:56:04
6	A. We had heard from a number of people	10:52:36	6	at that time, but we were seeking to do that. And	10:56:13
7	that he was a very good financial, whatever they	10:52:42	7	so there were a number of discussions with different	10:56:18
8	call it, advisor or financial investor. And we knew	10:52:49	8	firms, different individuals at the firms that were	10:56:23
9	some people who invested with him. We discussed	10:52:57	9	doing that kind of work.	10:56:27
10	that. One of my one of our outside lawyers was,	10:53:01	10	Q. And by firms you're referring to	10:56:28
11	I believe, his lawyer at one point, and his was	10:53:13	11	investment-type firms?	10:56:31
12	an investor and all of his partners or many of his	10:53:19	12	A. Investment-type firms.	10:56:34
13	partners at the law firm were investors.	10:53:24	13	Q. Okay.	10:56:35
14	Q. You first said that we had heard	10:53:29	14	A. My recollection is we did try a	10:56:36
15	from. From whom had you heard that he was a good	10:53:35	15	couple and didn't do too well in a couple of them.	10:56:38
16	financial investor?	10:53:38	16	Howard Squadron was a close friend of mine, as well	10:56:50
17	A. Just generally in the community, the	10:53:40	17	as being an outside lawyer of ours. So he I	10:56:54
18	New York community, we had heard that. But	10:53:49	18	think there was a conversation with him, and I knew	10:57:07
19	specifically, I would say the first time maybe was	10:53:53	19	that he was an investor, or he told me he was an	10:57:10
20	through our outside lawyer, who was an investor.	10:54:02	20	investor, satisfied investor. I think his firm, his	10:57:13
21	Q. Can you just tell me, what's the name	10:54:08	21	partners all invested. We subsequently learned	10:57:22
22	of that outside lawyer at that time?	10:54:12	22	others that were investors. I don't remember who at	10:57:28
	of that outside famper at that third?				
23	A. Howard Squadron.	10:54:14	23	the moment, but numbers of other people that were	10:57:31
	-	10:54:14 10:54:19	23 24	the moment, but numbers of other people that were investors. And we decided to give it a try.	10:57:31 10:57:33

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1	just about I want to be careful here, what did	10:57:43	1	investment firm before investing?	11:00:49
2	Mr. Squadron tell you about Madoff, specifically?	10:57:46	2	MS. SESHENS: Objection to the form.	11:00:51
3	A. He knew him, that he represented him,	10:57:52	3	Q. You can answer.	11:00:54
4	he liked him, trusted him. And thought he was	10:57:56	4	MS. SESHENS: You can answer.	11:00:54
5	had a strategy that was very unique, that he	10:58:08	5	A. I think he talked with Mr. Squadron	11:00:58
6	understood how to make money without risk, without a	10:58:17	6	and perhaps others. I don't know.	11:01:02
7	lot of risk.	10:58:21	7	Q. Did Mr. Katz have any discussions	11:01:06
8	Q. What did Mr. Squadron tell you about	10:58:22	8	with Mr. Madoff?	11:01:08
9	Madoff's strategy at that time?	10:58:25	9	MS. SESHENS: Objection to the form.	11:01:12
10	A. I don't recall. I don't recall. I	10:58:28	10	A. I don't recall any, but it wouldn't	11:01:16
11	wouldn't understand the strategy anyway.	10:58:34	11	surprise me.	11:01:18
12	Q. Fair enough.	10:58:36	12	Q. And what discussions did you	11:01:22
13	Did Mr. Squadron provide you with any	10:58:38	13	personally have with Mr. Madoff prior to investing?	11:01:22
14	materials, any documents concerning Madoff?	10:58:41	14	MS. SESHENS: Objection to the form.	11:01:28
15	A. Not that I can recall.	10:58:44	15	A. Just those that I've told you about.	11:01:30
16	Q. You had mentioned earlier that you	10:58:48	16	After we invested, Saul and I would go to visit	11:01:30
17	were looking at other investment firms for	10:58:53	17		
18	-			Bernie approximately once a year, and we'd go to his	11:01:44
	investment opportunities; is that right? A. Correct.	10:58:55	18	office or something and talk about where we how	11:01:51
19 20		10:58:58	19	the investments were doing, what was happening.	11:01:57
20	Q. Do you remember who those were at	10:58:59	20	I had a personal relationship with	11:02:02
21	that time?	10:59:00	21	the Madoffs that developed over time, and not an	11:02:04
22	A. No, I don't.	10:59:06	22	everyday personal relationship, but a friendship.	11:02:12
23	Q. Do you remember what you did in	10:59:08	23	And so I made it a policy that when I saw him at a	11:02:22
24	connection with researching or investigating those	10:59:11	24	charitable event or celebration of some kind, you	11:02:30
25	firms to make the decision whether or not to invest?	10:59:16	25	know, we attended his kids' weddings, he attended	11:02:37
		41			43
1	MS. SESHENS: What Mr. Wilpon did	10:59:18	1	our kids', you know, we were family friends, I just	11:02:43
2	personally or the partnership more broadly?	10:59:20	2	didn't discuss business with him. So my	11:02:52
3	MR. BOHORQUEZ: You can take it one	10:59:23	3	conversations with Bernie Madoff were really of a,	11:02:55
4	at a time. What did you do and then what did the	10:59:24	4	just of a personal nature. Of what was happening in	11:02:59
5	Sterling organization do?	10:59:29	5	their lives and what was happening in our lives.	11:03:04
6	A. Well, I don't remember doing	10:59:30	6	Not in a context of, you know, what's happening in	11:03:08
7	anything. Saul may have, you know, investigated,	10:59:32	7	the business, how are you investing these funds?	11:03:13
8	because over the years we've invested in stocks with	10:59:42	8	Because, frankly, I wouldn't that's not my	11:03:17
9	certain brokers and all. It's not an area that	10:59:47	9	expertise. I wouldn't really know, and I didn't	11:03:21
10	I'm it's not an area that I pay any attention to	10:59:54	10	want to mix the two.	11:03:25
11	or that I'm really involved in.	10:59:57	11	So, once a year we'd go and have a	11:03:27
12	Q. Is Saul Katz the partner that is in	11:00:05	12	conversation, mostly schmoozing. You know what	11:03:29
13	charge of, for lack of a better word, in charge with	11:00:09	13	schmoozing is.	11:03:37
14	investigating or researching stocks or securities	11:00:15	14	Q. I've heard.	11:03:38
15	for Sterling to invest in?	11:00:18	15	A. Can you define that? Can you define	11:03:41
16	MS. SESHENS: Objection to the form.	11:00:10	16	it in Cleveland?	11:03:43
17	THE WITNESS: Pardon me?	11:00:21	17	(Comments off the record.)	11:03:43
18	MS. SESHENS: You can answer.	11:00:21	18	A. That's the kind of relationship it	11:03:52
19	Q. You can answer.	11:00:23	19	was. Very trusting relationship. There's no person	11:03:55
20	A. You both said I could answer.	11:00:24	20	that you will talk to, none, that is more betrayed	11:04:00
21	Q. We agreed on something.	11:00:20	21	than I am.	11:04:00
22	A. Yeah, I'd say he has the most	11:00:30	22	Q. Thank you, Mr. Wilpon.	
23	expertise.	11:00:38	23	I want to go back to I want to	11:04:12
23 24			23 24	break that down into a few areas. The first thing	11:04:16
	Q. And what did Mr. Katz do with respect	11:00:42		-	11:04:19
25	to researching or investigating into Mr. Madoff's	11:00:44	25	is, and maybe I should have been a little more	11:04:24

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1	tell you what stocks he bought or anything like	11:09:53	1	gone and six months to go, what do you anticipate.	11:13:03
2	that. That's not something I pay attention to.	11:09:57	2	We knew what the six months were because Arthur	11:13:06
3	Q. Okay. Because I thought what you had	11:10:03	3	would keep track of it daily, but what would you	11:13:08
4	said earlier was you had a personal relationship	11:10:07	4	think, what would you anticipate.	11:13:15
5	with Mr. Madoff and you wanted to keep that separate	11:10:10	5	Depending upon what the events of the	11:13:26
6	from the business relationship. So you saw him on a	11:10:12	6	world were like. When was the crash?	11:13:28
7	personal level throughout the 25, 30 years that you	11:10:17	7	Q. 1987.	11:13:30
8	knew him, and you did not you made it a practice	11:10:20	8	A. Yeah. I think I was away in	11:13:32
9	not to discuss business with him during those	11:10:25	9	California somewhere or something, heard about that.	11:13:36
10	personal interactions, correct?	11:10:27	10	I talked to Saul. Saul said he talked to Bernie and	11:13:41
11	A. Correct.	11:10:30	11	everything was fine. And then maybe we would	11:13:46
12	Q. And then I thought what you were	11:10:30	12	maybe the next time we saw Bernie, might have been a	11:13:50
13	saying was that you would make an annual trip, once	11:10:33	13	month later or whatever, they might have talked	11:13:54
14	a year, out to his office, and during that trip at	11:10:37	14	about that. It was really not a we'd meet for an	11:13:59
15	his office, that visit at his office is when you	11:10:41	15	hour maybe or something like that. Not long	11:14:04
16	would discuss business?	11:10:43	16	meetings. Bernie's attention span was not for long	11:14:07
17	A. It was not just business. I would	11:10:46	17	meetings.	11:14:12
18	accompany Saul, who might have some questions or	11:10:49	18	Q. And did you review any account	11:14:17
19	some thoughts or some ideas which were shot down,	11:10:54	19	statements or quarterly reports in connection with	11:14:22
20	you know, because Bernie had his strategy and that	11:11:03	20	your investments?	11:14:26
21	was his strategy and, you know, don't, can you take	11:11:07	21	MS. SESHENS: Over time?	11:14:28
22	off the calls, can you take off the puts, whatever.	11:11:09	22	MR. BOHORQUEZ: Over time.	11:14:29
23	It was just a part of a collegial conversation among	11:11:16	23	Q. You.	11:14:34
24	friends. And that he was invested he never asked	11:11:22	24	A. Mine personally or the individuals	11:14:35
25	me, he never asked me how is the real estate	11:11:26	25	that were investing? No. That was not my	11:14:37
		49			51
1	investment doing or anything like that. Even at	11:11:32	1	Q. When after the initial investment	11:14:43
2	those meetings, I don't ever remember him asking	11:11:36	2	in 1985, during the early period of investing in	11:14:46
3	about that. Certainly not more maybe two or	11:11:40	3	Madoff, did you review any account statements or any	11:14:50
4	three times in all those years we went to a movie	11:11:49	4	quarterly reports or anything provided by Madoff?	11:14:54
5	together in Florida or whatever, you know. There	11:11:53	5		
6			5	A. No. I had people that were doing	11:14:56
	was no business conversation.	11:11:58	6	A. No. I had people that were doing that.	11:14:56 11:14:59
7	was no business conversation. Q. Other than	11:11:58 11:12:00			
	Q. Other than		6	that.	11:14:59
7	Q. Other thanA. Other than, I'd say that	11:12:00 11:12:02	6 7	that. Q. So who, in the early stages who were	11:14:59 11:15:01 11:15:05
7 8	Q. Other than	11:12:00	6 7 8	that. Q. So who, in the early stages who were the people who were doing that?	11:14:59 11:15:01
7 8 9	 Q. Other than A. Other than, I'd say that Q. That roughly annual meeting? A. Right. 	11:12:00 11:12:02 11:12:07	6 7 8 9	that.Q. So who, in the early stages who werethe people who were doing that?A. Primarily Arthur was really tracking	11:14:59 11:15:01 11:15:05 11:15:07
7 8 9 10	 Q. Other than A. Other than, I'd say that Q. That roughly annual meeting? A. Right. Q. Now, you mentioned that you would 	11:12:00 11:12:02 11:12:07 11:12:09 11:12:09	6 7 8 9 10	that.Q. So who, in the early stages who werethe people who were doing that?A. Primarily Arthur was really trackingeverything and it was primarily Arthur. Then Arthur	11:14:59 11:15:01 11:15:05 11:15:07 11:15:12
7 8 9 10 11	 Q. Other than A. Other than, I'd say that Q. That roughly annual meeting? A. Right. Q. Now, you mentioned that you would accompany Saul. What did you mean by that? 	11:12:00 11:12:02 11:12:07 11:12:09 11:12:09 11:12:12	6 7 8 9 10 11	that.Q. So who, in the early stages who werethe people who were doing that?A. Primarily Arthur was really trackingeverything and it was primarily Arthur. Then Arthurwould give that information to the accountants in	11:14:59 11:15:01 11:15:05 11:15:07 11:15:12 11:15:18
7 8 9 10 11 12	 Q. Other than A. Other than, I'd say that Q. That roughly annual meeting? A. Right. Q. Now, you mentioned that you would accompany Saul. What did you mean by that? 	11:12:00 11:12:02 11:12:07 11:12:09 11:12:09 11:12:12 11:12:17	6 7 8 9 10 11 12	that.Q. So who, in the early stages who werethe people who were doing that?A. Primarily Arthur was really trackingeverything and it was primarily Arthur. Then Arthurwould give that information to the accountants inthe office. They would put together the tax returns	11:14:59 11:15:01 11:15:05 11:15:07 11:15:12 11:15:18 11:15:20
7 8 9 10 11 12 13	 Q. Other than A. Other than, I'd say that Q. That roughly annual meeting? A. Right. Q. Now, you mentioned that you would accompany Saul. What did you mean by that? A. The personal relationship Saul had 	11:12:00 11:12:02 11:12:07 11:12:09 11:12:09 11:12:12 11:12:17	6 7 8 9 10 11 12 13	that.Q. So who, in the early stages who were the people who were doing that?A. Primarily Arthur was really tracking everything and it was primarily Arthur. Then Arthur would give that information to the accountants in the office. They would put together the tax returns and whatever. Saul would be involved and Michael	11:14:59 11:15:01 11:15:05 11:15:07 11:15:12 11:15:18 11:15:20 11:15:22
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1	A. Um-hum.	11:16:03	1	MS. SESHENS: That's okay.	11:18:54
2	Q. And who were those individuals at	11:16:05	2	MR. BOHORQUEZ: Valid point.	11:18:55
3	that time, early on?	11:16:07	3	Q. Saul Katz.	11:18:56
4	A. By name?	11:16:08	4	A. Please repeat the question.	11:18:58
5	Q. Yes. Do you recall?	11:16:09	5	Q. I'll rephrase the question.	11:18:59
6	A. No.	11:16:11	6	What was your understanding of the	11:19:01
7	Q. And then you mentioned that Saul Katz	11:16:14	7	interaction between Mr. Friedman and Mr. Saul Katz	11:19:03
8	was also involved.	11:16:17	8	in connection with the managing of the Madoff	11:19:07
9	A. Yeah, because Saul was involved with	11:16:19	9	accounts?	11:19:11
10	the overall supervision of all of the finances of	11:16:21	10	MS. SESHENS: Objection to the form.	11:19:12
11	the company.	11:16:25	11	You can answer.	11:19:14
12	Q. Okay. And then you also mentioned	11:16:26	12	A. He why are you objecting, by the	11:19:17
13	that Michael Katz was involved?	11:16:29	13	way?	11:19:25
14	A. Michael was involved with the overall	11:16:34	14	MS. SESHENS: We'll talk about that	11:19:25
15	finance of the company at one point and then when we	11:16:38	15	later.	11:19:27
16	got larger, Mark Peskin came on board and became the	11:16:41	16	THE WITNESS: Okay.	11:19:27
17	inner chief financial officer, so that Michael spent	11:16:50	17	A. He might discuss with Saul who, as I	11:19:28
18	more time in the real estate.	11:16:54	18	said, was overall in charge of all of the finances	11:19:31
19	Q. And when Mr. Peskin came on board,	11:16:56	19	of the company, that Bernie was doing well this	11:19:34
20	roughly 2003, does that sound about right?	11:17:00	20	month or wasn't doing well this month or it looked	11:19:38
21	A. Yeah, kind of.	11:17:06	21	like it was going to analyze to X or Y, Saul would	11:19:43
22	Q. What was Mr. Peskin's involvement in	11:17:07	22	need those projections because of the overall. Saul	11:19:48
23	the Madoff, Sterling's Madoff investments?	11:17:10	23	would then know that this part of the business was	11:19:51
24	A. I don't recall any. He may be an	11:17:15	24	earning X, versus other part of the business was	11:19:57
25	investor but I don't recall him being involved in	11:17:20	25	earning Y, and another part of the business is	11:20:01
		53			55
1	the so-called bookkeeping of that.	11:17:22	1	earning Z, if they were earning at all. Saul was	11:20:04
2	Q. So, was did Mr. Friedman's role	11:17:27	2	the overall person in charge of that.	11:20:10
3	over time change in respect to the Madoff	11:17:33	3	Q. Was Saul Katz responsible for making	11:20:16
4	investments?	11:17:38	4	the investment decisions for Sterling in Madoff?	11:20:23
5	A. No. I think it was always, he was	11:17:41	5	A. No. No one was in charge of making	11:20:27
6	always the point person who was involved with any,	11:17:45	6	the investment decisions. Are you talking about	11:20:31
7					11.20.31
	anything that had to be done administratively or if	11:17:53	7	which stocks Bernie bought?	11:20:34
8	anything that had to be done administratively or if he had a question or whatever, he was the person.	11:17:53 11:17:59	7 8	which stocks Bernie bought? Q. Let me back up. Was Saul Katz in	
8 9				-	11:20:34
	he had a question or whatever, he was the person.	11:17:59	8	Q. Let me back up. Was Saul Katz in	11:20:34 11:20:37
9	he had a question or whatever, he was the person. He would talk to someone in Bernie's office about	11:17:59 11:18:05	8 9	Q. Let me back up. Was Saul Katz in charge of making the decision for a Sterling entity	11:20:34 11:20:37 11:20:42
9 10	he had a question or whatever, he was the person. He would talk to someone in Bernie's office about that.	11:17:59 11:18:05 11:18:08	8 9 10	Q. Let me back up. Was Saul Katz in charge of making the decision for a Sterling entity or a Sterling partner to invest in Madoff?	11:20:34 11:20:37 11:20:42 11:20:47
9 10 11	he had a question or whatever, he was the person. He would talk to someone in Bernie's office about that. Q. And do you know if Mr. Friedman ever	11:17:59 11:18:05 11:18:08 11:18:09	8 9 10 11	Q. Let me back up. Was Saul Katz in charge of making the decision for a Sterling entity or a Sterling partner to invest in Madoff?A. No. The individuals made those	11:20:34 11:20:37 11:20:42 11:20:47 11:20:51
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1	A. Generally the partners. It wouldn't	11:21:50	1	A. For which company?	11:24:38
2	be a formal agreement. We all invested in Bernie.	11:21:51	2	Q. Generally and then we can talk about	11:24:40
3	We all some of our companies invested in Bernie.	11:21:58	3	specific businesses.	11:24:42
4	Q. Right.	11:22:01	4	A. I probably talked to if I wanted	11:24:44
5	A. We had trust and faith in Bernie.	11:22:02	5	to know, I probably talked to Mark Peskin or his	11:24:47
6	Q. Right.	11:22:05	6	predecessor or Arthur Friedman.	11:24:54
7	A. There was a long, long history. So	11:22:06	7	Q. And who is Mr. Peskin's predecessor?	11:24:58
8	it wasn't every time that they invested in Bernie,	11:22:08	8	A. Michael Katz had that role for a	11:25:03
9	they said all right, let's call a meeting, should we	11:22:12	9	while. Saul, Michael. Saul is really more overall.	11:25:08
10	invest in Bernie now. We were investing in Bernie.	11:22:16	10	MR. BOHORQUEZ: All right. I think	11:25:16
11	It's like people were investing in treasuries or	11:22:20	11	that's a good place to take a break. I hope that	11:25:17
12	people were investing in stocks. Bernie was a	11:22:23	12	was all on tape.	11:25:22
13	significant source of our investments. Just like we	11:22:28	13	THE WITNESS: Tape's out?	11:25:24
14	were invested in Sterling Stamos.	11:22:35	14	THE VIDEOGRAPHER: Not yet.	11:25:26
15	Q. I understand that. What I'm trying	11:22:38	15	Going off the record, the time is	11:25:28
16	to understand is the mechanics of how it was done.	11:22:39	16	11:25. This ends tape 1.	11:25:32
17	And when a decision is made for a particular entity	11:22:44	17	(Recess taken.)	11:25:36
18	to invest in Madoff, trying to get an understanding	11:22:48	18	THE VIDEOGRAPHER: We're back on the	11:39:50
19	how that decision was made, what was the decision to	11:22:55	19	record. The time is 11:40. This is tape number 2.	11:40:28
20	invest how much money and so forth.	11:22:58	20	BY MR. BOHORQUEZ:	11:40:33
21	MS. SESHENS: Asked and answered.	11:23:02	21	Q. I just want to go back over one or	11:40:35
22	Just note my objection.	11:23:03	22	two things that we discussed this morning.	11:40:39
23	You may answer.	11:23:05	23	You had mentioned that before	11:40:44
24	A. I don't know the specific answer,	11:23:06	24	investing with Madoff, Sterling had looked at other	11:40:48
25	Fernando, to that question. But let me see if I can	11:23:12	25	investment firms. Is that right?	11:40:52
	I			0	
		57			59
1	go 5,000 feet up.	11:23:15	1	A. Yes.	11:40:55
2	Bernie Madoff was a source of our	11:23:17	2	Q. In connection with deciding whether	11:40:56
3	investment funds, as other things were. And we	11:23:21	3	or not to invest in these other investment firms,	11:41:01
4	decided, the group decided, we're going to invest in	11:23:23	4	did those firms provide you any materials concerning	11:41:04
5	these different things and we're going to invest in	11:23:30	5	the firms?	11:41:08
6	Bernie. And so if the Mets have some money, put it	11:23:33	6	A. Not that I know of.	11:41:11
7	into Bernie. If some other company has some money,	11:23:40	7	Q. Over the years has Sterling invested	11:41:19
8	we might have said put it into this, or put it into	11:23:45	8	with other investment firms other than Madoff?	11:41:22
9	Bernie, or put it into something else.	11:23:49	9	A. Yes.	11:41:24
10	So, the overall decision was made	11:23:51	10	Q. In connection with those investments,	11:41:27
11	that way, and then individually I have no idea how	11:23:55	11	have those firms provided Sterling with any	11:41:29
12	the mechanics worked. So I can't tell you if	11:23:58	12	materials?	11:41:32
13	you're asking me, was I a party to the fact that	11:24:04	13	A. None that I know of.	11:41:33
14	this company invested that amount of money in Bernie		14	Q. If those firms were to have provided	11:41:36
15	on a specific date, not I haven't got a clue.	11:24:11	15	materials, who would they have provided them to	11:41:40
16	Q. Fair enough. Last question and we'll	11:24:16	16	within the Sterling organization?	11:41:42
17	take a break.	11:24:18	17	MS. SESHENS: Objection to the form.	11:41:44
18	A. No breaks. No breaks, come on.	11:24:19	18	A. Probably to Saul, Arthur, Mark.	11:41:45
19	Q. We've got to take a break to change	11:24:22	19	People who would have expertise.	11:41:51
20	the tape.	11:24:24	20	Q. And by Saul, you mean Saul Katz,	11:41:55
21	MS. SESHENS: I'm going to insist on	11:24:25	21	Arthur Friedman and Mark Peskin?	11:41:57
22	a break.	11:24:26	22	A. Correct.	11:42:00
23	Q. Who if you wanted to know who was	11:24:27	23	Q. You also mentioned earlier that when	11:42:09
24	the person who would know the mechanics of the	11:24:29	24	you at these meetings you had with Saul Katz and	11:42:12
25	investments in Madoff, who would that person be?	11:24:33	25	Mr. Madoff, at Mr. Madoff's offices, roughly about	11:42:15

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1	once a year, one of the topics you would discuss	11:42:20	1	your initial investment with Madoff, what was your	11:45:09
2	were your investments in Madoff, correct?	11:42:23	2	understanding as to Mr. Friedman's role in	11:45:13
3	A. Correct.	11:42:29	3	connection with tracking the investments?	11:45:17
4	Q. And you gave an example of one of the	11:42:29	4	A. He was administratively in charge of	11:45:30
5	topics concerning the Madoff investments would be	11:42:33	5	that, and would daily or weekly or monthly, I don't	11:45:35
б	the anticipated returns for that year. Is that	11:42:35	6	really know, would check the statements, check the	11:45:38
7	right?	11:42:40	7	stocks that were bought, et cetera, et cetera.	11:45:45
8	A. Correct.	11:42:40	8	Q. Did Mr. Friedman ever report to you	11:45:48
9	Q. Did there ever come a time when the	11:42:41	9	any concerns he had with any of the stock purchases?	11:45:53
10	anticipated returns that Madoff had predicted did	11:42:51	10	A. Not that I could recollect.	11:45:58
11	not come to pass, that he did not deliver on those	11:42:56	11	Q. Do you know if Mr. Friedman reverse	11:46:05
12	anticipated returns?	11:42:59	12	engineered Madoff's strategy at one point?	11:46:10
13	MS. SESHENS: Objection to the form.	11:43:01	13	MS. SESHENS: Objection to the form.	11:46:13
14	Lacks foundation.	11:43:03	14	Q. If you understand what I'm asking. I	11:46:14
15	You can answer.	11:43:05	15	can rephrase it.	11:46:16
16	A. From time to time they were less, or	11:43:09	16	A. I don't even understand what that	11:46:17
17	more. It wasn't precise.	11:43:13	17	means.	11:46:19
18	Q. Was there ever a time when you were	11:43:20	18	Q. Okay. Let me I had a feeling.	11:46:19
19	disappointed in the returns from Madoff?	11:43:23	19	Let me back up.	11:46:24
20	A. Yes. The returns might have been	11:43:33	20	Do you know if Mr. Friedman ever	11:46:25
21	less than what we were projecting.	11:43:34	21	tried to figure out Madoff's investment strategy?	11:46:27
22	Q. Do you recall when that happened?	11:43:37	22	MS. SESHENS: Objection to the form.	11:46:30
23	A. No.	11:43:42	23	A. I don't really know.	11:46:32
24	Q. And if the returns when the	11:43:43	24	Q. What's that?	11:46:32
25	returns were less than projected, did you raise this	11:43:48	25	A. I don't really know that.	11:46:33
		61			63
1	issue with Madoff?	11:43:51	1	Q. Okay.	11.47.25
	issue with Madoll?		_		11:46:35
2	A. No.	11:43:52	2	What is the Gift of Life?	11:46:35
2 3				- •	
	A. No.	11:43:52	2	What is the Gift of Life?	11:46:49
3	A. No.Q. Did Mr. Saul Katz raise that issue	11:43:52 11:43:53	2 3	What is the Gift of Life? MS. SESHENS: Generally?	11:46:49 11:46:52
3 4	A. No. Q. Did Mr. Saul Katz raise that issue with Madoff?	11:43:52 11:43:53 11:43:58	2 3 4	What is the Gift of Life? MS. SESHENS: Generally? MR. BOHORQUEZ: Generally.	11:46:49 11:46:52 11:46:54
3 4 5	 A. No. Q. Did Mr. Saul Katz raise that issue with Madoff? MS. SESHENS: Objection to the form. 	11:43:52 11:43:53 11:43:58 11:43:59	2 3 4 5	What is the Gift of Life?MS. SESHENS: Generally?MR. BOHORQUEZ: Generally.Q. Organization. Very interesting name	11:46:49 11:46:52 11:46:54 11:46:58
3 4 5 6	 A. No. Q. Did Mr. Saul Katz raise that issue with Madoff? MS. SESHENS: Objection to the form. A. I don't believe so. 	11:43:52 11:43:53 11:43:58 11:43:59 11:44:01	2 3 4 5 6	What is the Gift of Life? MS. SESHENS: Generally? MR. BOHORQUEZ: Generally. Q. Organization. Very interesting name for an organization. Were you ever on the board of	11:46:49 11:46:52 11:46:54 11:46:58 11:46:59
3 4 5 6 7	 A. No. Q. Did Mr. Saul Katz raise that issue with Madoff? MS. SESHENS: Objection to the form. A. I don't believe so. Q. You also testified earlier that, 	11:43:52 11:43:53 11:43:58 11:43:59 11:44:01 11:44:09	2 3 4 5 6 7	What is the Gift of Life? MS. SESHENS: Generally? MR. BOHORQUEZ: Generally. Q. Organization. Very interesting name for an organization. Were you ever on the board of an organization called the Gift of Life?	11:46:49 11:46:52 11:46:54 11:46:58 11:46:59 11:47:02
3 4 5 6 7 8	 A. No. Q. Did Mr. Saul Katz raise that issue with Madoff? MS. SESHENS: Objection to the form. A. I don't believe so. Q. You also testified earlier that, starting a few years ago, you had bimonthly 	11:43:52 11:43:53 11:43:58 11:43:59 11:44:01 11:44:09 11:44:14	2 3 4 5 6 7 8	What is the Gift of Life? MS. SESHENS: Generally? MR. BOHORQUEZ: Generally. Q. Organization. Very interesting name for an organization. Were you ever on the board of an organization called the Gift of Life? A. Yes.	11:46:49 11:46:52 11:46:54 11:46:58 11:46:59 11:47:02 11:47:04
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3 4 5 7 8 9 10 11	 A. No. Q. Did Mr. Saul Katz raise that issue with Madoff? MS. SESHENS: Objection to the form. A. I don't believe so. Q. You also testified earlier that, starting a few years ago, you had bimonthly partners' meetings. Is that right? A. Correct. Q. And at those partners' meetings, the 	11:43:52 11:43:53 11:43:58 11:43:59 11:44:01 11:44:09 11:44:14 11:44:18 11:44:22 11:44:23	2 3 4 5 6 7 8 9 10 11	What is the Gift of Life? MS. SESHENS: Generally? MR. BOHORQUEZ: Generally.Q.Organization. Very interesting namefor an organization. Were you ever on the board of an organization called the Gift of Life? A.A.Yes.Q.When did you join the board?A.When?Q.Yes.A.Two, three years before Bernie	11:46:49 11:46:52 11:46:54 11:46:58 11:46:59 11:47:02 11:47:04 11:47:05 11:47:07 11:47:08
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18 (Pages 60 to 63)

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123 Into Depiterto, ito, Action not yet. $02.03, 10$ 123 Q. Entite below mini, intre below $02.00, 13$ I	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	 Q. You noted earlier as we were going through some of the earlier pages in this document that you identified several individuals that fell within the friends and family category. A. Yes. MS. SESHENS: Objection to the form. Q. Was there a general decision to begin to bring to help more friends and family to open accounts with Madoff over that ten-year period? MS. SESHENS: Objection. Q. You can answer. MS. SESHENS: You can answer. A. Not to my knowledge. Q. Why don't we go to 11B. This is Exhibit 6. Thank you very much. (Exhibit FW-6 marked for identification.) Q. Mr. Madoff, I've handed you what's MS. SESHENS: I'm going to object already. You just called him Mr. Madoff. Q. Oh, my gosh, sorry. My apologies, 	02:03:35 02:03:42 02:03:47 02:03:50 02:03:53 02:03:53 02:03:57 02:04:03 02:04:04 02:04:09 02:04:09 02:04:11 02:04:12 02:04:12 02:04:12 02:04:52 02:04:52 02:05:01 02:05:04 02:05:05 02:05:05 02:05:01	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	 but Q. Is this similar in format and information to Exhibit 5 that we just reviewed? A. Yes. Q. Mr. Wilpon, if you could please turn to page 2. I just want to ask you a couple of questions about several of the account holders on the left-hand side. If you can go down to KW 116, do you see that? I mean 162, sorry. A. 162? Q. Correct. A. Yes. Q. Martin Lifton? A. Yes. Q. Who is Martin Lifton? A. He is a real estate person here in New York. He's a friend of, primarily of Saul's, but I know him well. I mean, I know him over the years. Q. So he falls within the friend and family category? 	02:07:03 02:07:07 02:07:12 02:07:16 02:07:23 02:07:25 02:07:28 02:07:30 02:07:34 02:07:40 02:07:44 02:07:44 02:07:46 02:07:48 02:07:48 02:07:53 02:07:56 02:08:01 02:08:04 02:08:04 02:08:04

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2 3 4 Th 5 ap 6 ge 7 th 8 bu 9 wa 10 on 11 12 ha	MS. SESHENS: Object to the preamble. A. Just that there were a lot of people. here were many, many, many more people that pproached partners or other people about trying to et into the Madoff investments, that were never ey may not have been family and friends, you know,	144 02:33:03 02:33:03 02:33:06 02:33:13 02:33:19	1 2 3 4	Q. Right.A. And we all said no. Because, youknow, that's not why we're we're not doing it to	146 02:36:09 02:36:10 02:36:14
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3 4 Th 5 ap 6 ge 7 th 8 bu 9 wa 10 on 11 12 ha	A. Just that there were a lot of people. here were many, many, many more people that proached partners or other people about trying to et into the Madoff investments, that were never	02:33:06 02:33:13	3		
4 Th 5 ap 6 ge 7 tha 8 bu 9 wa 10 on 11 12 ha	here were many, many, many more people that pproached partners or other people about trying to et into the Madoff investments, that were never	02:33:13		know, that's not why we're we're not doing it to	02:36:14
5 ap 6 ge 7 the 8 bu 9 wa 10 on 11 12 ha	pproached partners or other people about trying to et into the Madoff investments, that were never		4		
6 ge 7 tha 8 bu 9 wa 10 on 11 12 ha	et into the Madoff investments, that were never	02:33:19		make money. We're not receiving any benefit from	02:36:18
7 the 8 bu 9 wa 10 on 11 12 ha			5	it. We're just doing it for friends and family.	02:36:21
8 bu 9 wa 10 on 11 12 ha	ev may not have been family and friends, you know	02:33:22	6	Q. Do you recall who raised the	02:36:25
9 wa 10 on 11 12 ha	ey may not have been family and menus, you know,	02:33:28	7	possibility of charging an administrative charge?	02:36:26
10 on 11 12 ha	it we never, we never requested that. But there	02:33:32	8	A. I don't recall that.	02:36:31
11 12 ha	as a known factor in the community that Bernie was	02:33:41	9	Q. Did there come a time when Sterling	02:36:53
12 ha	he of the top hedge fund investors in the world.	02:33:44	10	partners decided to diversify their investments?	02:36:56
	Q. Okay, but what discussions did you	02:33:54	11	A. Several years prior to acquiring the	02:37:07
	we concerning the burden of managing the accounts?	02:34:00	12	interest in the Mets we talked about	02:37:14
13	A. I don't recall.	02:34:02	13	diversification. We had had a little	02:37:20
14	Q. No specific discussions?	02:34:03	14	diversification before that, but we talked about	02:37:23
15	A. (Witness shakes head.)	02:34:09	15	diversification.	02:37:25
16	Q. Do you have any estimate as to how	02:34:11	16	Q. Just so we're clear on the time line,	02:37:26
17 ma	any individuals the partners turned down who were	02:34:13	17	the purchase of the Mets, the full ownership	02:37:29
18 se	eking to open an account with Madoff through	02:34:16	18	purchase of that was in 2002, right?	02:37:32
19 St	erling?	02:34:20	19	A. Yeah, but we, we've had ownership in	02:37:34
20	A. Asking me for a guesstimate, I don't	02:34:29	20	the Mets from 1980 or something like that.	02:37:38
21 kn	now the specifics, but a guesstimate, I'd have to	02:34:31	21	Q. So when you're referring that there	02:37:43
	less that there were more people than got in	02:34:34	22	was a discussion of diversification a few years	02:37:46
-	ore people were turned down than got in. When I	02:34:41	23	before full ownership of the Mets, we're talking	02:37:49
	y turned down, never brought to be asked.	02:34:45	24	like the late 1990s?	02:37:53
25	Q. Never brought to Mr. Madoff.	02:34:49	25	A. No. Late 1970s.	02:37:59
		145			147
1	A. Right.	02:34:51	1	Q. Oh, okay, so we're back to the I'm	02:38:01
2	Q. And these were individuals that	02:34:52	2	sorry. Thank you for clarifying.	02:38:05
3 St	terling did not bring to Madoff to open an account?	02:34:53	3	Was there a decision at some point to	02:38:09
4	A. Right.	02:34:56	4	diversify Sterling's investments in other investment	02:38:12
5	Q. Now, I understand from your testimony	02:34:59	5	funds in addition to Madoff at some point?	02:38:16
6 th	at at the beginning the idea of opening these	02:35:03	6	A. We always had some but, yeah, about	02:38:25
	iends and family accounts was really done as a	02:35:07	7	the time that we contemplated starting Sterling	02:38:29
	vor to friends and family, right?	02:35:12	8	Stamos, we thought that was a good diversification	02:38:34
9	A. Not only at the beginning.	02:35:14	9	as well. But Sterling Stamos was a fund of funds,	02:38:41
	hroughout.	02:35:17	10	so they were going to invest in a lot of different	02:38:47
11	Q. But did there come a time when, with	02:35:19	11	funds, with many different strategies.	02:38:50
	e increased burden of managing these accounts, did	02:35:23	12	Q. And whose idea was it to begin the	02:38:56
	ere come a time when there was a discussion that	02:35:29	13	fund of funds?	02:39:02
	aybe there should be something given in exchange	02:35:33	14	A. Well, I think it was the	02:39:06
	or the management of the accounts?	02:35:37	15	partnership's idea, but Saul had a friendship with	02:39:08
16	A. Yeah.	02:35:39	16	Peter Stamos and that sort of evolved over about a	02:39:12
17	MS. SESHENS: Objection to the form.	02:35:39	17	decade.	02:39:16
18	A. The motivation was always to help the	02:35:42	18	Q. And was the idea of developing this	02:39:20
	cople, from the beginning to the end.	02:35:44	19	fund of funds as part of a strategy to diversify	02:39:23
	Q. Right.	02:35:46	20	or strike that to move money from Madoff and	02:37:23
-	A. Many people were not did not get	02:35:50	21	into another investment vehicle?	02:39:30
20		22.00.00	-		
20 21		02:35:52	22	A. I don't believe so. I don't think	02:39:38
20 21 22 in	because they weren't close friends or family.	02:35:52 02:35:57	22 23	A. I don't believe so. I don't think we I don't think we withdrew money from Madoff on	02:39:38 02:39:41
20 21 22 in 23 An		02:35:52 02:35:57 02:36:03	22 23 24	A. I don't believe so. I don't think we I don't think we withdrew money from Madoff on a, any kind of planned basis, and invested that	02:39:38 02:39:41 02:39:48

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1		156			158
1	Q. Was the discussion of Sterling	02:52:45	1	Q. Did Mr. Stamos ever express concern	02:55:50
2	Stamos' strike that.	02:52:49	2	that Madoff lacked transparency?	02:55:53
3	Was Sterling Stamos' investment in	02:52:52	3	A. Not that I know of.	02:55:56
4	Bayou ever discussed with the partners at any time?	02:52:54	4	Q. What do you understand that concept	02:56:03
5	A. Before he invested in it?	02:53:01	5	to be, the lack of transparency, what's your	02:56:05
б	Q. Why don't we break it down. Before	02:53:03	6	understanding of that?	02:56:09
7	Sterling Stamos invested in Bayou, was there any	02:53:05	7	A. That if someone said they were going	02:56:10
8	discussion amongst the partners?	02:53:08	8	to invest in widgets, and they invested in widgets,	02:56:15
9	A. Not to my knowledge. Or any other	02:53:12	9	that was what they were supposed to do. But then	02:56:23
10	investment he's made. We were not involved in the	02:53:14	10	all of a sudden they invested in widgets and water,	02:56:25
11	investment process.	02:53:17	11	or something else, they were going out of their	02:56:31
12	There you go, number 4.	02:53:27	12	strategy, that the people at Sterling Stamos would	02:56:34
13	Q. I think we can wrap up Sterling	02:53:29	13	object to that, because they only wanted to invest	02:56:41
14	Stamos and Bayou and then we can switch the tape.	02:53:31	14	with them if this was their strategy.	02:56:43
15	Couple more follow-up questions on that.	02:53:36	15	Q. So your understanding of the lack of	02:56:46
16	Do you know why Sterling Stamos	02:53:39	16	transparency concept is when a fund diverts from the	02:56:50
17	withdrew its funds or its investments from Bayou?	02:53:44	17	initial strategy?	02:56:55
18	MS. SESHENS: Objection, lacks	02:53:49	18	A. (Witness nods.)	02:57:03
19	foundation. Go ahead.	02:53:51	19	MS. SESHENS: That was a yes,	02:57:05
20	A. The only thing I remember of that,	02:53:58	20	correct? You nodded.	02:57:06
21	after the fact, because there was so much publicity	02:54:01	21	THE WITNESS: Do I have to answer	02:57:08
22	about it, was he withdrew because they were not	02:54:05	22	you?	02:57:10
23	transparent. And that was, one of his prerequisites	02:54:10	23	MS. SESHENS: Yes.	02:57:10
24	was that anything he invested in, the company would	02:54:17	24	A. Yes.	02:57:12
25	be transparent, that he would know what the	02:54:21	25	MR. BOHORQUEZ: All right. Why don't	02:57:14
		157			159
1	investments were not that he would make the	02:54:26	1	we take a break for the tape.	02:57:15
2	investment decision, Peter Stamos, but he would know	02:54:28	2	THE VIDEOGRAPHER: Going off the	02:57:23
3	what the strategy was and then he agreed with the	02:54:31	3	record, the time is 2:57. This ends tape number 3.	02:57:25
	strategy and if they wavered from the strategy, he	00.54.24			
4	strategy and if they waveled from the strategy, he	02:54:34	4	(Recess taken.)	02:57:32
4 5	didn't want to be an investor. We don't know, I	02:54:34 02:54:37	4 5	(Recess taken.) THE VIDEOGRAPHER: We are back on the	02:57:32 03:11:24
	6				
5	didn't want to be an investor. We don't know, I	02:54:37	5	THE VIDEOGRAPHER: We are back on the	03:11:24
5 6	didn't want to be an investor. We don't know, I don't know to this moment what companies Stamos	02:54:37 02:54:42	5 6	THE VIDEOGRAPHER: We are back on the record. The time is 3:12. This is tape number 4.	03:11:24 03:11:41
5 6 7	didn't want to be an investor. We don't know, I don't know to this moment what companies Stamos invests in.	02:54:37 02:54:42 02:54:51	5 6 7	THE VIDEOGRAPHER: We are back on the record. The time is 3:12. This is tape number 4. BY MR. BOHORQUEZ:	03:11:24 03:11:41 03:11:47
5 6 7 8	didn't want to be an investor. We don't know, I don't know to this moment what companies Stamos invests in. Q. Did Mr. Stamos express to you his	02:54:37 02:54:42 02:54:51 02:54:52	5 6 7 8	THE VIDEOGRAPHER: We are back on the record. The time is 3:12. This is tape number 4. BY MR. BOHORQUEZ: Q. Mr. Wilpon, earlier you had testified	03:11:24 03:11:41 03:11:47 03:11:53
5 6 7 8 9	didn't want to be an investor. We don't know, Idon't know to this moment what companies Stamos invests in.Q. Did Mr. Stamos express to you his concerns that Bayou lacks transparency and that's	02:54:37 02:54:42 02:54:51 02:54:52 02:54:55	5 6 7 8 9	THE VIDEOGRAPHER: We are back on the record. The time is 3:12. This is tape number 4. BY MR. BOHORQUEZ: Q. Mr. Wilpon, earlier you had testified to a discussion between you, Mr. Saul Katz and	03:11:24 03:11:41 03:11:47 03:11:53 03:11:56
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5 6 7 8 9 10 11 12 13	 didn't want to be an investor. We don't know, I don't know to this moment what companies Stamos invests in. Q. Did Mr. Stamos express to you his concerns that Bayou lacks transparency and that's why he decided to withdraw the investments? A. No, I've never had that conversation. Q. How did you come to know that Mr. Stamos had concerns with Bayou's transparency? 	02:54:37 02:54:42 02:54:51 02:54:52 02:54:55 02:54:59 02:55:02	5 6 7 8 9 10 11	THE VIDEOGRAPHER: We are back on the record. The time is 3:12. This is tape number 4. BY MR. BOHORQUEZ: Q. Mr. Wilpon, earlier you had testified to a discussion between you, Mr. Saul Katz and Bernie Madoff where Mr. Katz raised the possibility of Mr. Madoff retiring. Right? A. Correct. Q. Did Mr. Madoff explain why, if he	03:11:24 03:11:41 03:11:47 03:11:53 03:11:56 03:12:00 03:12:02
5 6 7 8 9 10 11 12 13 14	 didn't want to be an investor. We don't know, I don't know to this moment what companies Stamos invests in. Q. Did Mr. Stamos express to you his concerns that Bayou lacks transparency and that's why he decided to withdraw the investments? A. No, I've never had that conversation. Q. How did you come to know that 	02:54:37 02:54:42 02:54:51 02:54:52 02:54:55 02:54:59 02:55:02 02:55:04	5 6 7 8 9 10 11 12 13 14	THE VIDEOGRAPHER: We are back on the record. The time is 3:12. This is tape number 4. BY MR. BOHORQUEZ: Q. Mr. Wilpon, earlier you had testified to a discussion between you, Mr. Saul Katz and Bernie Madoff where Mr. Katz raised the possibility of Mr. Madoff retiring. Right? A. Correct. Q. Did Mr. Madoff explain why, if he were to retire, someone else within his organization	03:11:24 03:11:41 03:11:47 03:11:53 03:11:56 03:12:00 03:12:02 03:12:05 03:12:11 03:12:15
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1	Q. Was the issue of Madoff's lack of	04:04:40	1	Q. Did you ever have any discussions	04:07:14
2	transparency ever discussed amongst the Sterling	04:04:44	2	amongst the partners concerning front-running and	04:07:16
3	partners at any time?	04:04:49	3	Madoff?	04:07:20
4	A. I don't know if he had a lack of	04:04:52	4	A. Not that I can recall.	04:07:23
5	transparency.	04:04:54	5	Q. You're aware that Madoff was	04:07:37
6	Q. Pardon me?	04:04:54	6	investigated on a few occasions by the SEC, correct?	04:07:41
7	A. I'm not sure he had a lack of	04:04:55	7	A. Yes.	04:07:47
8	transparency.	04:04:57	8	Q. Did you ever speak to Mr. Madoff	04:07:48
9	Q. That's what I'm asking you. If it	04:04:58	9	concerning those SEC investigations?	04:07:50
10	was ever discussed that Madoff may have a lack of		10	A. No.	04:07:54
11	transparency?	04:05:02	11	Q. Were the Madoff SEC investigations	04:07:57
12	A. No.	04:05:04	12	ever a topic of discussion at any of the partners	04:07:59
13	Q. When Peter Stamos raised the issue of	04:05:05	13	meetings?	04:08:03
14	Bayou having a lack of transparency, did anyone	04:05:10	14	A. Yes.	04:08:04
15	within the Sterling organization decide to	04:05:13	15	Q. Can you please tell me what were	04:08:11
16	investigate as to whether Madoff, as well, had a	04:05:16	16	those discussions?	04:08:15
17	lack of transparency?	04:05:20	17	A. I can't remember the detail of the	04:08:16
18	A. I think I testified that what I meant	04:05:22	18	discussions, but there was one time when someone in	04:08:18
19	by Stamos, in terms of his determination of lack of	04:05:25	19	Florida had committed some kind of violation, two	04:08:24
20	transparency is that he if he believed that there	04:05:33	20	guys in Florida, that were investors in Bernie, and	04:08:30
21	was a strategy that was going to be successful and	04:05:37	21	the SEC came in and admonished them and Bernie sent	04:08:37
22	he invested in that fund of funds, that was	04:05:39	22	back \$480 million or something, overnight.	04:08:42
23	transparency to him. He'd be able to see they were	04:05:46	23	Q. Is this Avellino & Bienes?	04:08:49
24	investing in that strategy. But if they changed the	04:05:50	24	A. Something like that.	04:08:57
25	strategy and veered from that strategy, then he was	04:05:54	25	Q. And what specifically did you discuss	04:08:59
		197			199
1	not happy about that.	04:05:59	1	amongst the partners concerning the Avellino &	04:09:03
2	As far as I know, Bernie never	04:06:01	2	Bienes matter?	04:09:08
3	changed his strategy one iota from all the time we	04:06:04	3	A. That the SEC had determined that it	04:09:09
4	were investors.	04:06:11	4	was not Bernie who was at fault, or had violated	04:09:10
5	Q. So to be clear, it's your	04:06:12	5	anything, and in fact it was amazing that he just,	04:09:15
б	understanding that Madoff's investment strategy was	04:06:14	6	you know, returned the 400 I don't remember the	04:09:21
7	consistent for the entire time that you were	04:06:17	7	number, but a large amount of money, overnight.	04:09:25
8	invested with him?	04:06:20	8	Q. Did you ever talk to Mr. Madoff about	04:09:30
9	A. That's my understanding.	04:06:22	9	the Avellino & Bienes investigation?	04:09:33
10	Q. Have you ever heard of the term	04:06:38	10	A. No.	04:09:36
11	"front-running"?	04:06:41	11	Q. Did you ever talk to him about the	04:09:36
12	A. Only	04:06:44	12	fact that he was able to return all that money	04:09:38
13	Q. I don't want to get into any	04:06:45	13	overnight that you mentioned?	04:09:41
14	discussions you've had with counsel about that.	04:06:47	14	A. No.	04:09:42
15	A. Only of late.	04:06:50	15	Q. Other than the Avellino & Bienes SEC	04:09:51
16	Q. Only with what?	04:06:51	16	investigation, did you have any other discussions	04:09:54
17	A. Only of late.	04:06:53	17	with the partners concerning any other SEC	04:09:56
18	Q. In connection with the preparation	04:06:54	18	investigations of Madoff?	04:09:58
19	for your deposition?	04:06:57	19	A. It's hard to put that in context	04:10:03
20				after all the publicity. Because after all the	04-10-0E
C 7	A. Correct.	04:06:58	20		04:10:05
21	Q. Prior to preparation for your	04:06:58	21	publicity, one learned that there were eight or nine	04:10:09
22	Q. Prior to preparation for your deposition, have you had any discussion did you	04:06:58 04:07:00	21 22	publicity, one learned that there were eight or nine SEC investigations. Not that we knew about those,	04:10:09 04:10:14
22 23	Q. Prior to preparation for your deposition, have you had any discussion did you have any discussions with the partners concerning	04:06:58 04:07:00 04:07:05	21 22 23	publicity, one learned that there were eight or nine SEC investigations. Not that we knew about those, but there were a lot of SEC investigations, and they	04:10:09 04:10:14 04:10:19
22	Q. Prior to preparation for your deposition, have you had any discussion did you	04:06:58 04:07:00	21 22	publicity, one learned that there were eight or nine SEC investigations. Not that we knew about those,	04:10:09 04:10:14

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1	Q. Okay. Please go down to the bottom	04:40:09	1	option that lapsed and we didn't want that to	04:43:29
2	of the document, under the signature very truly	04:40:11	2	happen.	04:43:34
3	yours, the name Fred Wilpon. Is that your	04:40:16	3	So we were in my car, driving to our	04:43:35
4	signature?	04:40:19	4	office in Manhattan, and Marvin Tepper was with us,	04:43:38
5	A. Yes, it is.	04:40:19	5	Saul and I were in the back seat, Marvin Tepper was	04:43:45
б	Q. To the right of your signature is	04:40:20	6	in the front seat. And we decided we didn't want to	04:43:49
7	that Saul Katz's signature?	04:40:21	7	take that chance.	04:43:56
8	A. I believe so.	04:40:23	8	So, what were the alternatives. The	04:43:58
9	Q. And to the left, under the word	04:40:24	9	alternatives were that we could break accounts that	04:44:00
10	"Agreed," Ruth Madoff, is that Mrs. Madoff's	04:40:31	10	we had otherwhere, whatever, we could try to find	04:44:04
11	signature?	04:40:35	11	the money elsewhere, or we could break accounts at	04:44:09
12	A. I don't think I've ever seen her	04:40:36	12	Bernie and just have him send us the money.	04:44:12
13	signature, but it looks like her signature.	04:40:39	13	So we decided to call Bernie, and we	04:44:17
14	Q. Are you familiar with this document?	04:40:43	14	called Bernie on my car phone, I don't recall, I'm	04:44:22
15	A. Yes.	04:40:45	15	not sure whether I spoke to him or I don't	04:44:27
16	Q. When did you last review this	04:40:46	16	remember that. Or whether he was on the speaker	04:44:29
17	document?	04:40:52	17	phone or not.	04:44:33
18	A. Two days ago.	04:40:53	18	We called Bernie and his secretary	04:44:35
19	Q. In connection with the preparation of	04:40:54	19	said, he's out of town, I'll reach him for you. And	04:44:40
20	the deposition?	04:40:56	20	she reached him. At the time I didn't know where he	04:44:48
21	A. (Witness nods.)	04:40:59	21	was, but I saw other documents at prep that told me	04:44:54
22	Q. Can you explain to me the first	04:41:03	22	he was in Europe somewhere, in France I think. And	04:45:01
23	sentence of the letter agreement. It says: "Dear	04:41:05	23	we said to Bernie, Bernie, we want to break some	04:45:06
24	Ruth, this will confirm the conversations with	04:41:09	24	accounts. Even though it was in the middle of the	04:45:11
25	respect to an investment by you in the network."	04:41:11	25	period. Because he didn't if you broke accounts	04:45:14
		213			215
1	What is that sentence referring to?	04:41:19	1	in the middle, you didn't get the value of that	04:45:17
-	A. We decided to buy out of our	04:41:28	2	account, in terms of the interest, the return that	04:45:20
2	3				
2 3	agreement with Cablevision. We had an option to do	04:41:33	3	was paid.	04:45:25
	-	04:41:33 04:41:38	3 4	was paid. So, he said, okay. And then he said,	04:45:25 04:45:30
3	agreement with Cablevision. We had an option to do				
3 4	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or	04:41:38	4	So, he said, okay. And then he said,	04:45:30
3 4 5	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers	04:41:38 04:41:48	4 5	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're	04:45:30 04:45:35
3 4 5 6	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million.	04:41:38 04:41:48 04:41:55	4 5 6	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll	04:45:30 04:45:35 04:45:38
3 4 5 6 7	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right.	04:41:38 04:41:48 04:41:55 04:41:58	4 5 6 7	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the	04:45:30 04:45:35 04:45:38 04:45:44
3 4 5 6 7 8	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when	04:41:38 04:41:48 04:41:55 04:41:58 04:42:00	4 5 6 7 8	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how	04:45:30 04:45:35 04:45:38 04:45:44 04:45:51
3 4 5 6 7 8 9	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was	04:41:38 04:41:48 04:41:55 04:41:58 04:42:00 04:42:01	4 5 7 8 9	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't	04:45:30 04:45:35 04:45:38 04:45:44 04:45:51 04:45:53
3 4 5 6 7 8 9 10	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was a time when we had to do this, for the purpose of	04:41:38 04:41:48 04:41:55 04:41:58 04:42:00 04:42:01 04:42:05	4 5 7 8 9 10	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't know whether we need it, but we might need it for,	04:45:30 04:45:35 04:45:38 04:45:44 04:45:51 04:45:53 04:45:57
3 4 5 6 7 8 9 10 11	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was a time when we had to do this, for the purpose of starting a network, which ultimately became SNY. I	04:41:38 04:41:48 04:41:55 04:41:58 04:42:00 04:42:01 04:42:05 04:42:11	4 5 7 8 9 10 11	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't know whether we need it, but we might need it for, you know, a few days. So he said, okay, I'll send	04:45:30 04:45:35 04:45:38 04:45:44 04:45:51 04:45:53 04:45:57 04:46:02
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3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was a time when we had to do this, for the purpose of starting a network, which ultimately became SNY. I don't know there was anything ever called Mets Network Company. That was out of Marvin Tepper's head. He just made a name up. When it came down to the time, there was a couple of days left when we had to exercise that option, and what I was told was that the bank had accepted everything, but they were doing paperwork. Lawyers were making their fees. Q. Sounds unbelievable. A. That was the first time in history.	04:41:38 04:41:48 04:41:55 04:41:58 04:42:00 04:42:01 04:42:05 04:42:11 04:42:21 04:42:24 04:42:22 04:42:32 04:42:37 04:42:35	4 5 7 8 9 10 11 12 13 14 15 16 17 18	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't know whether we need it, but we might need it for, you know, a few days. So he said, okay, I'll send you the money. And so he said he'd send the money. That was that. I don't know what happened thereafter in terms of Marvin Tepper calling Bernie, or Bernie or someone. I don't really know what happened there. And I don't know how this letter got written or why. Bernie didn't ask that of us on the	04:45:30 04:45:35 04:45:38 04:45:44 04:45:51 04:45:57 04:46:02 04:46:04 04:46:14 04:46:19 04:46:31 04:46:34 04:46:34
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3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was a time when we had to do this, for the purpose of starting a network, which ultimately became SNY. I don't know there was anything ever called Mets Network Company. That was out of Marvin Tepper's head. He just made a name up. When it came down to the time, there was a couple of days left when we had to exercise that option, and what I was told was that the bank had accepted everything, but they were doing paperwork. Lawyers were making their fees. Q. Sounds unbelievable. A. That was the first time in history. Q. Right. A. So, I don't remember whether it was 	04:41:38 04:41:48 04:41:55 04:41:58 04:42:00 04:42:01 04:42:05 04:42:11 04:42:21 04:42:24 04:42:24 04:42:26 04:42:37 04:42:37 04:42:50 04:42:57 04:43:02	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't know whether we need it, but we might need it for, you know, a few days. So he said, okay, I'll send you the money. And so he said he'd send the money. That was that. I don't know what happened thereafter in terms of Marvin Tepper calling Bernie, or Bernie or someone. I don't really know what happened there. And I don't know how this letter got written or why. Bernie didn't ask that of us on the telephone. So, this letter was written by Marvin. I had no idea that until recalling here that Ruth, was sent to Ruth. Had no idea because he said he was sending it from his account. Not from Ruth's	04:45:30 04:45:33 04:45:33 04:45:53 04:45:53 04:45:57 04:46:02 04:46:04 04:46:10 04:46:20 04:46:31 04:46:31 04:46:45 04:46:53 04:47:02 04:47:06
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	 agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was a time when we had to do this, for the purpose of starting a network, which ultimately became SNY. I don't know there was anything ever called Mets Network Company. That was out of Marvin Tepper's head. He just made a name up. When it came down to the time, there was a couple of days left when we had to exercise that option, and what I was told was that the bank had accepted everything, but they were doing paperwork. Lawyers were making their fees. Q. Sounds unbelievable. A. That was the first time in history. Q. Right. A. So, I don't remember whether it was two days before or five days before, something like 	04:41:38 04:41:48 04:41:55 04:42:00 04:42:01 04:42:05 04:42:11 04:42:24 04:42:26 04:42:26 04:42:32 04:42:37 04:42:50 04:42:57 04:43:02 04:43:03	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't know whether we need it, but we might need it for, you know, a few days. So he said, okay, I'll send you the money. And so he said he'd send the money. That was that. I don't know what happened thereafter in terms of Marvin Tepper calling Bernie, or Bernie or someone. I don't really know what happened there. And I don't know how this letter got written or why. Bernie didn't ask that of us on the telephone. So, this letter was written by Marvin. I had no idea that until recalling here that Ruth, was sent to Ruth. Had no idea because he said he was sending it from his account. Not from Ruth's account. Sending the money.	04:45:30 04:45:35 04:45:34 04:45:51 04:45:53 04:45:57 04:46:02 04:46:04 04:46:10 04:46:10 04:46:31 04:46:31 04:46:34 04:46:45 04:46:53 04:47:02 04:47:02
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 agreement with Cablevision. We had an option to do so. So, we arranged for financing from a bank, or banks, I don't remember, for the monies that refers in here, the \$54 million. Q. Right. A. When it came down to the time when the option was going to expire, you know, there was a time when we had to do this, for the purpose of starting a network, which ultimately became SNY. I don't know there was anything ever called Mets Network Company. That was out of Marvin Tepper's head. He just made a name up. When it came down to the time, there was a couple of days left when we had to exercise that option, and what I was told was that the bank had accepted everything, but they were doing paperwork. Lawyers were making their fees. Q. Sounds unbelievable. A. That was the first time in history. Q. Right. A. So, I don't remember whether it was 	04:41:38 04:41:48 04:41:55 04:42:00 04:42:01 04:42:05 04:42:05 04:42:11 04:42:24 04:42:24 04:42:26 04:42:37 04:42:37 04:42:50 04:42:57 04:43:02 04:43:03 04:43:06	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	So, he said, okay. And then he said, yeah, but why should you break the accounts, you're going to lose the continuity of the account. I'll send you the money. Got plenty of collateral in the accounts, I'll send you the money. He said, how long do you need it for. We said, well, we don't know whether we need it, but we might need it for, you know, a few days. So he said, okay, I'll send you the money. And so he said he'd send the money. That was that. I don't know what happened thereafter in terms of Marvin Tepper calling Bernie, or Bernie or someone. I don't really know what happened there. And I don't know how this letter got written or why. Bernie didn't ask that of us on the telephone. So, this letter was written by Marvin. I had no idea that until recalling here that Ruth, was sent to Ruth. Had no idea because he said he was sending it from his account. Not from Ruth's	04:45:30 04:45:33 04:45:33 04:45:53 04:45:53 04:45:57 04:46:02 04:46:04 04:46:10 04:46:20 04:46:31 04:46:31 04:46:45 04:46:53 04:47:02 04:47:06

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1	someone must have told Arthur or one of the	04:47:31	1	of time. We said break the accounts, he said why	04:50:49
2	accountants or someone and we got a call from the	04:47:35	2	2 break the accounts. The alternative is I'll just	
3	bank that there was \$104 million in the account. In	04:47:43	3	3 send you the money. You don't need it for very	
4	other words, Bernie's 54 was wired, but the bank	04:47:51	4	4 long, and you can send it back to me.	
5	that we borrowed the money from wired the money as	04:48:00	5	5 Q. Was Ruth Madoff involved in any of	
б	well. So someone got a call and said what's going	04:48:03	6	6 these discussions or this discussion, period?	
7	on here, you've got money in the account. So	04:48:11	7	A. No. Not to my knowledge.	04:51:12
8	obviously we realized what happened, the bank had	04:48:13	8	Q. I can turn now to the letter that's	04:51:18
9	approved the transaction. They funded the money	04:48:16	9	in front of you, Exhibit 17. That is your signature	04:51:23
10	into the account, and then that day or the next day	04:48:19	10	at the bottom of the letter, right?	04:51:31
11	or whatever, I don't remember I don't know who	04:48:23	11	A. I've told you that.	04:51:33
12	did it or whatever, but they wired the money back to	04:48:26	12	Q. So at some point in time you reviewed	04:51:35
13	Bernie. So the money may have been in the account	04:48:29	13	this letter and you signed it, right?	04:51:39
14	for a day or half a day or something like that.	04:48:35	14	A. Correct.	04:51:44
15	I have no idea why this letter was	04:48:40	15	Q. So, when you signed this agreement,	04:51:45
16	written; it wasn't requested. I have no idea. But	04:48:42	16	were there any other signatures on the document when	04:51:50
17	that's what you lawyers do. You write letters. So	04:48:46	17	you signed it?	04:51:54
18	that's my recollection of the whole thing.	04:48:56	18	A. I don't recall.	04:51:56
19	Q. So it's your recollection that the	04:49:01	19	Q. Don't remember. When you signed the	04:51:57
20	money was wired from you understand the money was	04:49:05	20	agreement was there anyone else in the room?	04:52:00
21	wired from Madoff accounts to your account without	04:49:09	21	A. I don't recall that.	04:52:02
22	any paperwork memorializing any agreement of any	04:49:16	22	Q. How long after the phone call you had	04:52:05
23	sorts?	04:49:20	23	with Mr. Madoff where he agreed to wire you \$54	04:52:09
24	A. Right.	04:49:21	24	million, what was the lag time between that phone	04:52:14
25	Q. You had also mentioned during your	04:49:24	25	call and when you signed this agreement?	04:52:17
		217			219
1	discussion that there was some documents in	04:49:27	1	A. I have no idea.	04:52:22
2	preparation that you reviewed that Mr. Madoff was in	04:49:29	2	Q. Do you remember if you signed this	04:52:27
3	Europe at the time, or something?	04:49:33	3	agreement at or around May 25th, 2004?	04:52:29
4	A. Something I saw in prep that would	04:49:36	4	A. I don't know.	04:52:33
5	have indicated the transfer or something, that he	04:49:43	5	Q. Go to the first paragraph of the	04:52:40
б	was not in he was not in New York.	04:49:48	6	letter agreement. It says, "This will confirm the	04:52:43
7	Q. Is this an email of some sort?	04:49:50	7	conversations with respect to an investment by you	04:52:50
8	A. No, it wasn't an email. Well, I	04:49:53	8	in the network."	04:52:52
9	don't know whether it was an email. I don't get	04:49:57	9	Are you aware of any discussions with	04:52:54
10	email I mean, I don't send emails, so	04:50:01	10	Ruth Madoff concerning any investment in the	04:52:57
11	Q. So the discussion you had with	04:50:09	11	network?	04:53:02
10	•				
12	Mr. Madoff about this transaction all occurred from	04:50:11	12	A. No.	04:53:03
12	-	04:50:11 04:50:15	12 13	A. No.Q. So, you read this document before you	04:53:03 04:53:10
	Mr. Madoff about this transaction all occurred from				
13	Mr. Madoff about this transaction all occurred from your car phone?	04:50:15	13	Q. So, you read this document before you	04:53:10
13 14	Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car?	04:50:15 04:50:17	13 14	Q. So, you read this document before you signed it, right?A. (Witness nods.)Q. When you read that line, did that	04:53:10 04:53:13
13 14 15	 Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. 	04:50:15 04:50:17 04:50:18	13 14 15	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the 	04:53:10 04:53:13 04:53:16 04:53:17 04:53:19
13 14 15 16 17 18	Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone	04:50:15 04:50:17 04:50:18 04:50:22	13 14 15 16 17 18	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations 	04:53:10 04:53:13 04:53:16 04:53:17 04:53:19
13 14 15 16 17 18 19	Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone on speaker phone?	04:50:15 04:50:17 04:50:18 04:50:22 04:50:25	13 14 15 16 17 18 19	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations with respect to the investment? 	04:53:10 04:53:13 04:53:16 04:53:17 04:53:19
13 14 15 16 17 18 19 20	 Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone on speaker phone? A. I don't remember that. I don't 	04:50:15 04:50:17 04:50:18 04:50:22 04:50:25 04:50:28	13 14 15 16 17 18 19 20	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations with respect to the investment? A. Only that our general counsel may 	04:53:10 04:53:13 04:53:16 04:53:17 04:53:19 04:53:21
13 14 15 16 17 18 19 20 21	 Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone on speaker phone? A. I don't remember that. I don't remember whether it was on speaker phone or not. It 	04:50:15 04:50:17 04:50:22 04:50:25 04:50:28 04:50:30 04:50:32 04:50:36	13 14 15 16 17 18 19 20 21	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations with respect to the investment? A. Only that our general counsel may have had conversations or I don't know who he 	04:53:10 04:53:13 04:53:16 04:53:17 04:53:19 04:53:21 04:53:27
13 14 15 16 17 18 19 20 21 22	 Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone on speaker phone? A. I don't remember that. I don't remember whether it was on speaker phone or not. It was a conversation for about, you know, two minutes. 	04:50:15 04:50:17 04:50:18 04:50:22 04:50:25 04:50:30 04:50:32 04:50:36 04:50:39	13 14 15 16 17 18 19 20 21 22	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations with respect to the investment? A. Only that our general counsel may have had conversations or I don't know who he even talked to. 	04:53:10 04:53:13 04:53:17 04:53:17 04:53:21 04:53:27 04:53:28 04:53:32 04:53:37
13 14 15 16 17 18 19 20 21 22 23	 Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone on speaker phone? A. I don't remember that. I don't remember whether it was on speaker phone or not. It was a conversation for about, you know, two minutes. Q. The whole discussion only lasted two 	04:50:15 04:50:17 04:50:22 04:50:25 04:50:28 04:50:30 04:50:30 04:50:36 04:50:39 04:50:44	13 14 15 16 17 18 19 20 21 22 23	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations with respect to the investment? A. Only that our general counsel may have had conversations or I don't know who he even talked to. Q. Mr. Tepper drafted this letter, 	04:53:10 04:53:13 04:53:17 04:53:19 04:53:21 04:53:27 04:53:28 04:53:32 04:53:37 04:53:38
13 14 15 16 17 18 19 20 21 22	 Mr. Madoff about this transaction all occurred from your car phone? A. Yeah. Q. And you were in the car, Mr. Saul Katz was in the car and Mr. Tepper was in the car? A. And my driver. Q. Your driver, okay. And was the phone on speaker phone? A. I don't remember that. I don't remember whether it was on speaker phone or not. It was a conversation for about, you know, two minutes. 	04:50:15 04:50:17 04:50:18 04:50:22 04:50:25 04:50:30 04:50:32 04:50:36 04:50:39	13 14 15 16 17 18 19 20 21 22	 Q. So, you read this document before you signed it, right? A. (Witness nods.) Q. When you read that line, did that cause you any concern or did you think about the fact that Ms. Madoff had not had any conversations with respect to the investment? A. Only that our general counsel may have had conversations or I don't know who he even talked to. 	04:53:10 04:53:13 04:53:17 04:53:17 04:53:21 04:53:27 04:53:28 04:53:32 04:53:37

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		220			222
1	Q. So do you know if Mr. Tepper had any	04:53:46	1	A. Oh, the third paragraph, I'm sorry.	04:57:12
2	discussions with Ruth Madoff about this?	04:53:49	2	I was looking at the fourth paragraph.	04:57:13
3	A. I have no idea.	04:53:51	3	Q. Oh, sorry.	04:57:15
4	Q. Before you signed it, did you ask	04:53:54	4	That paragraph suggests that the	04:57:26
5	Mr. Tepper about the conversations that are	04:53:56	5	money was sent at or around or before the execution	04:57:27
6	referenced in the first paragraph?	04:54:00	6	of this letter.	04:57:32
7	A. I really don't recall. I just don't	04:54:02	7	A. You are simultaneously wiring to	04:57:36
8	remember what happened here in terms of why he wrote	04:54:05	8	Sterling so you're saying that he wired the money	04:57:38
9	the letter. When I saw the letter just recently, I	04:54:10	9	and then there was going to be a conversation?	04:57:58
10	would say I never I don't know what this was	04:54:19	10	Q. Well, I'm asking you, I'm trying to	04:58:01
11	about. I mean, I know the issue it was about, but I	04:54:24	11	figure out	04:58:04
12	don't know what the purpose of the letter was.	04:54:28	12	A. I don't really know.	04:58:05
13	Because that's not what the conversation was with	04:54:33	13	Q if anything in this letter is	04:58:06
14	Mr. Madoff.	04:54:35	14	accurate.	04:58:09
15	Q. So the letter, as written, does not	04:54:39	15	A. I don't know. He did wire us the	04:58:09
16	reflect the agreement that you had with Mr. Madoff	04:54:43	16	money. There is no question that I was told he	04:58:12
17	concerning the 54 million-dollar transfer?	04:54:46	17	wired us the money. And there is no question that I	04:58:15
18	A. That's correct. He had no he knew	04:54:52	18	was told that we wired it right back, because we	04:58:20
19	he had a lot of our money, he knew we had accounts	04:54:57	19	didn't need it. I don't know anything else about	04:58:23
20	that could make good for \$54 million. That was	04:55:00	20	that, of what Mr. Tepper spoke to whomever he spoke	04:58:28
21	satisfactory to him as collateral. He didn't say to	04:55:04	21	to, in terms of any of these conditions.	04:58:32
22	me or Saul or any or Marvin either, that I know	04:55:09	22	Q. So in the fourth paragraph when it's	04:58:36
23	of, well, in exchange for that I want something	04:55:14	23	discussing the termination conditions and written	04:58:41
24	else. He never that was not part of the	04:55:19	24	notice, you see that fourth paragraph, do you have	04:58:46
25	conversation.	04:55:21	25	any understanding as to what that fourth paragraph	04:58:50
		221			223
1	Q. When Mr. Madoff suggested wiring you	221 04:55:22	1	means?	223 04:58:53
1 2	Q. When Mr. Madoff suggested wiring you the money instead of breaking the accounts to		1 2	means? A. No. It means either party could	
		04:55:22			04:58:53
2	the money instead of breaking the accounts to	04:55:22 04:55:26 04:55:32	2	A. No. It means either party could	04:58:53 04:58:53
2 3	the money instead of breaking the accounts to provide you with the money, did you or Mr. Katz or	04:55:22 04:55:26 04:55:32	2 3	A. No. It means either party could negate paragraphs 1, 2 and 3 and pay the money back.	04:58:53 04:58:53 04:58:57
2 3 4	the money instead of breaking the accounts to provide you with the money, did you or Mr. Katz or Mr. Tepper ask him why he would do that instead of	04:55:22 04:55:26 04:55:32 04:55:36	2 3 4	A. No. It means either party couldnegate paragraphs 1, 2 and 3 and pay the money back.Q. Then the last sentence in that	04:58:53 04:58:53 04:58:57 04:59:07
2 3 4 5	the money instead of breaking the accounts to provide you with the money, did you or Mr. Katz or Mr. Tepper ask him why he would do that instead of just breaking the accounts?	04:55:22 04:55:26 04:55:32 04:55:36 04:55:41	2 3 4 5	A. No. It means either party could negate paragraphs 1, 2 and 3 and pay the money back.Q. Then the last sentence in that paragraph says that, "The undersigned shall pay to	04:58:53 04:58:53 04:58:57 04:59:07 04:59:09
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2 3 4 5 6 7 8 9 10 11 12 13 14 15	 the money instead of breaking the accounts to provide you with the money, did you or Mr. Katz or Mr. Tepper ask him why he would do that instead of just breaking the accounts? A. He said, he said, why break the account when you will collect the interest that you get from it. I'll just wire you the money. Q. In response to that proposal, did you question, raise any questions as to that proposal, or you just agreed with him? A. No. Said thank you. Q. Was this letter drafted after the \$54 million was transferred? A. I cannot tell you. I don't know. 	04:55:22 04:55:32 04:55:34 04:55:41 04:55:43 04:55:49 04:55:56 04:55:59 04:56:02 04:56:02 04:56:09 04:56:18 04:56:23 04:56:25	2 3 4 5 6 7 8 9 10 11 12 13 14 15	 A. No. It means either party could negate paragraphs 1, 2 and 3 and pay the money back. Q. Then the last sentence in that paragraph says that, "The undersigned shall pay to you a premium to be mutually agreed." Did Sterling ever pay a premium to Mrs. Madoff in connection with this transaction? MS. SESHENS: Objection to the form. A. Was there a premium you're asking? Q. Did Sterling ever pay a premium as referenced in that sentence? A. Right. What's your question? Q. My question is, the letter says that the undersigned shall pay to you, Mrs. Madoff, a 	04:58:53 04:58:57 04:59:07 04:59:09 04:59:14 04:59:21 04:59:24 04:59:25 04:59:26 04:59:29 04:59:34 04:59:30 04:59:39 04:59:39
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		224			226
1	from this transaction in any way?	05:00:30	1	Madoff concerning the transaction?	05:04:18
2	A. Not the deal that we made. If you	05:00:32	2	A. I doubt whether he had conversations	05:04:20
3	read into this, you can say, well, maybe there was	05:00:37	3	with Mrs. Madoff.	05:04:22
4	something that could have been construed in the last	05:00:40	4	Q. Why do you say that?	05:04:26
5	paragraph or next-to-the-last paragraph. But that's	05:00:45	5	A. Because there were never any	05:04:28
6	not the arrangement as I remember it. Simple issue	05:00:50	6	conversations, any business conversations with	05:04:30
7	of break the accounts, don't break the accounts,	05:00:54	7	Mrs. Madoff.	05:04:33
8	send you the money, we'll send the money back when	05:00:58	8	Q. Between Mr. Tepper and Mrs. Madoff or	05:04:33
9	the bank loan comes through.	05:01:04	9	between anyone in Sterling and Mrs. Madoff?	05:04:36
10	Q. Was that arrangement as you described	05:01:06	10	A. Anyone that I know of at Sterling.	05:04:39
11	it, was that would you classify that as a loan of	05:01:08	11		05:04:41
12	sorts or an advance?	05:01:12	12		05:04:44
13	A. I don't know how you'd classify it.	05:01:20	13	•	05:04:49
14	I don't know how you'd classify it. It was a loan,	05:01:23	14	A. Right. Other than that, I don't	05:04:52
15	maybe, against the collateral. He had hundreds of	05:01:28	15		05:04:54
16	millions of dollars of collateral. Or it was an	05:01:32	16	- •	05:05:00
17	advance. It wasn't intended to stay there. It was	05:01:38	17		05:05:05
18	intended to be a back-stop, an insurance policy, so	05:01:42	18	· ·	05:05:08
19	to speak, to the bank being on time.	05:01:48	19	C C	05:05:11
20	Q. So there was no interest paid or	05:01:52	20		05:05:15
21	anything for the day or two that the money was	05:01:54	21		05:05:17
22	A. No. Not that I'm aware of.	05:01:58	22		05:05:21
23	Q loaned, advanced, what have you?	05:02:00	23		05:05:23
24	A. Not that I'm aware of.	05:02:04	24		05:05:24
25	Q. Do you have a signed copy of this	05:02:07	25	it's an unsigned letter from Marvin Tepper to	05:05:32
		225			227
		225			227
1	letter within your records?	05:02:10	1	Mr. Friedman dated June 8th, 2004, and you and	227 05:05:37
1 2	letter within your records? A. Do I have it?		1 2	-	
	-	05:02:10		Mr. Katz are cc'd at the bottom there.	05:05:37
2	A. Do I have it?	05:02:10 05:02:13	2	Mr. Katz are cc'd at the bottom there. A. Right.	05:05:37 05:05:46
2 3	A. Do I have it?Q. Yes, you personally.	05:02:10 05:02:13 05:02:15	2 3	Mr. Katz are cc'd at the bottom there.A. Right.Q. Do you recall receiving this document	05:05:37 05:05:46 05:05:49
2 3 4	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your deposition, did you ever see a signed copy of this 	05:02:10 05:02:13 05:02:15 05:02:16	2 3 4	Mr. Katz are cc'd at the bottom there.A. Right.Q. Do you recall receiving this document at any point?	05:05:37 05:05:46 05:05:49 05:05:51
2 3 4 5	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your 	05:02:10 05:02:13 05:02:15 05:02:16 05:02:22	2 3 4 5	Mr. Katz are cc'd at the bottom there.A. Right.Q. Do you recall receiving this document at any point?A. No.	05:05:37 05:05:46 05:05:49 05:05:51 05:05:54
2 3 4 5 6	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your deposition, did you ever see a signed copy of this document? A. No. I didn't even remember the 	05:02:10 05:02:13 05:02:15 05:02:16 05:02:22 05:02:26 05:02:30 05:02:31	2 3 4 5 6	 Mr. Katz are cc'd at the bottom there. A. Right. Q. Do you recall receiving this document at any point? A. No. Q. Did you review this document in connection with your preparation for the deposition? 	05:05:37 05:05:46 05:05:49 05:05:51 05:05:54 05:05:55 05:05:58 05:06:01
2 3 4 5 6 7 8 9	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your deposition, did you ever see a signed copy of this document? A. No. I didn't even remember the document. 	05:02:10 05:02:13 05:02:15 05:02:16 05:02:22 05:02:26 05:02:30 05:02:31 05:02:36	2 3 4 5 6 7 8 9	 Mr. Katz are cc'd at the bottom there. A. Right. Q. Do you recall receiving this document at any point? A. No. Q. Did you review this document in connection with your preparation for the deposition? A. I think I saw this one, yeah. 	05:05:37 05:05:46 05:05:49 05:05:51 05:05:54 05:05:55 05:05:58
2 3 4 5 6 7 8 9 10	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your deposition, did you ever see a signed copy of this document? A. No. I didn't even remember the document. Q. Do you know that at any time there 	05:02:10 05:02:13 05:02:15 05:02:22 05:02:26 05:02:30 05:02:31 05:02:36 05:02:44	2 3 4 5 6 7 8 9 10	 Mr. Katz are cc'd at the bottom there. A. Right. Q. Do you recall receiving this document at any point? A. No. Q. Did you review this document in connection with your preparation for the deposition? A. I think I saw this one, yeah. Q. Other than in preparation for your 	05:05:37 05:05:46 05:05:51 05:05:54 05:05:55 05:05:58 05:06:01 05:06:09 05:06:11
2 3 4 5 6 7 8 9 10 11	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your deposition, did you ever see a signed copy of this document? A. No. I didn't even remember the document. Q. Do you know that at any time there was a direction that prior to December 11, 2008, 	05:02:10 05:02:13 05:02:15 05:02:22 05:02:26 05:02:30 05:02:31 05:02:36 05:02:44 05:02:50	2 3 4 5 6 7 8 9 10 11	 Mr. Katz are cc'd at the bottom there. A. Right. Q. Do you recall receiving this document at any point? A. No. Q. Did you review this document in connection with your preparation for the deposition? A. I think I saw this one, yeah. Q. Other than in preparation for your deposition, have you seen this document before? 	05:05:37 05:05:46 05:05:54 05:05:54 05:05:55 05:05:58 05:06:01 05:06:09 05:06:11 05:06:13
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 A. Do I have it? Q. Yes, you personally. A. No. Q. Prior to your preparation for your deposition, did you ever see a signed copy of this document? A. No. I didn't even remember the document. Q. Do you know that at any time there was a direction that prior to December 11, 2008, are you familiar with any direction given to destroy documents related to Madoff? A. No. (Exhibit FW-18 marked for identification.) Q. Before we get to Exhibit 18, Mr. Wilpon, you indicated that you believe that Mr. Tepper may have had some discussions with Mrs. Madoff. A. No, no. I said he had some 	05:02:10 05:02:13 05:02:15 05:02:22 05:02:26 05:02:30 05:02:31 05:02:36 05:02:44 05:02:50 05:02:58 05:03:01 05:03:03 05:03:32 05:03:32 05:03:52 05:03:56 05:04:00 05:04:05 05:04:09	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 Mr. Katz are cc'd at the bottom there. A. Right. Q. Do you recall receiving this document at any point? A. No. Q. Did you review this document in connection with your preparation for the deposition? A. I think I saw this one, yeah. Q. Other than in preparation for your deposition, have you seen this document before? A. Not to my knowledge, no. Q. You see that the document is dated June 8th, 2004? A. Yes. Q. And the 54 million transaction that we discussed earlier is dated on or around May 25th, 2004; is that right? A. Um-hum. Q. That was yes? A. Yes. Q. This document forwards to Mr. Friedman the letter agreement that was signed and agreed to between you and Mrs. Madoff. 	05:05:37 05:05:46 05:05:54 05:05:55 05:05:55 05:05:58 05:06:01 05:06:09 05:06:11 05:06:13 05:06:14 05:06:23 05:06:28 05:06:28 05:06:28 05:06:32 05:06:41 05:06:43 05:06:43

59 (Pages 224 to 227)

CONFIDENTIAL

SIPC v. BLMIS

		228			230
1	Q. That's what it says, right?	05:07:04	1	approached by Mr. Madoff concerning a special deal	05:10:21
2	A. Yeah.	05:07:09	2	or special investment opportunity?	05:10:26
3	Q. The signed letter agreement was not	05:07:11	3	A. Yes.	05:10:28
4	produced in connection with this document. But I	05:07:14	4	Q. What was that special investment	05:10:30
5	wanted to ask you if you knew if there's any	05:07:19	5	opportunity?	05:10:34
б	explanation for the delay between when the document	05:07:24	6	A. I don't know the specifics. I was	05:10:36
7	was signed on May 25th, 2004, and when it was	05:07:26	7	not approached.	05:10:39
8	actually forwarded from Mr. Tepper to Mr. Friedman	05:07:31	8	Q. Who was?	05:10:42
9	on June 8, 2004?	05:07:36	9	A. I don't recall who was approached,	05:10:44
10	MS. SESHENS: Objection to the form.	05:07:41	10	but, I just don't know.	05:10:47
11	A. I don't know.	05:07:54	11	Q. What is your understanding of the	05:10:52
12	Q. After you saw that the \$54 million	05:08:01	12	special deal that was offered by Madoff?	05:10:55
13	had actually come through from the bank, I think you	05:08:03	13	A. That Bernie had an idea, which would	05:10:59
14	testified that then you immediately returned the	05:08:07	14	divert from his normal procedure, and that the	05:11:07
15	money back to Mr. Madoff; is that right?	05:08:10	15	returns might be better. It was a short-term kind	05:11:16
16	A. Yes.	05:08:12	16	of thing. It wasn't a long-term strategy. It was a	05:11:23
17	Q. After the return of the \$54 million,	05:08:19	17	short-term window of opportunity or strategy. I	05:11:26
18	were there ever any discussions concerning that	05:08:22	18	have no idea what the strategy was. And that would	05:11:30
19	transaction with any of the Sterling partners?	05:08:25	19	we want to invest. And I think we did.	05:11:35
20	A. Not that I can recall. Other than	05:08:29	20	Q. What was your understanding as to how	05:11:51
21	next time I saw Bernie, I thanked him.	05:08:38	21	the special investment opportunity, how did the	05:11:55
22	Q. Was the 54 million dollar transaction	05:08:44	22	strategy divert from Mr. Madoff's typical strategy?	05:12:00
23	ever raised at any of the partners' meetings after	05:08:48	23	A. I don't know. I have no, no idea of	05:12:06
24	the fact?	05:08:52	24	what the new strategy was.	05:12:13
25	A. Raised in what sense?	05:08:53	25	(Exhibit FW-19 marked for	05:12:32
					221
		229			231
1	Q. In other words, at your bimonthly	229 05:08:54	1	identification.)	231 05:12:36
1 2	Q. In other words, at your bimonthly partners' meetings that people would bring, partners		1 2	identification.) Q. Handed you what was marked as Exhibit	
		05:08:54			05:12:36
2	partners' meetings that people would bring, partners	05:08:54 05:08:59	2	Q. Handed you what was marked as Exhibit	05:12:36 05:12:51
2 3	partners' meetings that people would bring, partners would raise periodic updates, status reports on the	05:08:54 05:08:59 05:09:03	2 3	Q. Handed you what was marked as Exhibit 19, which is a memo from Arthur Friedman to all	05:12:36 05:12:51 05:12:53
2 3 4	partners' meetings that people would bring, partners would raise periodic updates, status reports on the various arms of the business.	05:08:54 05:08:59 05:09:03 05:09:08	2 3 4	Q. Handed you what was marked as Exhibit19, which is a memo from Arthur Friedman to allpartners dated November 28th, 2005. Let me knowwhen you're ready to discuss.A. Ready.	05:12:36 05:12:51 05:12:53 05:12:56
2 3 4 5	partners' meetings that people would bring, partners would raise periodic updates, status reports on the various arms of the business.A. I don't have any recollection of it,	05:08:54 05:08:59 05:09:03 05:09:08 05:09:10	2 3 4 5	 Q. Handed you what was marked as Exhibit 19, which is a memo from Arthur Friedman to all partners dated November 28th, 2005. Let me know when you're ready to discuss. A. Ready. Q. Okay. Do you recall receiving this 	05:12:36 05:12:51 05:12:53 05:12:56 05:13:02
2 3 4 5 6	 partners' meetings that people would bring, partners would raise periodic updates, status reports on the various arms of the business. A. I don't have any recollection of it, but I would think that something was said that Bernie made this accommodation. Q. So you would agree this is the kind 	05:08:54 05:08:59 05:09:03 05:09:08 05:09:10 05:09:11	2 3 4 5 6	 Q. Handed you what was marked as Exhibit 19, which is a memo from Arthur Friedman to all partners dated November 28th, 2005. Let me know when you're ready to discuss. A. Ready. Q. Okay. Do you recall receiving this memo at or around November 28th, 2005? 	05:12:36 05:12:51 05:12:53 05:12:56 05:13:02 05:13:10 05:13:11 05:13:21
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 partners' meetings that people would bring, partners would raise periodic updates, status reports on the various arms of the business. A. I don't have any recollection of it, but I would think that something was said that Bernie made this accommodation. Q. So you would agree this is the kind of matter that would have been discussed at one of these partners' meetings? A. It would have been mentioned, I would think. Q. And who would have been the partner to raise that issue? A. I don't know. Q. Do you recall it being, the 54 million dollar transaction actually being discussed at any of the partner meetings? A. No, I don't. Q. After the fact, did you have any further discussions with any of your partners concerning the transaction? 	05:08:54 05:09:03 05:09:08 05:09:10 05:09:11 05:09:20 05:09:23 05:09:24 05:09:24 05:09:28 05:09:29 05:09:30 05:09:31 05:09:33 05:09:35 05:09:40 05:09:45 05:09:46 05:09:48 05:09:50	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 Q. Handed you what was marked as Exhibit 19, which is a memo from Arthur Friedman to all partners dated November 28th, 2005. Let me know when you're ready to discuss. A. Ready. Q. Okay. Do you recall receiving this memo at or around November 28th, 2005? A. No. Q. Do you have any reason to believe that you didn't receive it? A. No. Q. Did you review this memo in preparation for your deposition? A. I saw it. Q. Other than in preparation for your deposition, do you recall seeing this memo before then? A. No. Q. The first sentence of the memo says, "A special determination has been made to invest \$22 million in the short-term special Madoff 	05:12:36 05:12:51 05:12:56 05:13:02 05:13:10 05:13:11 05:13:21 05:13:24 05:13:25 05:13:27 05:13:29 05:13:32 05:13:37 05:13:38 05:13:43 05:13:44 05:13:45 05:13:53 05:13:56 05:14:00

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60 (Pages 228 to 231)

	FRED WILPON 7/20/10	CONFIDENTIAL	SIPC v. BLMIS
			253
1		JURAT	
2			
3	I, FRED WII	LPON, do hereby certify	that I have
4	read the foregoin	ng transcript of my test	timony taken
5	on July 20, 2010	and have signed it sub	ject to the
6	following changes	3:	
7			
8	PAGE LINE	CORRECTION	N
9	SEE ATTACHED EX	HIBIT A	
10			
11			
12			
13			
14			
15			
16		\bigcap	
17		1	
18			
19		FRED WILFON	
20			
21		ibed to before me on th	is day of
22	13th day of Ou	tober, 2010	
23		l, h	
24	NOTARY PUBLIC:	Usule In.	Yhile
25			URSULA M. MIKA NOTARY PUBLIC, STATE OF NEW YORK No.01MI6216250 QUALIFIED IN QUEENS COUNTY
		BENDISH REPORTING, INC.	COMMISSION EXPIRES JANUARY 11, 2014

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SIPC v. BLMIS No. 08-01789-BR: Rule 2004 Examination of Fred Wilpon EXHIBIT A

			EXHIBIT A	
PAGE	LINE	Co	prrection	REASON
		ORIGINAL	CHANGE	
		Polk and Wardwell, LLC, I'm	Polk and Wardwell, LLP, I'm	
5	22	here with my colleagues	here with my colleague	Transcription error
		officious reporting. I might see	official reporting. I might see him in	
17	19		the hall, I	Transcription error
		discussions. He was well	discussions. He was well-	
33	24	known in the industry, was	known in the industry, was	Grammatical error
		to hit a home run, so to speak,	to hit a home run, so to speak,	
45	20	even at City Field	even at Citi Field	Transcription error
		a personal relationship with	a personal relationship with	
49	14	Bernie as well but mine	Bernie as well, but mine	Grammatical error
		You were counting out your	You were counting on your	
64	15	hands	hands	Grammatical error
	10	days it was before the		
64	10	December 11th.	days it was before December 11th.	Grammatical error
04	10	Yes Was Maurice Cohen	Yes Was Maurice Cohn	
65	24	there?	there?	Transcription error
00	24	Did you know Maurice Cohen	Did you know Maurice Cohn	
			prior to	Transcription error
68	3	prior to		
		Now, Maurice Cohen, through	Now, Maurice Cohn, through	-
68	8	Cohmad	Cohmad	Transcription error
		Did you know that Maurice		
68	15	Cohen and	Did you know that Maurice Cohn and	I ranscription error
		discussions with Maurice	discussions with Maurice Cohn	
68	19	Cohen concerning Madoff	concerning Madoff	Transcription error
		When you met Mr. Cohen at		
68	22	Madoff's	When you met Mr. Cohn at Madoff's	Transcription error
		with Madoff. I don't know what	with Madoff. I don't know what it	
127	1	shows after that,	shows after that,	Transcription error
		insuring the insurance they	insuring - the insurance they	
161	17	had on their Madoff	had on their Madoff	Grammatical error
		it, then made recommendation	it, then made a recommendation	
165	13	to the other partners.	to the other partners.	Grammatical error
	10	that Mr. Friedman references	that Mr. Friedman references	
165	16	in the June 13th, 2000	in the June 13th, 2001	Transcription error
171		in the fax	in the tax	Transcription error
<u> </u>		has an notation, "Talk to	has notation, "Talk to	
171	10	Frank." Do you see that?	Frank." Do you see that?	Grammatical error
171	19	was a 401(k) plan that had	was a 401(k) plan that had an	
170			investment with Madoff.	Grammatical error
178	22	investment with Madoff.	Taking just the	
	_	Talking just the		Transprintian
192	7	commissions on the	commissions on the	Transcription error
		I now remember them and	I now remember them and	
200	8	read, of the SEC violations	read, of the SEC investigations	Transcription error
		about? But that's never	about? But that never	
201	9	happened. No one ever, by	happened. No one ever, by	Transcription error
		Bernie was on the	Bernie was at the	
201	17	top of the field.	top of the field.	Transcription error

SIPC v. BLMIS No. 08-01789-BR: Rule 2004 Examination of Fred Wilpon

			EXHIBIT A	
PAGE	LINE	Co	rrection	REASON
		ORIGINAL	CHANGE	
		money at significantly less	money at a significantly lower	
203	8	percent than you return	percent than your return	Grammatical error
			that. Dana, come to my help	
203		over here.	over here.	Transcription error
		Do you recall what	Do you recall what	
205	6	was Mr. Madoff's		Grammatical error
	-	I'm sure it was, but I don't	I'm sure it was, but I don't	
205	25	refer that.		Transcription error
		concerning Madoff strategy	concerning Madoff's strategy	
210	11	before incurring that	before incurring that	Grammatical error
		banks, I don't remember, for	banks, I don't remember, for	
213	5	the monies that refers		Transcription error
210	,	we had otherwhere, whatever,	we had elsewhere, whatever,	
214	10	we could try to find	we could try to find	Grammatical error
217	10	Ruth, was sent to Ruth. Had	Ruth, was sent by Ruth. Had	
215	21	no idea because he said	no idea because he said	Transcription error
215	<u> </u>	bank that there was 104	bank that there was \$108	
216		million in the account. In	million in the account. In	Transcription error
210		other words, Bernie's 54 was	other words, Bernie's \$54 million was	
246		wired, but the bank	wired, but the bank	Transcription error
216	4	wired from Madoff accounts	wired, but the bank wired from Madoff's accounts	
040	01	to your account without	to your account without	Grammatical error
216			No. I said thank you.	Transcription error
221	the second s	No. Said thank you. MS. SESHENS: (Inaudible.)	MS. SESHENS: They were.	Transcription error
226	22	And the 54 million	And the \$54 million	
			transaction that	Grammatical error
227	16	transaction that		Grammatical error
			have no idea what the strategy was.	
230	18	was. And that would	And would	Transcription error
		I never heard of that	I never heard of that	
235	1	till prep. I	until prep. I	Grammatical error
		committee that Mr. DiPascali	committee that Mr. DiPascali	
235		had referred to at a	had referred to in a	Grammatical error
238		country club.	"country club".	Transcription error
239	12	I'm not aware of.	I'm not aware of any.	Transcription error
		comparing the Madoff rate of	comparing the Madoff rate of	
240	6	returns with any other	return with any other	Transcription error
		told that the Madoff rate of	told that the Madoff rate of return	
240) 13	returns had some;	had some;	Transcription error
		Or Saul told me that Bernie	Or Saul told me that Bernie said that.	
240	16	said. I don't remember;	I don't remember;	Transcription error
		the Madoff rate of returns		
240	24	and the	the Madoff rate of return and the	Transcription error
		They're minimum	They're minimal	
241	19	files. I reviewed it	files. I reviewed it	Transcription error
<u>_</u>	+	six words. Very, very	six words. Very, very infrequently. I	
243	3 17	infrequently. I don't think	think	Transcription error
	· · · · · ·	rate of returns that Sterling	rates of return that Sterling	
247	23	was monitoring from	was earning from	Transcription errors
2-71	+	rate of returns concerning	rate of return concerning	
249	20	your investments?	your investments?	Transcription error
243	<u> </u>	-1	17 · · · · · · · · · · · · · · · · · · ·	

SIPC v. BLMIS No. 08-01789-BR: Rule 2004 Examination of Fred Wilpon EXHIBIT A

PAGE	LINE		Correction	
		ORIGINAL	CHANGE	
	-	or another. It's almost like	or another. It's like puts and calls.	
25	0	23 puts and calls. They	They	Transcription error

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