

Exhibit 33

C O N F I D E N T I A L

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

-----x
SECURITIES INVESTOR PROTECTION
CORPORATION,

Videotaped

Plaintiff-Applicant,
v.

Rule 2004
Examination of:

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,
Defendant.

FRED WILPON

-----x
In Re:

BERNARD L. MADOFF,
Debtor.
-----x

TRANSCRIPT of testimony as taken by and before
NANCY C. BENDISH, Certified Court Reporter, RMR, CRR
and Notary Public of the States of New York and New
Jersey, at the offices of Baker & Hostetler, 45
Rockefeller Plaza, New York, New York on Tuesday,
July 20, 2010, commencing at 10:04 a.m.

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13	13	10:45:48	13	10:49:48	
14	14	10:45:52	14	10:49:51	
15	15	10:45:56	15	10:49:54	
16	16	10:45:57	16	10:49:57	
17	17	10:46:02	17	10:50:06	
18	18	10:46:04	18	10:50:10	
19	19	10:46:12	19	10:50:14	
20	20	10:46:15	20	10:50:19	
21	21	10:46:16	21	10:50:23	
22	22	10:46:17	22	10:50:28	
23	23	10:46:19	23	10:50:36	
24	24	10:46:21	24	10:50:41	
25	25	10:46:33	25	10:50:43	

36		38			
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
23	A. Howard Squadron.	10:54:14	23	the moment, but numbers of other people that were	10:57:31
24	Q. And what firm was he with at that	10:54:19	24	investors. And we decided to give it a try.	10:57:33
25	time?	10:54:21	25	Q. And what did Mr. Squadron tell you,	10:57:39

40		42		
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?	11:01:25
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	11:01:36
17	were looking at other investment firms for	10:58:53	17 Bernie approximately once a year, and we'd go to his	11:01:44
18	investment opportunities; is that right?	10:58:55	18 office or something and talk about where we -- how	11:01:51
19	A. Correct.	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.	11:00:19	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.	11:00:23	18 A. That's the kind of relationship it	11:03:52
19	Q. You can answer.	11:00:24	19 was. Very trusting relationship. There's no person	11:03:55
20	A. You both said I could answer.	11:00:26	20 that you will talk to, none, that is more betrayed	11:04:00
21	Q. We agreed on something.	11:00:30	21 than I am.	11:04:08
22	A. Yeah, I'd say he has the most	11:00:36	22 Q. Thank you, Mr. Wilpon.	11:04:12
23	expertise.	11:00:41	23 I want to go back to -- I want to	11:04:16
24	Q. And what did Mr. Katz do with respect	11:00:42	24 break that down into a few areas. The first thing	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	A. No. I had people that were doing	11:14:56
6	was no business conversation.	11:11:58	6	that.	11:14:59
7	Q. Other than --	11:12:00	7	Q. So who, in the early stages who were	11:15:01
8	A. Other than, I'd say that...	11:12:02	8	the people who were doing that?	11:15:05
9	Q. That roughly annual meeting?	11:12:07	9	A. Primarily Arthur was really tracking	11:15:07
10	A. Right.	11:12:09	10	everything and it was primarily Arthur. Then Arthur	11:15:12
11	Q. Now, you mentioned that you would	11:12:09	11	would give that information to the accountants in	11:15:18
12	accompany Saul. What did you mean by that?	11:12:12	12	the office. They would put together the tax returns	11:15:20
13	A. The personal relationship -- Saul had	11:12:17	13	and whatever. Saul would be involved and Michael	11:15:22
14	a personal relationship with Bernie as well but mine	11:12:19	14	would be involved, but that's generally the people.	11:15:31
15	was a longer term, you know, the kids knew each	11:12:22	15	The people that are in the financial end.	11:15:34
16	other, it sort of started differently.	11:12:26	16	Q. What is your understanding of Saul	11:15:37
17	Q. Right.	11:12:30	17	Katz's involvement?	11:15:40
18	A. And so he would always ask me to come	11:12:31	18	A. In?	11:15:44
19	with him, let's go see Bernie, you know, see how	11:12:34	19	MS. SESHENS: Involvement in what?	11:15:44
20	everything's doing. Let's go see Bernie. What do	11:12:39	20	Q. Well, you identified Arthur Friedman	11:15:47
21	you anticipate -- he might ask him a question like,	11:12:42	21	reviewed the statements and kept track of the	11:15:51
22	Bernie, just for -- Saul would ask this question:	11:12:46	22	investments.	11:15:55
23	What do you anticipate the returns would be, the	11:12:52	23	A. Um-hum.	11:15:56
24	annualized returns? It might have been in the	11:12:55	24	Q. And then he would work with	11:15:57
25	summer we went to see him and so with six months	11:12:59	25	accountants at Sterling, correct?	11:16:01

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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		anything that had to be done administratively or if	11:17:53	7	which stocks Bernie bought?	11:20:34
8		he had a question or whatever, he was the person.	11:17:59	8	Q. Let me back up. Was Saul Katz in	11:20:37
9		He would talk to someone in Bernie's office about	11:18:05	9	charge of making the decision for a Sterling entity	11:20:42
10		that.	11:18:08	10	or a Sterling partner to invest in Madoff?	11:20:47
11	Q.	And do you know if Mr. Friedman ever	11:18:09	11	A. No. The individuals made those	11:20:51
12		worked with Mr. Peskin in terms of the accounting	11:18:14	12	decisions.	11:20:53
13		aspects of the investments, the Madoff investments?	11:18:17	13	Q. Okay. With respect to a Sterling	11:20:54
14	A.	I don't understand what that means.	11:18:21	14	entity, how was the decision made to invest on	11:20:59
15		You mean just the reporting, Fernando?	11:18:22	15	behalf of that entity into Madoff?	11:21:05
16	Q.	Yes.	11:18:26	16	MS. SESHENS: Objection to the form.	11:21:06
17	A.	Except maybe to coordinate. You	11:18:29	17	A. If an entity had some money and was	11:21:11
18		know, not in any kind of deep sense working with	11:18:35	18	to invest, it would have been agreed, I guess, in	11:21:14
19		him.	11:18:38	19	some way that the entity was going to invest, and	11:21:19
20	Q.	What about with respect to Mr. Katz,	11:18:38	20	then the specifics of that, you know, if an entity	11:21:23
21		how did Mr. Friedman work with Mr. Katz in	11:18:41	21	had money, they may just have invested it in Bernie	11:21:27
22		connection with the Madoff investments?	11:18:44	22	or wherever. That was just done as normal course.	11:21:34
23	MS. SESHENS:	Can you specify just	11:18:50	23	Q. Well, when you say it was agreed,	11:21:41
24		which Mr. Katz.	11:18:51	24	what do you mean by it was agreed? Who made -- who	11:21:43
25	MR. BOHORQUEZ:	Oh, sorry.	11:18:53	25	was involved in that agreement?	11:21:47

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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
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	11:24:07	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
6	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.	11:46:35
2	A. No.	11:43:52	2	What is the Gift of Life?	11:46:49
3	Q. Did Mr. Saul Katz raise that issue	11:43:53	3	MS. SESHENS: Generally?	11:46:52
4	with Madoff?	11:43:58	4	MR. BOHORQUEZ: Generally.	11:46:54
5	MS. SESHENS: Objection to the form.	11:43:59	5	Q. Organization. Very interesting name	11:46:58
6	A. I don't believe so.	11:44:01	6	for an organization. Were you ever on the board of	11:46:59
7	Q. You also testified earlier that,	11:44:09	7	an organization called the Gift of Life?	11:47:02
8	starting a few years ago, you had bimonthly	11:44:14	8	A. Yes.	11:47:04
9	partners' meetings. Is that right?	11:44:18	9	Q. When did you join the board?	11:47:05
10	A. Correct.	11:44:22	10	A. When?	11:47:07
11	Q. And at those partners' meetings, the	11:44:23	11	Q. Yes.	11:47:08
12	partner in charge with a particular aspect of the	11:44:26	12	A. Two, three years before Bernie	11:47:12
13	Sterling business would report on generally what was	11:44:31	13	exploded.	11:47:20
14	going on in that particular side of the business,	11:44:34	14	Q. And by exploded you mean when the	11:47:22
15	right?	11:44:36	15	fraud was discovered?	11:47:26
16	A. Correct.	11:44:39	16	A. When he was taken to jail.	11:47:30
17	Q. Prior to December 11, 2008, who was	11:44:39	17	Q. So using that as a time, as a guide	11:47:32
18	the partner who reported on Sterling's investments	11:44:42	18	post, you joined the board roughly 2005?	11:47:35
19	with Madoff?	11:44:46	19	A. That's my recollection.	11:47:40
20	A. Arthur Friedman.	11:44:48	20	Q. Okay. Did you go to a meeting of the	11:47:41
21	Q. Did any other partner report at those	11:44:52	21	Gift of Life board -- actually, back up.	11:47:53
22	meetings what was happening with the Madoff	11:44:54	22	Did you attend board meetings in	11:47:56
23	investments?	11:44:59	23	connection with the Gift of Life?	11:47:57
24	A. Not that I could recall.	11:45:01	24	A. Yes.	11:47:59
25	Q. With respect to Mr. Friedman, after	11:45:04	25	Q. Approximately how many board meetings	11:48:01

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1	at the end of '94, approximately -- I've done the	02:01:56	1	Q. Mr. Wilpon, I've handed you what's	02:05:18
2	math, I'm not very good at math but I've done the	02:02:02	2	Exhibit 6. This is a document, your attorneys	02:05:20
3	math -- approximately 90 percent of the Sterling	02:02:06	3	provided us computer files in native format. And	02:05:24
4	investments were in Madoff.	02:02:09	4	for ease of review, what we have done is printed out	02:05:28
5	A. Um-hum.	02:02:11	5	the native file on the paper. Dana, I can give you	02:05:33
6	Q. And over \$100 million at this point	02:02:13	6	the Bates number if you like of the actual native	02:05:40
7	then in '94?	02:02:18	7	file.	02:05:43
8	A. That's what it seems to indicate.	02:02:21	8	MS. SESHENS: I think you provided it	02:05:44
9	Q. Right. Was there a conscious	02:02:23	9	last night.	02:05:45
10	decision or strategic decision amongst the partners	02:02:26	10	MR. BOHORQUEZ: Okay.	02:05:46
11	to increase investments in Madoff from a handful of	02:02:29	11	MS. SESHENS: So I think we're aware	02:05:46
12	investments in 1985 of a few million dollars to now	02:02:33	12	that you were going to use this one.	02:05:49
13	over \$100 million less than -- about ten years	02:02:36	13	MR. BOHORQUEZ: I'll just state it	02:05:52
14	later?	02:02:43	14	for the record just so we know. It's SE underscore	02:05:53
15	MS. SESHENS: Objection. Asked and	02:02:43	15	T605089 is the Bates number for the native file.	02:05:57
16	answered. You can answer.	02:02:44	16	Q. So, Mr. Wilpon, please take a moment	02:06:13
17	A. No. I think the decision was made	02:02:47	17	to review and let me know when you're ready to	02:06:16
18	that Bernie was doing very well, he was a trusted	02:02:51	18	discuss.	02:06:19
19	advisor or investment advisor, and it was a form of,	02:02:59	19	A. I'm ready.	02:06:20
20	a form of investment or sort of like a part of our	02:03:09	20	Q. If you could please turn to page 2 of	02:06:26
21	business that was advantageous to invest in.	02:03:15	21	Exhibit 6.	02:06:30
22	Q. Was there any discussion at this	02:03:21	22	Actually, before we do that, what is	02:06:42
23	point in time, end of '94, that Madoff at this point	02:03:22	23	Exhibit 6?	02:06:51
24	made up close to 90 percent of the Sterling	02:03:30	24	A. Excuse me. It appears to be a	02:06:57
25	investments?	02:03:35	25	listing of Sterling Equities investments starting	02:06:59
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1	A. I don't recall any conversations.	02:03:35	1	with Madoff. I don't know what shows after that,	02:07:03
2	Q. You noted earlier as we were going	02:03:42	2	but...	02:07:07
3	through some of the earlier pages in this document	02:03:45	3	Q. Is this similar in format and	02:07:08
4	that you identified several individuals that fell	02:03:47	4	information to Exhibit 5 that we just reviewed?	02:07:12
5	within the friends and family category.	02:03:50	5	A. Yes.	02:07:16
6	A. Yes.	02:03:53	6	Q. Mr. Wilpon, if you could please turn	02:07:23
7	MS. SESHENS: Objection to the form.	02:03:53	7	to page 2. I just want to ask you a couple of	02:07:25
8	Q. Was there a general decision to begin	02:03:57	8	questions about several of the account holders on	02:07:28
9	to bring -- to help more friends and family to open	02:04:03	9	the left-hand side.	02:07:30
10	accounts with Madoff over that ten-year period?	02:04:06	10	If you can go down to KW 116, do you	02:07:34
11	MS. SESHENS: Objection.	02:04:09	11	see that? I mean 162, sorry.	02:07:40
12	Q. You can answer.	02:04:11	12	A. 162?	02:07:44
13	MS. SESHENS: You can answer.	02:04:12	13	Q. Correct.	02:07:44
14	A. Not to my knowledge.	02:04:13	14	A. Yes.	02:07:46
15	Q. Why don't we go to 11B. This is	02:04:29	15	Q. Martin Lifton?	02:07:46
16	Exhibit 6. Thank you very much.	02:04:52	16	A. Yes.	02:07:48
17	(Exhibit FW-6 marked for	02:04:52	17	Q. Who is Martin Lifton?	02:07:48
18	identification.)	02:04:55	18	A. He is a real estate person here in	02:07:53
19	Q. Mr. Madoff, I've handed you what's --	02:05:01	19	New York. He's a friend of, primarily of Saul's,	02:07:56
20	MS. SESHENS: I'm going to object	02:05:04	20	but I know him well. I mean, I know him over the	02:08:01
21	already. You just called him Mr. Madoff.	02:05:05	21	years.	02:08:04
22	Q. Oh, my gosh, sorry. My apologies,	02:05:08	22	Q. So he falls within the friend and	02:08:06
23	Mr. Wilpon. I thought you were objecting to the	02:05:11	23	family category?	02:08:09
24	name of the file.	02:05:14	24	A. Yes.	02:08:11
25	MS. SESHENS: No. At least not yet.	02:05:16	25	Q. Little below him, little below	02:08:13

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1	conversations?	02:33:03	1	Q. Right.	02:36:09
2	MS. SESHENS: Object to the preamble.	02:33:03	2	A. And we all said no. Because, you	02:36:10
3	A. Just that there were a lot of people.	02:33:06	3	know, that's not why we're -- we're not doing it to	02:36:14
4	There were many, many, many more people that	02:33:13	4	make money. We're not receiving any benefit from	02:36:18
5	approached partners or other people about trying to	02:33:19	5	it. We're just doing it for friends and family.	02:36:21
6	get into the Madoff investments, that were never --	02:33:22	6	Q. Do you recall who raised the	02:36:25
7	they may not have been family and friends, you know,	02:33:28	7	possibility of charging an administrative charge?	02:36:26
8	but we never, we never requested that. But there	02:33:32	8	A. I don't recall that.	02:36:31
9	was a known factor in the community that Bernie was	02:33:41	9	Q. Did there come a time when Sterling	02:36:53
10	one of the top hedge fund investors in the world.	02:33:44	10	partners decided to diversify their investments?	02:36:56
11	Q. Okay, but what discussions did you	02:33:54	11	A. Several years prior to acquiring the	02:37:07
12	have 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	many individuals the partners turned down who were	02:34:13	17	the purchase of the Mets, the full ownership	02:37:29
18	seeking to open an account with Madoff through	02:34:16	18	purchase of that was in 2002, right?	02:37:32
19	Sterling?	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	know the specifics, but a guesstimate, I'd have to	02:34:31	21	Q. So when you're referring that there	02:37:43
22	guess that there were more people than got in --	02:34:34	22	was a discussion of diversification a few years	02:37:46
23	more 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
24	say 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
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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	Sterling 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	that at the beginning the idea of opening these	02:35:03	6	A. We always had some but, yeah, about	02:38:25
7	friends and family accounts was really done as a	02:35:07	7	the time that we contemplated starting Sterling	02:38:29
8	favor 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
10	Throughout.	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
12	the increased burden of managing these accounts, did	02:35:23	12	Q. And whose idea was it to begin the	02:38:56
13	there come a time when there was a discussion that	02:35:29	13	fund of funds?	02:39:02
14	maybe there should be something given in exchange	02:35:33	14	A. Well, I think it was the	02:39:06
15	for 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
19	people, from the beginning to the end.	02:35:44	19	fund of funds as part of a strategy to diversify	02:39:23
20	Q. Right.	02:35:46	20	or -- strike that -- to move money from Madoff and	02:39:30
21	A. Many people were not -- did not get	02:35:50	21	into another investment vehicle?	02:39:34
22	in because they weren't close friends or family.	02:35:52	22	A. I don't believe so. I don't think	02:39:38
23	And there were discussions, I don't know the	02:35:57	23	we -- I don't think we withdrew money from Madoff on	02:39:41
24	specifics, but about should there be an	02:36:03	24	a, any kind of planned basis, and invested that	02:39:48
25	administrative charge.	02:36:08	25	money in Sterling Stamos. I think we had additional	02:39:53

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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
6	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
4	strategy and if they wavered from the strategy, he	02:54:34	4	(Recess taken.)	02:57:32
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
6	don't know to this moment what companies Stamos	02:54:42	6	record. The time is 3:12. This is tape number 4.	03:11:41
7	invests in.	02:54:51	7	BY MR. BOHORQUEZ:	03:11:47
8	Q. Did Mr. Stamos express to you his	02:54:52	8	Q. Mr. Wilpon, earlier you had testified	03:11:53
9	concerns that Bayou lacks transparency and that's	02:54:55	9	to a discussion between you, Mr. Saul Katz and	03:11:56
10	why he decided to withdraw the investments?	02:54:59	10	Bernie Madoff where Mr. Katz raised the possibility	03:12:00
11	A. No, I've never had that conversation.	02:55:02	11	of Mr. Madoff retiring. Right?	03:12:02
12	Q. How did you come to know that	02:55:04	12	A. Correct.	03:12:05
13	Mr. Stamos had concerns with Bayou's transparency?	02:55:07	13	Q. Did Mr. Madoff explain why, if he	03:12:11
14	A. I think when the publicity came	02:55:10	14	were to retire, someone else within his organization	03:12:15
15	out --	02:55:13	15	could not continue the business?	03:12:17
16	Q. What was that?	02:55:13	16	A. No.	03:12:21
17	A. I think when the publicity came out	02:55:14	17	Q. I want to show you --	03:12:27
18	he mentioned that to someone. I don't recall whom.	02:55:17	18	A. He didn't say he was -- he didn't	03:12:28
19	Probably Saul or David or someone.	02:55:19	19	indicate that someone would not be doing it. He	03:12:31
20	Q. Do you recall if Mr. Stamos mentioned	02:55:28	20	just said if I weren't, if that's what I chose to	03:12:34
21	any other reasons, other than Bayou's lack of	02:55:32	21	do, then I'd send your money back. That's what he	03:12:41
22	transparency --	02:55:36	22	said.	03:12:46
23	A. No.	02:55:37	23	Q. I hand you Exhibit 9, Mr. Wilpon.	03:13:08
24	Q. -- for withdrawing investments?	02:55:37	24	(Exhibit FW-9 marked for	03:13:19
25	A. No.	02:55:40	25	identification.)	03:13:23

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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	04:05:00	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
6	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	A. Correct.	04:06:58	20	after all the publicity. Because after all the	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	deposition, have you had any discussion -- did you	04:07:00	22	SEC investigations. Not that we knew about those,	04:10:14
23	have any discussions with the partners concerning	04:07:05	23	but there were a lot of SEC investigations, and they	04:10:19
24	the general concept of front-running?	04:07:08	24	always came up that Mr. Madoff was clean as a	04:10:23
25	A. No. Not that I can recall.	04:07:12	25	whistle. That gave us, you know, that was always	04:10:28

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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
6	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 elsewhere, 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
2	A.	We decided to buy out of our	04:41:28	2	account, in terms of the interest, the return that	04:45:20
3		agreement with Cablevision. We had an option to do	04:41:33	3	was paid.	04:45:25
4		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
5		banks, I don't remember, for the monies that refers	04:41:48	5	yeah, but why should you break the accounts, you're	04:45:35
6		in here, the \$54 million.	04:41:55	6	going to lose the continuity of the account. I'll	04:45:38
7	Q.	Right.	04:41:58	7	send you the money. Got plenty of collateral in the	04:45:44
8	A.	When it came down to the time when	04:42:00	8	accounts, I'll send you the money. He said, how	04:45:51
9		the option was going to expire, you know, there was	04:42:01	9	long do you need it for. We said, well, we don't	04:45:53
10		a time when we had to do this, for the purpose of	04:42:05	10	know whether we need it, but we might need it for,	04:45:57
11		starting a network, which ultimately became SNY. I	04:42:11	11	you know, a few days. So he said, okay, I'll send	04:46:02
12		don't know there was anything ever called Mets	04:42:21	12	you the money. And so he said he'd send the money.	04:46:06
13		Network Company. That was out of Marvin Tepper's	04:42:24	13	That was that.	04:46:14
14		head. He just made a name up. When it came down to	04:42:26	14	I don't know what happened thereafter	04:46:19
15		the time, there was a couple of days left when we	04:42:32	15	in terms of Marvin Tepper calling Bernie, or Bernie	04:46:20
16		had to exercise that option, and what I was told was	04:42:37	16	or someone. I don't really know what happened	04:46:31
17		that the bank had accepted everything, but they were	04:42:45	17	there. And I don't know how this letter got written	04:46:34
18		doing paperwork. Lawyers were making their fees.	04:42:50	18	or why. Bernie didn't ask that of us on the	04:46:40
19	Q.	Sounds unbelievable.	04:42:57	19	telephone. So, this letter was written by Marvin.	04:46:45
20	A.	That was the first time in history.	04:43:02	20	I had no idea that -- until recalling here -- that	04:46:53
21	Q.	Right.	04:43:03	21	Ruth, was sent to Ruth. Had no idea because he said	04:47:02
22	A.	So, I don't remember whether it was	04:43:06	22	he was sending it from his account. Not from Ruth's	04:47:06
23		two days before or five days before, something like	04:43:12	23	account. Sending the money.	04:47:09
24		that, but we were concerned about it because,	04:43:15	24	So, that afternoon or sometime	04:47:19
25		suppose they lawyered a day after, then we'd have an	04:43:20	25	thereafter, within the next few hours anyway,	04:47:21

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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 break the accounts. The alternative is I'll just	04:50:55
3	bank that there was \$104 million in the account. In	04:47:43	3 send you the money. You don't need it for very	04:50:58
4	other words, Bernie's 54 was wired, but the bank	04:47:51	4 long, and you can send it back to me.	04:51:01
5	that we borrowed the money from wired the money as	04:48:00	5 Q. Was Ruth Madoff involved in any of	04:51:04
6	well. So someone got a call and said what's going	04:48:03	6 these discussions or this discussion, period?	04:51:09
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
6	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
12	Mr. Madoff about this transaction all occurred from	04:50:11	12 A. No.	04:53:03
13	your car phone?	04:50:15	13 Q. So, you read this document before you	04:53:10
14	A. Yeah.	04:50:17	14 signed it, right?	04:53:13
15	Q. And you were in the car, Mr. Saul	04:50:18	15 A. (Witness nods.)	04:53:16
16	Katz was in the car and Mr. Tepper was in the car?	04:50:22	16 Q. When you read that line, did that	04:53:17
17	A. And my driver.	04:50:25	17 cause you any concern or did you think about the	04:53:19
18	Q. Your driver, okay. And was the phone	04:50:28	18 fact that Ms. Madoff had not had any conversations	04:53:21
19	on speaker phone?	04:50:30	19 with respect to the investment?	04:53:27
20	A. I don't remember that. I don't	04:50:32	20 A. Only that our general counsel may	04:53:28
21	remember whether it was on speaker phone or not. It	04:50:36	21 have had conversations or -- I don't know who he	04:53:32
22	was a conversation for about, you know, two minutes.	04:50:39	22 even talked to.	04:53:37
23	Q. The whole discussion only lasted two	04:50:44	23 Q. Mr. Tepper drafted this letter,	04:53:38
24	minutes?	04:50:47	24 right?	04:53:41
25	A. Well, you know, a very short period	04:50:48	25 A. Yes.	04:53:41

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 \$4 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	04:55:22	1	means?	04:58:53
2	the money instead of breaking the accounts to	04:55:26	2	A. No. It means either party could	04:58:53
3	provide you with the money, did you or Mr. Katz or	04:55:32	3	negate paragraphs 1, 2 and 3 and pay the money back.	04:58:57
4	Mr. Tepper ask him why he would do that instead of	04:55:36	4	Q. Then the last sentence in that	04:59:07
5	just breaking the accounts?	04:55:41	5	paragraph says that, "The undersigned shall pay to	04:59:09
6	A. He said, he said, why break the	04:55:43	6	you a premium to be mutually agreed." Did Sterling	04:59:14
7	account when you will collect the interest that you	04:55:49	7	ever pay a premium to Mrs. Madoff in connection with	04:59:21
8	get from it. I'll just wire you the money.	04:55:56	8	this transaction?	04:59:24
9	Q. In response to that proposal, did you	04:55:59	9	MS. SESHENS: Objection to the form.	04:59:25
10	question, raise any questions as to that proposal,	04:56:02	10	A. Was there a premium you're asking?	04:59:26
11	or you just agreed with him?	04:56:06	11	Q. Did Sterling ever pay a premium as	04:59:29
12	A. No. Said thank you.	04:56:09	12	referenced in that sentence?	04:59:34
13	Q. Was this letter drafted after the \$54	04:56:18	13	A. Right. What's your question?	04:59:36
14	million was transferred?	04:56:23	14	Q. My question is, the letter says that	04:59:39
15	A. I cannot tell you. I don't know.	04:56:25	15	the undersigned shall pay to you, Mrs. Madoff, a	04:59:44
16	Q. The third paragraph of the letter	04:56:34	16	premium to be mutually agreed, having due regard, et	04:59:48
17	says, "You are simultaneously wiring to Sterling	04:56:41	17	cetera, et cetera. I'm asking you if you know that	04:59:53
18	Equities Associates the sum of \$54 million."	04:56:46	18	any premium was ever paid.	04:59:55
19	When you -- is that, does that not	04:56:51	19	A. No.	04:59:58
20	accurately reflect what happened?	04:56:54	20	Q. What was the benefit to Madoff for	04:59:59
21	A. I'm not sure I understand the	04:57:03	21	advancing you the \$54 million?	05:00:07
22	question.	04:57:04	22	A. We were a, we were a very good client	05:00:11
23	Q. The third paragraph says that you	04:57:04	23	of his and we were very good friends. I mean, we	05:00:15
24	were simultaneously wiring to Sterling Equities the	04:57:08	24	were trusted friends of his, both ways.	05:00:22
25	sum of --	04:57:11	25	Q. Did he stand to benefit monetarily	05:00:27

		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	Q. And do you know if Mr. Tepper had any	05:04:41
12	sorts or an advance?	05:01:12	12	discussions with Bernie Madoff concerning	05:04:44
13	A. I don't know how you'd classify it.	05:01:20	13	transactions, other than the one you had in the car?	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	know.	05:04:54
16	millions of dollars of collateral. Or it was an	05:01:32	16	Q. If you can turn to Exhibit 18,	05:05:00
17	advance. It wasn't intended to stay there. It was	05:01:38	17	Mr. Wilpon, these two documents were produced	05:05:05
18	intended to be a back-stop, an insurance policy, so	05:01:42	18	together. I'm not sure if this is how they were	05:05:08
19	to speak, to the bank being on time.	05:01:48	19	maintained in Sterling's files.	05:05:11
20	Q. So there was no interest paid or	05:01:52	20	A. Which document are you talking about?	05:05:15
21	anything for the day or two that the money was --	05:01:54	21	Q. Exhibit 18. It's two documents.	05:05:17
22	A. No. Not that I'm aware of.	05:01:58	22	MS. SESHENS: (Inaudible.)	05:05:21
23	Q. -- loaned, advanced, what have you?	05:02:00	23	A. Oh, sorry.	05:05:23
24	A. Not that I'm aware of.	05:02:04	24	Q. If you can turn to the second page,	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
1	letter within your records?	05:02:10	1	Mr. Friedman dated June 8th, 2004, and you and	05:05:37
2	A. Do I have it?	05:02:13	2	Mr. Katz are cc'd at the bottom there.	05:05:46
3	Q. Yes, you personally.	05:02:15	3	A. Right.	05:05:49
4	A. No.	05:02:16	4	Q. Do you recall receiving this document	05:05:51
5	Q. Prior to your preparation for your	05:02:22	5	at any point?	05:05:54
6	deposition, did you ever see a signed copy of this	05:02:26	6	A. No.	05:05:55
7	document?	05:02:30	7	Q. Did you review this document in	05:05:58
8	A. No. I didn't even remember the	05:02:31	8	connection with your preparation for the deposition?	05:06:01
9	document.	05:02:36	9	A. I think I saw this one, yeah.	05:06:09
10	Q. Do you know that at any time there	05:02:44	10	Q. Other than in preparation for your	05:06:11
11	was a direction that -- prior to December 11, 2008,	05:02:50	11	deposition, have you seen this document before?	05:06:13
12	are you familiar with any direction given to destroy	05:02:58	12	A. Not to my knowledge, no.	05:06:16
13	documents related to Madoff?	05:03:01	13	Q. You see that the document is dated	05:06:21
14	A. No.	05:03:03	14	June 8th, 2004?	05:06:23
15	(Exhibit FW-18 marked for	05:03:32	15	A. Yes.	05:06:26
16	identification.)	05:03:35	16	Q. And the 54 million transaction that	05:06:28
17	Q. Before we get to Exhibit 18,	05:03:52	17	we discussed earlier is dated on or around May 25th,	05:06:32
18	Mr. Wilpon, you indicated that you believe that	05:03:56	18	2004; is that right?	05:06:39
19	Mr. Tepper may have had some discussions with	05:04:00	19	A. Um-hum.	05:06:41
20	Mrs. Madoff.	05:04:04	20	Q. That was yes?	05:06:42
21	A. No, no. I said he had some	05:04:05	21	A. Yes.	05:06:43
22	discuss -- he had a discussion with someone, but I	05:04:09	22	Q. This document forwards to	05:06:48
23	don't know who it was with.	05:04:12	23	Mr. Friedman the letter agreement that was signed	05:06:51
24	Q. Okay. So you don't know for a fact	05:04:13	24	and agreed to between you and Mrs. Madoff.	05:06:58
25	whether or not Mr. Tepper had discussions with Ruth	05:04:16	25	MS. SESHENS: Objection to the form.	05:07:01

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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
6		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
229			231			
1	Q.	In other words, at your bimonthly	05:08:54	1	identification.)	05:12:36
2		partners' meetings that people would bring, partners	05:08:59	2	Q. Handed you what was marked as Exhibit	05:12:51
3		would raise periodic updates, status reports on the	05:09:03	3	19, which is a memo from Arthur Friedman to all	05:12:53
4		various arms of the business.	05:09:08	4	partners dated November 28th, 2005. Let me know	05:12:56
5	A.	I don't have any recollection of it,	05:09:10	5	when you're ready to discuss.	05:13:02
6		but I would think that something was said that	05:09:11	6	A. Ready.	05:13:10
7		Bernie made this accommodation.	05:09:15	7	Q. Okay. Do you recall receiving this	05:13:11
8	Q.	So you would agree this is the kind	05:09:20	8	memo at or around November 28th, 2005?	05:13:21
9		of matter that would have been discussed at one of	05:09:23	9	A. No.	05:13:24
10		these partners' meetings?	05:09:24	10	Q. Do you have any reason to believe	05:13:25
11	A.	It would have been mentioned, I would	05:09:28	11	that you didn't receive it?	05:13:27
12		think.	05:09:29	12	A. No.	05:13:29
13	Q.	And who would have been the partner	05:09:30	13	Q. Did you review this memo in	05:13:32
14		to raise that issue?	05:09:31	14	preparation for your deposition?	05:13:35
15	A.	I don't know.	05:09:33	15	A. I saw it.	05:13:37
16	Q.	Do you recall it being, the 54	05:09:35	16	Q. Other than in preparation for your	05:13:38
17		million dollar transaction actually being discussed	05:09:40	17	deposition, do you recall seeing this memo before	05:13:43
18		at any of the partner meetings?	05:09:42	18	then?	05:13:46
19	A.	No, I don't.	05:09:45	19	A. No.	05:13:47
20	Q.	After the fact, did you have any	05:09:46	20	Q. The first sentence of the memo says,	05:13:53
21		further discussions with any of your partners	05:09:48	21	"A special determination has been made to invest \$22	05:13:56
22		concerning the transaction?	05:09:50	22	million in the short-term special Madoff	05:14:00
23	A.	Not that I can recall.	05:09:52	23	investment."	05:14:05
24	Q.	Did there ever come a time,	05:10:14	24	Do you recall how that special	05:14:12
25		Mr. Wilpon, when you were, or your partners were	05:10:16	25	determination was made to invest in the special	05:14:13

PAGE	LINE	Correction		REASON
		ORIGINAL	CHANGE	
5	22	Polk and Wardwell, LLC, I'm here with my colleagues	Polk and Wardwell, LLP, I'm here with my colleague	Transcription error
17	19	officious reporting. I might see him in the hall, I	official reporting. I might see him in the hall, I	Transcription error
33	24	discussions. He was well known in the industry, was	discussions. He was well-known in the industry, was	Grammatical error
45	20	to hit a home run, so to speak, even at City Field	to hit a home run, so to speak, even at Citi Field	Transcription error
49	14	a personal relationship with Bernie as well but mine	a personal relationship with Bernie as well, but mine	Grammatical error
64	15	You were counting out your hands	You were counting on your hands	Grammatical error
64	18	days it was before the December 11th.	days it was before December 11th.	Grammatical error
65	24	Yes Was Maurice Cohen there?	Yes Was Maurice Cohn there?	Transcription error
68	3	Did you know Maurice Cohen prior to	Did you know Maurice Cohn prior to	Transcription error
68	8	Now, Maurice Cohen, through Cohmad	Now, Maurice Cohn, through Cohmad	Transcription error
68	15	Did you know that Maurice Cohen and	Did you know that Maurice Cohn and	Transcription error
68	19	discussions with Maurice Cohen concerning Madoff	discussions with Maurice Cohn concerning Madoff	Transcription error
68	22	When you met Mr. Cohen at Madoff's	When you met Mr. Cohn at Madoff's	Transcription error
127	1	with Madoff. I don't know what shows after that,	with Madoff. I don't know what it shows after that,	Transcription error
161	17	insuring the insurance they had on their Madoff	insuring - the insurance they had on their Madoff	Grammatical error
165	13	it, then made recommendation to the other partners.	it, then made a recommendation to the other partners.	Grammatical error
165	16	that Mr. Friedman references in the June 13th, 2000	that Mr. Friedman references in the June 13th, 2001	Transcription error
171	6	in the fax --	in the tax --	Transcription error
171	19	has an notation, "Talk to Frank." Do you see that?	has notation, "Talk to Frank." Do you see that?	Grammatical error
178	22	was a 401(k) plan that had investment with Madoff.	was a 401(k) plan that had an investment with Madoff.	Grammatical error
192	7	Talking just the commissions on the	Taking just the commissions on the	Transcription error
200	8	I now remember them and read, of the SEC violations	I now remember them and read, of the SEC investigations	Transcription error
201	9	about? But that's never happened. No one ever, by	about? But that never happened. No one ever, by	Transcription error
201	17	Bernie was on the top of the field.	Bernie was at the top of the field.	Transcription error

EXHIBIT A

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

PAGE	LINE	Correction		REASON
		ORIGINAL	CHANGE	
250	23	or another. It's almost like puts and calls. They	or another. It's like puts and calls. They	Transcription error