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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

11-CV-03605 (JSR) (HBP)

SAUL B. KATZ, et al.,

Defendants.

STIPULATION AND ORDER

WHEREAS on October 7, 2009, Irving H. Picard (the "Trustee"), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.*, and the consolidated estate of Bernard L. Madoff, served subpoenas under Federal Rule of Bankruptcy Procedure 2004 on Sterling Equities, Inc. and Sterling American Property, Inc. (together the "Rule 2004 Subpoena"), and the subpoenaed parties produced a number of documents in response (the "Rule 2004 Documents");

WHEREAS on December 7, 2010, the Trustee filed a Complaint against the defendants in the above-captioned case ("Defendants") in the United States Bankruptcy Court for the Southern District of New York, alleging, among other things, fraudulent transfer claims under the Bankruptcy Code and New York Debtor and Creditor Law, which the Trustee amended on March 18, 2011 (the "Complaint");

WHEREAS, on July 1, 2011, this Court withdrew the reference of this proceeding to the United States District Court for the Southern District of New York;

WHEREAS, pursuant to an August 19, 2011 directive from this Court, the parties have been engaged in discovery under the Federal Rules of Civil Procedure;

WHEREAS, on September 16, 2011, the Trustee served Defendants with his First Set of Requests for Production of Documents ("Trustee's First Requests for Production"); and

WHEREAS, the parties wish to avoid the expense and burden of duplicating the production of the Rule 2004 Documents to the extent that such documents are responsive to the Trustee's First Requests for Production or may be responsive to subsequent requests.

IT IS THEREFORE MUTUALLY AGREED AND STIPULATED, by and between the Trustee and Defendants, through their respective counsel of record, as follows:

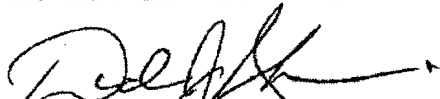
1. The Trustee hereby agrees not to require Defendants to reproduce the Rule 2004 Documents in discovery under the Federal Rules of Civil Procedure in response to the Trustee's First Requests for Production or any subsequent requests.

2. Defendants hereby agree that they: (a) will not assert any objection to the authenticity or admissibility of any Rule 2004 Document on the basis, in whole or in part, that such Rule 2004 Document was produced pursuant to Federal Rule of Bankruptcy Procedure 2004 and/or the Rule 2004 Subpoena; and (b) will treat the Rule 2004 Documents as having been produced pursuant to the Federal Rules of Civil Procedure.

3. Except as expressly set forth herein, the parties reserve all other rights and objections to the admissibility or authenticity of the Rule 2004 Documents, and agree that entry into this stipulation shall not impair or otherwise affect the parties' rights under the Federal Rules of Civil Procedure or Evidence and applicable case law to any such objections other than on the basis of production pursuant to Federal Rule of Bankruptcy Procedure 2004 and/or the Rule 2004 Subpoena.

Dated: New York, New York
October 25, 2011

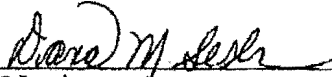
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Attorneys for Defendants

SO ORDERED.


The Honorable Jed S. Rakoff

10-24-11

