

EXHIBIT B

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

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

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
11-CV-03605 (JSR) (HBP)

-----x

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

Videotaped
Deposition of:

Plaintiff,

PETER STAMOS

vs.

SAUL B. KATZ, et al.,

Defendants.

-----x

Transcript of testimony as taken by and before
LESLIE ROCKWOOD, Certified Shorthand Reporter, RPR and
Notary Public of the State of California, at the offices
of Shearman & Sterling, Four Embarcadero, Suite 3800,
San Francisco, California, on Thursday, January 5, 2012,
commencing at 9:48 a.m.

1 That when -- if and when the ruling was made, we would
2 have a time frame to get registered, which is, you know,
3 6 to 12 months.

4 So that would suggest that, you know, in the
5 next two months, we should decide. I don't know where I
6 got the two-months time frame from.

7 Q. And when you say "the ruling was made," what
8 ruling were you referring to?

9 A. Well, I believe that the Securities &
10 Exchange Commission -- this is what the article is
11 referring to -- was divided and hadn't decided yet, but
12 that they were going to decide. And I should also say
13 that that was our intention anyway.

14 Q. All right. Just to speed things along, when
15 you're saying "the ruling," was it a proposed regulation
16 by the SEC that was going to require a registration of
17 hedge funds?

18 MS. SESHENS: Objection to the form.

19 Q. BY MS. GRIFFIN: If you know.

20 A. My understanding, both from this article as
21 well as from other things that I recall reading from
22 Schulte, Roth, for example, was that this was something
23 that was being considered by the SEC, that we should be
24 prepared for that. It may be required. Whether it was
25 required or not, we intended to register.

1 Q. You also wrote in this email that, "I have a
2 call with Davis Polk tomorrow."

3 You testified previously that Schulte, Roth
4 was your primary counsel -- outside counsel, I believe;
5 is that correct?

6 A. That's correct.

7 Q. Was Davis Polk also Sterling Stamos' legal
8 counsel?

9 A. I believe we used Davis Polk -- I recall
10 using Davis Polk for certain select items of our legal
11 process.

12 Q. Can you tell me for what certain select items
13 of legal process you would use Davis Polk?

14 A. The only one that I can specifically recall
15 was we used Davis Polk to help us with the separation
16 agreement we had with Noreen Harrington.

17 Q. Okay. Do you recall -- and I'm not trying
18 to get into the substance of your conversations with
19 counsel. But do you recall speaking with anyone at Davis
20 Polk about the SEC proposed investment regulations --
21 investment advisor?

22 A. I don't personally recall having that
23 conversation myself. I have a vague recollection of us
24 having conversations with -- "us", meaning our firm --
25 having conversations with both Schulte, which was our

1 outside counsel for the firm, and with Davis Polk about
2 what the implications would be for registration both for
3 our firm, as well as for the Wilpon and Katz family and
4 their partners.

5 Q. And you say, "with regard to what the
6 implications would be for registration for both our firm
7 and as well as for the Wilpon and Katz families and their
8 partners." What did you mean by that?

9 MS. SESHENS: I want to ask counsel to at
10 least either instruct or ask the witness to exclude from
11 his answer any communications that may have been with
12 counsel.

13 MR. GOUDISS: Yeah. I join the objection.

14 If you can answer the question without
15 reference to specific legal advice that you received,
16 please do so.

17 THE WITNESS: The only thing I recall is --
18 well, with regard to the firm, it was straightforward.
19 Registration would be the responsibility of working with
20 our outside counsel, Schulte, Roth & Zabel. And I don't
21 recall if at this time we had -- I believe Derek Daley
22 might have been operating as our -- it's July 14th, 2004.
23 We might have had Derek Daley as our internal general
24 counsel working with them. So Schulte would be the
25 conversation with regard to registering for the firm.

1 I believe in regard to Davis Polk, the issue
2 was something that I believe I testified to 18 months
3 ago. And that is that Saul had -- Saul Katz had raised
4 the issue of confidentiality and privacy with regard to
5 his family and the affiliated partners and that that was
6 going to be an issue that we wanted to have -- that Saul
7 wanted to have addressed by -- I believe that was by
8 Davis Polk. So what would -- what the implications of
9 registration would be for what would have to be revealed
10 about their personal assets, for example.

11 Q. BY MS. GRIFFIN: And you refer to that
12 Saul Katz had raised the issue of confidential and
13 privacy with regard to his family and affiliated partners
14 and that was going to be an issue. Did that have any
15 connection to Madoff?

16 A. I think in -- there was two aspects of it.
17 One is that in general, wealthy families like to keep
18 their personal investments private and their personal
19 capital levels private, and that they were a very private
20 family, that's the Wilpons and the Katzs. At the time, I
21 recall that, you know, they weren't listed, for example,
22 with Forbes 500. So privacy for the family.

23 But I also recall a specific question
24 about -- that I recall Saul referring to me regarding
25 Mr. Madoff's concerns for disclosure, vis-à-vis their

1 relationship with Saul and Fred, and whether that would
2 in any way, shape or form, hurt their relationship with
3 Mr. Madoff. Because he, too, was very private, very
4 confidential.

5 Q. And were you involved in -- I'm not asking,
6 again, for the substance of the conversations. But were
7 you involved in any calls with Davis Polk concerning
8 registration, Saul Katz and/or Sterling Equities and
9 Madoff?

10 MS. SESHENS: Objection to the form.

11 MR. GOUDISS: You can answer that "yes" or
12 "no", if you understand.

13 MS. SESHENS: I think that -- yeah.

14 THE WITNESS: Was I involved?

15 MR. GOUDISS: In conversations with
16 Davis Polk on the subject.

17 THE WITNESS: I don't recall specifically
18 having conversations myself. I do recall having
19 conversations internally with my staff that I believe may
20 have been transmitted to Davis Polk. I may have been on
21 that call, but I don't recall it.

22 Q. BY MS. GRIFFIN: Okay. Do you know who from
23 your staff would have had those calls with Davis Polk?

24 MS. SESHENS: Objection to the form.

25 THE WITNESS: "Would have" suggests

1 conversation.

2 Q. And do you recall any part of the
3 conversation?

4 A. No.

5 Q. Did you have other family members who were
6 also invested with Madoff?

7 A. Yes.

8 Q. And can you tell me who they -- which of your
9 family members were invested with Madoff?

10 A. Yes. My father, Spiro, my two brothers,
11 Basil and Chris, and my father-in-law, Mr. Chong Hon
12 Char. That's C-H-O-N-G, H-O-N, C-H-A-R.

13 Q. How did they come to be investors with
14 Madoff?

15 A. In the case of my father, it was around -- on
16 or around the same time that I became an investor, either
17 at the same time or soon thereafter. If I saw documents
18 I would know -- or it might actually indicate that. And
19 it was also at the invitation of Mr. Katz and facilitated
20 by Mr. Friedman and Ms. Maucher. That's for my father
21 and I.

22 For my brother -- I apologize. I think I
23 misspoke. I think I said that my brother Chris was an
24 investor. He was actually -- I don't believe he was an
25 investor.

1 today.

2 Q. But it wasn't an issue for you at Sterling
3 Stamos?

4 A. We didn't make any investments with
5 Bernie Madoff. If we did, we would have asked those
6 questions.

7 Q. I believe you testified earlier that you
8 didn't have any problems with the disclosure requirements
9 required by investment legislation; is that right?

10 A. We didn't have any problems, no.

11 Q. But you had an understanding that Madoff had
12 concerns with that?

13 A. That he might have concerns for that, as
14 other managers did. I think, you know, that the articles
15 referred to this as about 50/50. About half of the hedge
16 funds wanted to register and half didn't.

17 And so, for example, in the conversation we
18 had with Mr. Merkin, he hadn't decided, but he ultimately
19 decided not to register. We decided to register.

20 Q. Okay. But at this time period, in August of
21 2004, you did not understand what Madoff's concerns were?

22 MS. SESHENS: Objection to form.

23 THE WITNESS: I don't believe I testified to
24 that. If I did, what I meant to say was I believe I
25 understood that his concerns were confidentiality. And I

1 believe from -- that those concerns were allayed to the
2 satisfaction of Mr. Madoff and Mr. Katz, because Mr. Katz
3 continued to maintain investments with Mr. Madoff.

4 I should say that I know it's vague, what I
5 remember, because it's many years ago, but what I have
6 conviction on is that if I had any inkling of there
7 being a problem there, I would have gone immediately to
8 Mr. Katz for two reasons, 1, as a fiduciary to him, I'd
9 be worried.

10 Number 2 is I was in competition with
11 Mr. Madoff, and I would have loved to have had several
12 hundred million dollars of assets from the Katz and
13 Wilpon family with me. What I have deep conviction
14 around is that I had no understanding that there were
15 issues there.

16 On the extreme large size, several hundred
17 million dollars of assets going into my firm would have
18 been a remarkable increase in our assets under
19 management.

20 But on the personal side, I have friends who
21 invested with us, one in particular that I recall,
22 Jack Gallagher, who I considered as close to a family
23 member as I could imagine. He was the CEO of North Shore
24 Long Island Jewish. If it weren't for him, I don't think
25 I'd meet my wife. He had invested with our friends and

1 family fund.

2 And in 2005, comparing our pre-tax returns to
3 Mr. Madoff's, he said, "Peter, I want to redeem from you
4 and put my money all back with Madoff. I'm sorry I have
5 to do this, Peter. His returns are better than yours."

6 If I had any knowledge -- or if Mr. Katz or
7 Mr. Wilpon had any knowledge at that time, we would have
8 done everything we could to persuade Mr. Gallagher to
9 keep his money with us. But I know as of 2004, 2005, we
10 had no inkling.

11 (Exhibit Trustee 300 was marked for
12 identification.)

13 Q. BY MS. GRIFFIN: I'm sorry, Mr. Stamos. I'm
14 going to give you what's been marked as Trustee's 300.
15 And just for the record, we're going to give you a copy
16 of it. It's a privilege log that was provided to us by
17 Ms. Bieber. And we're going to give copies to everybody.

18 And you don't need to read the whole thing.
19 I mean, you're welcome to, feel free, but there are two
20 entries that I'm going to be directing your attention to,
21 and they're entries 431 and 489.

22 MR. DITCHFIELD: 431 and?

23 MS. GRIFFIN: 489.

24 THE WITNESS: Can I mark this?

25 MR. GOUDISS: Do you want him to mark the

1 year, it was in February, that in some point in the
2 coming months that I'd like to have a follow-up meeting
3 with Ashok Chachra and Ms. Harrington who had joined us,
4 to have them have a follow-up meeting because we were --
5 for the reasons I just described. It was requested that
6 we have that meeting, I didn't set the time until later.

7 Q. Did the meeting, the February '03 meeting
8 happen?

9 A. Yes.

10 Q. Were you present at that meeting?

11 A. I don't believe I was present. I think that
12 was a meeting that Ms. Harrington and Mr. Chachra had
13 just themselves.

14 Q. Okay. And did you come to hear about what
15 happened at that February 3rd meeting with Mr. Merkin and
16 Ms. Harrington and Mr. Chachra?

17 A. Yes.

18 Q. And what did you come to hear had happened?

19 A. So while it was several years ago, the reason
20 why I remember or at least I believe that I wasn't in the
21 meeting, because I remember getting briefed on the
22 meeting by Ms. Harrington, and I remember how she
23 expressed to me that she had felt that Mr. Merkin had not
24 been respectful to her, that she may have even said
25 disrespectful to her, that she felt that, she felt

1 slighted, she felt that the firm was slighted, and I
2 remember trying to calm her down and try to explain to
3 her that this is Mr. Merkin's style, he's very
4 professorial, he tends to be paternalistic and the like.
5 And so I remember that conversation very distinctly.

6 MR. GOUDISS: Could I stop there? If you go
7 to the question before, I think you said or at least it
8 was taken down as "February 3rd meeting," and I thought
9 you had meant to say February 2002 as opposed to putting
10 a specific date on it. Sorry.

11 THE WITNESS: I don't believe the meeting
12 occurred until May or June.

13 Q. BY MS. GRIFFIN: Ah. Thank you.

14 A. So I requested a meeting in February, I
15 believe the meeting occurred in May or June. The reason
16 I believe that is because I think on July the 1st we were
17 launching the levered vehicle and I remember a series of
18 meetings. The levered fund.

19 Q. And did Ms. Harrington, aside from telling
20 you how she felt after that meeting, tell you about the
21 substance of her discussions with Mr. Merkin?

22 A. I don't know whether she told me at that time
23 when we first had the debrief or if it wasn't until later
24 when we had an investment committee meeting of the
25 substantive concerns that she had. But at some point she

1 expressed her substantive concerns.

2 Q. And can you tell me what substantive concerns
3 she expressed to you concerning Mr. Merkin?

4 A. Yes. What I recall is that she felt that Mr.
5 Merkin was not providing the firm with adequate
6 transparency, a point I disagreed with.

7 Q. Is that all she expressed to you about her
8 concerns?

9 A. No. She at one point during the discussion,
10 which became somewhat of a heated argument, she expressed
11 her concern that she didn't think that Mr. Merkin was
12 trustworthy and that she thought that there was a
13 possibility that he was actually just a feeder to Bernie
14 Madoff.

15 Q. When she said -- what was your understanding
16 of what she meant by she didn't think Mr. Merkin was
17 trustworthy?

18 A. I couldn't separate out what portion of that
19 emotion she was expressing was her feelings of being
20 treated disrespectfully, which as she interpreted it, her
21 frustration at his opaqueness in the first meeting, her
22 sense of, you know, industry knowledge. I couldn't get
23 the source of it. It was very different than my own
24 interpretation.

25 Q. And when you say -- when you indicated that

1 she -- that one of her concerns is that Merkin might
2 possibly be a feeder fund to Bernie Madoff, what did you
3 mean by that?

4 A. She expressed, and I believe it was sort of
5 in a passing, kind of end of the argument, you can't
6 trust this person type of thing, you know, he might even
7 be not the manager himself, for example, he might be just
8 a feeder fund, a fund that channels money to Madoff and
9 isn't actually doing what it is he says he's doing, which
10 would be a -- something I would remember because it would
11 be such a dramatic contradiction to everything we knew
12 about Ezra Merkin, had come to know about him in the
13 prior year of being an investor with him, and everything
14 that we had learned based upon all of his references and
15 all of his reputation in the industry.

16 Q. You indicated that Ms. Harrington suggested
17 Mr. Merkin had opaqueness at this first meeting. What
18 did you mean by that?

19 A. So Mr. Merkin's style in meetings typically
20 in the first meeting, especially, I should say in the
21 first meeting, and especially with members of the staff
22 as opposed to the principal, tends to be very
23 professorial and he tends to be somewhat condescending.
24 And she described things that sounded to me fall into
25 that category. And in that context it was hard for her

1 to get, I think, as she would put it, a straight answer
2 to some of the questions she was trying to have answered.

3 Q. Did she indicate what types of questions she
4 asked that she wasn't getting answered by Mr. Merkin?

5 A. I don't remember specifics about it, I just
6 remember the general non-responsiveness of Mr. Merkin to
7 the questions she was trying to get answers to.

8 Again, in sharp contrast to my own experience
9 with him where he seemed to be very upfront and very
10 direct with me about what it was he did, how he did it,
11 with absolute clarity.

12 Q. Was there anybody else present for this what
13 you described as a heated debate between you and Ms.
14 Harrington?

15 A. Yes.

16 Q. Who else was present?

17 A. I'm not sure of who else was present in the
18 room versus on the phone, but, to the best of my
19 recollection, in the room, I believe Derek Daley was
20 present, I believe Ashok Chachra was present, I believe
21 Ellen Horing was present, I'm fairly sure that Saul Katz
22 was, at least for part of the meeting, on a conference
23 call, meaning he dialed into our conference room. And,
24 you know, it's so many years ago now, I don't even
25 remember whether I was physically in the room myself or

1 whether I was calling in from California.

2 Q. Was David Katz at this meeting or --

3 A. I don't recall.

4 Q. Okay. Did Ms. Harrington mention anything
5 about Madoff at this meeting?

6 A. I don't recall her mentioning anything about
7 Madoff at the meeting other than the passing comment that
8 Mr. Merkin might have been a feeder to Mr. Madoff.

9 MR. GOUDISS: It doesn't have to be now, but
10 when you hit a breaking point.

11 MS. GRIFFIN: That's fine. Can we go off the
12 record, please.

13 THE VIDEOGRAPHER: We're off the record at
14 3:25.

15 (Recess.)

16 (Exhibit Trustee 304 was marked
17 for identification.)

18 THE VIDEOGRAPHER: We're back on the record
19 at 3:42.

20 Q. BY MS. GRIFFIN: Mr. Stamos, I'm showing you
21 what's been marked as Trustee's 304. It's an email from
22 Derek S. Daley, sent Wednesday, June 18, 2003 at
23 7:27 p.m. to Peter Stamos. Forward: Levered fund.
24 Bates range SSMT02406069.

25 Do you want to take a minute and go ahead and

1 recommendation she was making to us when she was very
2 enthusiastic about this investment.

3 Q. Okay. You were giving some testimony earlier
4 today about Ezra Merkin.

5 A. Yes.

6 Q. Do you remember that generally?

7 And you testified in sum and substance that
8 prior to December 11th, 2008, you viewed Mr. Merkin as
9 one of the top five most trusted managers in the
10 business.

11 A. Yes.

12 Q. Do you recall that generally?

13 A. Yes.

14 Q. And where in that realm of top managers of
15 trustworthiness, if anywhere, did you put
16 Bernard L. Madoff prior to December 11th, 2008?

17 A. Prior to December 11th, 2008, I put him in
18 that same pantheon of managers. Not necessarily a
19 manager who would go into our portfolio, because he
20 wouldn't meet the requirements that we had, but I have a
21 number of managers that are in that pantheon. Maybe it
22 goes out to ten.

23 So for example, the ones that I invited to be
24 on the investment advisory board for me with Major League
25 Baseball, they all had not only that level of reputation,

1 but they specifically added to what it is we did for
2 Major League Baseball, which is portfolio construction
3 and manger selection and so on.

4 But in that pantheon, I would include people
5 like Seth Klarman of Baupost, who I've mentioned several
6 times, who also would not make it through our due
7 diligence process because of the level of opaqueness in
8 his portfolio.

9 But, you know, Bernard Madoff was held by me
10 and by virtually everyone else I know in the industry in
11 that pantheon of top ten, let's call it.

12 Q. Now, you, just a short while ago, gave some
13 testimony about Mr. Katz's suggestion in 2008 of a fund
14 to funds that consisted of black boxes.

15 A. Yes.

16 Q. Do you recall that?

17 A. Yes.

18 Q. And do you recall that that suggestion was
19 made at a Sterling Stamos board meeting?

20 A. Yes.

21 Q. And do you also recall during that board
22 meeting, that Mr. --

23 Well, let me ask it this way: Do you recall
24 who was at that board meeting?

25 A. Yes.

1 your experience at Sterling Stamos, were there times when
2 managers would not pass Sterling Stamos' diligence
3 process?

4 A. Yes.

5 Q. And in your view was a manager's failure or
6 inability to pass Sterling Stamos' due diligence process
7 an indication that that manager was engaged in fraud?

8 A. I can't recall of an indication of that ever
9 occurring. What I can recall is why we made redemptions
10 and the specific lists of rationale for why we made
11 redemptions never includes suspicion of fraud because
12 they didn't meet a due diligence requirement.

13 Q. And in terms of the transparency reports that
14 you spoke of earlier, did -- there were managers, were
15 there not, who either were unwilling or unable to fill
16 out transparency reports; is that correct?

17 A. That's correct. And so, to be clear, if
18 someone wouldn't fill out a transparency report, it could
19 be for any number of reasons, and if they didn't fill out
20 the transparency report, would that increase the
21 possibility of them committing fraud? Yes. And that
22 might be one of the reasons that we would want to be
23 concerned about. But I don't recall ever having that
24 concern for any of the managers that we invested with.
25 In the first case, we invested with managers who were

1 highly reputable with impeccable track records, long
2 track records, and who had met reference checks.

3 So the one that strikes me as the most
4 obvious is David Shaw. D.E. Shaw is spectacular, but he
5 didn't pass our due diligence requirements. Quite
6 frankly, I wish I had him in my portfolio this last year,
7 from a performance standpoint. He's performed really
8 well for 25 years. So, no, it's more that when you
9 become a fiduciary, you have to live by a set of rules
10 that are consistent, and those rules over time we believe
11 result in a better portfolio. But you walk away from
12 sometimes some very good investments as a result of that.

13 Q. Okay. If I could ask you to turn your
14 attention just briefly to Exhibit 308, switch from 303 to
15 308.

16 A. And I apologize, I forgot to mention Jeff
17 Wilpon. Jeff Wilpon made a number of referrals for us as
18 well.

19 Q. In terms of introducing you to potential
20 managers?

21 A. Managers, yes.

22 Q. And other than Mr. Jeff Wilpon's introduction
23 to managers, do you recall him having any involvement in
24 the due diligence process at Sterling Stamos?

25 A. Actually, again, quite the opposite. He'd

1 infective, but what David did have is -- and does have, I
2 believe, to this day, some of Saul's judgment and
3 instincts about people. And so David would regularly,
4 you know, counsel me in the same way, in this case not
5 like a father but more like brother, and ask me questions
6 about the managers. And that's why I think in the early
7 days he even came on some manager interviews with us,
8 gave us some of his judgment. But, again, like Saul, he
9 deferred the investment decisions to us.

10 Q. Now, you also testified in response to
11 questions to Ms. Griffin that you -- not you personally,
12 but Sterling Stamos was marketing Mr. Katz, Mr. Wilpon
13 and David Katz to potential investors.

14 Do you recall that?

15 A. Yes.

16 Q. And can you tell me why it is that Sterling
17 Stamos, or what was SP Capital at the time, was marketing
18 those individuals to potential investors?

19 A. Because they had a, if you'll pardon the
20 phrase, sterling reputation in the New York area in
21 general -- I mean, in the investment world in general,
22 because of their remarkable track record in real state,
23 remarkable track record with American Securities and
24 private equity, and that gave us credibility. In
25 addition to the fact that they owned the New York Mets,

1 were at the time highly respected owners. A portion of
2 the Mets, I believe, at the time. I don't know whether
3 they owned 50 percent or more at this point in time. And
4 that opened doors both on the manager's side, the people
5 that we invested with. Specifically they would, you
6 know, use the cachet of the New York Mets and the ability
7 to have access to the owners' box and to throw out the
8 first pitch or to have a charitable event at Shea Stadium
9 as an incentive for hedge fund managers to consider us.
10 I think I got an allocation to Michael Lowenstein when he
11 asked for a charitable event that they could throw out
12 the first pitch or have a couple seats. Then the next
13 day I got access to him. That's on the one hand.

14 On the other hand, they had the reputation of
15 being savvy businessmen, very thoughtful, very credible.
16 And so a number of other limited partners who chose to
17 invest with us would do it under the halo of the fact
18 that Saul and Fred had chosen us as their investment
19 manager for a significant portion of their assets.

20 Q. Okay. Last set of questions. Mr. Stamos, at
21 any point prior to December 11th, 2008, did you believe
22 that there was a high probability that Bernie Madoff was
23 engaged in fraud?

24 MS. GRIFFIN: Objection.

25 THE WITNESS: No. If I had any inkling

1 whatsoever, I think as I testified before, that that were
2 occurring -- first of all, on behalf of my business
3 partners, but also a number of our limited partners still
4 had a significant amount of investments with -- with Mr.
5 Madoff, I would have let them know that I had those
6 concerns. I was specifically asked those questions by a
7 number of investors, I think I testified to that
8 18 months ago, by name, the kinds of questions they asked
9 me. And I could not come up with any rationale for why
10 that would be occurring. That's the right reason for
11 doing it.

12 In addition, it would be an incredible boon
13 for us if that were the case, because then I could have
14 all that capital come and invested with me, and I'd been
15 trying for years to get them to move 90 percent of their
16 assets to me and to keep 10 percent with Bernie Madoff as
17 a side account for their personal investments. So at no
18 time did I have any inkling of that.

19 Q. BY MS. SESHENS: And is your answer the same
20 if the question is at any point prior to December 11th,
21 2008, did you believe that there was a high probability
22 that Bernie Madoff was engaged in a Ponzi scheme?

23 MS. GRIFFIN: Objection.

24 THE WITNESS: Same answer.

25 Q. BY MS. SESHENS: And at any point prior to

1 substance, but over time that deferral became even more
2 and more in form and in substance.

3 Q. BY MS. GRIFFIN: Are you saying -- strike
4 that. Okay.

5 MS. SESHENS: I just have one question to
6 clarify.

7 FURTHER EXAMINATION

8 BY MS. SESHENS:

9 Q. Mr. Stamos, if you could look at page 10 of
10 the document.

11 A. Uh-huh.

12 Q. And in the description of your role at the
13 top.

14 A. Uh-huh.

15 Q. Does that -- where it says "Mr. Stamos is the
16 chief executive officer of Sterling Stamos and is
17 ultimately responsible for all investment decisions," do
18 you see that?

19 A. That answers the question.

20 Q. Does that refresh your recollection that this
21 document --

22 A. That refreshes my recollection of this
23 document and I believe if you would review all of our
24 documents, that is consistent throughout all of our
25 documents that I remain ultimately responsible for all

1 investment decisions of the firm.

2 MS. SESHENS: Thank you. I have nothing
3 further.

4 MR. GOUDISS: I want to thank the witness,
5 but before we go off the record, I want to make a short
6 statement about a letter that Fernando sent us.

7 THE WITNESS: May I --

8 MR. GOUDISS: The witness is excused. This
9 only relates to a discovery letter we got earlier in the
10 week.

11 MS. GRIFFIN: Okay.

12 MR. GOUDISS: Thank you again, sir.

13 MS. SESHENS: Thank you for your time.

14 MR. GOUDISS: This won't take long, but --

15 MS. SESHENS: That's fine.

16 MR. GOUDISS: For the record, Ms. Bieber
17 received a letter on January 2nd from one of your
18 partners, Mr. Bohorquez, identifying certain alleged gaps
19 or deficiencies in our document production. Because of
20 the press of these depositions and travel, we have not
21 responded in writing, but I wanted to lay out very
22 briefly responses to certain of the issues and an
23 invitation to continue to work with you on other of the
24 issues.

25 With respect to the categories identified in