

EXHIBIT X

C O N F I D E N T I A L
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
ADV. PRO. NO. 08-01789 (BRL)

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,
v.

Rule 2004
Examination of:

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,
Defendant.

CHARLES D. KLEIN

-----x
In Re:

BERNARD L. MADOFF,
Debtor.

-----x

TRANSCRIPT of testimony as taken by and before
MONIQUE VOUTHOURIS, Certified Court Reporter, RPR,
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, Monday,
November 8, 2010, commencing at 9:23 a.m.

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1 A. Olga Dimini.

2 Q. Olga Dimini. Who is Olga Dimini?

3 A. Olga Dimini was an employee of the
4 back office.

5 Q. What was her job?

6 A. I don't know.

7 Q. Did you work with Olga at all?

8 A. Occasionally.

9 Q. I understand that one of the roles
10 that Olga had was sort of dealing with insurance
11 issues.

12 Do you remember that?

13 A. No.

14 Q. Do you remember a time back in 2000
15 when American Securities or PJ or some combination
16 of those companies was considering obtaining
17 insurance policies related to their Madoff
18 investment?

19 MR. LOEWENSON: Do you understand the
20 question?

21 A. I do. I believe the insurance policy
22 that was obtained was obtained on a number of
23 fiduciaries.

24 Q. So my question was: Do you remember
25 that time frame being around the year 2000?

1 A. I don't remember the time frame, but
2 I certainly remember the discussion.

3 Q. And you remember that an insurance
4 policy was being considered for the Madoff
5 investment and some other fiduciaries? Is that what
6 you said?

7 A. For all the fiduciaries, is the way I
8 understood it.

9 Q. What do you mean "for all the
10 fiduciaries"?

11 A. I'm sorry, I misspoke. Thank you. I
12 mean for the banks and brokerage firms where
13 accounts were held for the benefit of some or all of
14 the members of the Rosenwald group.

15 Q. Did the family use Frank Crystal &
16 Company as their insurance broker?

17 A. I don't know.

18 Q. Do you recall having discussions with
19 the Frank Crystal company?

20 A. I don't believe I ever had any
21 discussions with Frank Crystal.

22 Q. So as far as any conference calls or
23 details related to those policies in dealing with
24 the broker, that was somebody else, not you?

25 A. Correct.

1 Q. You didn't have any discussions with
2 the broker?

3 A. That's what I said.

4 Q. Did you have any discussions with
5 anybody at Stroock regarding the insurance policies?

6 A. I don't think so.

7 Q. I know that in at least one instance,
8 a gentleman named Lawrence Call and another
9 gentleman named William Latza were involved in some
10 discussions with Frank Crystal on behalf of the
11 family. But you weren't involved in those
12 discussions?

13 A. No.

14 Q. And you didn't talk to the lawyers at
15 all.

16 What was your understanding of the
17 nature of the policy that was being obtained?

18 A. I believe -- it was called a broker's
19 bond, I believe, is what it was called. And it
20 protected the insureds against losses in the event
21 of loss, destruction, fraud. Probably -- I don't
22 remember what else, but that was the nature of it.

23 Q. Was obtaining --

24 A. Loss as a result of fraud, not market
25 loss.

1 Q. Whose idea was it to get the policy?

2 A. I'm not sure.

3 Q. It wasn't your idea?

4 A. I'm not sure. I'm sorry. That's
5 what I'm not sure about.

6 Q. It may have been your idea, but
7 you're not sure?

8 A. Well, yes, that's right.

9 Q. Who made the decision to actually
10 obtain the policy, to go ahead and buy it?

11 A. There was a discussion among a group
12 of people, of which I was one, about obtaining this
13 insurance. And when asked my opinion, I said
14 absolutely, we should buy it, because it was the
15 cheapest put I ever saw.

16 And there was a concurrence at the
17 end of that discussion that we should go ahead.

18 Q. Who all was involved in that
19 discussion?

20 A. I think Steinmann and Madoff. Not
21 Madoff, excuse me. Now I -- that's what I mean
22 about having these problems.

23 Q. That's okay. Are you okay?

24 A. It is -- it's just if you play it
25 out --

1 of your related accounts," and then it has a list of
2 accounts here.

3 A. Right.

4 Q. Was there anybody other than yourself
5 that you needed to advise with respect to any of
6 those accounts?

7 A. Well, all of them are members of my
8 family.

9 Q. Did you advise anybody about the --
10 anybody related to these accounts about the
11 cancellation of the insurance policy?

12 A. I don't believe so. I take that
13 back. I do recall discussing this with some of
14 these accounts. I can't tell you which ones. Many
15 of them are the same person over and over again.

16 Q. Okay. You don't recall anyone
17 specifically that you talked to?

18 A. No.

19 Q. Following receipt of this notice, did
20 you undertake any due diligence to confirm whether
21 or not you should adjust your investment strategy
22 with Madoff?

23 A. No, no.

24 Q. Do you think it was important to
25 insure American Securities' other third-party

1 investments besides Madoff?

2 A. Yes.

3 Q. Were those hedge fund investments, as
4 well?

5 A. You'd have to look at the policy.

6 Q. JPMorgan, Bear Stearns, Credit
7 Suisse, Morgan Stanley.

8 A. Those were all -- ask your question
9 again.

10 Q. Did you think it was important to
11 insure those investments, as well?

12 A. I thought the insurance was very
13 cheap.

14 Q. Do you know if any of those companies
15 were investing in hedge fund-type investments on
16 behalf of American Securities or PJ?

17 A. I don't know about PJ. American
18 Securities itself didn't invest in anything.

19 Q. Didn't invest in any hedge funds?

20 A. No, didn't invest in anything,
21 period, full stop.

22 Q. So those investments with Bear
23 Stearns, JPMorgan, Credit Suisse, Morgan Stanley,
24 which entity held those accounts, if you recall?

25 A. There were a number of individuals