

EXHIBIT D

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C O N F I D E N T I A L
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
11-CV-03605(JSR)(HBP)

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

Videotaped
Deposition of:

Plaintiff,

v.

BRUCE G. DUBINSKY

SAUL B. KATZ, et al.,

Defendants.

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TRANSCRIPT of testimony as taken by and before
NANCY MAHONEY, Certified Court Reporter, Registered
Professional Reporter, and Notary Public of the
States of New York and New Jersey, at the offices of
Davis Polk & Wardwell, 450 Lexington Avenue
New York, New York on January 11, 2012, commencing
at 9:27 a.m.

1 we're talking about. There were computer systems in
2 place. There were then expansions of those computer
3 systems into separate systems in House 17, so the
4 resources were available, the opportunity. There
5 were people that had a low level of education and
6 professional training that were being utilized to
7 continue the scheme.

8 Q. You mean the employees?

9 A. The employees, the employees of
10 House 17. So I think when you kind of roll all that
11 together, those factors contributed to the length of
12 this.

13 Q. What in this particular case -- you
14 may have already said it in this recitation, but
15 specifically what do you regard as the opportunity
16 that was available to BLMIS or Mr. Madoff?

17 A. Well, if I'm already -- give you an
18 example.

19 If I'm already selling cars, I'm
20 already in the business. If I want to now start a
21 fraud selling cars that I bought on the black market
22 and throw them into my lot, makes it easy to do,
23 doesn't it?

24 So when you have that kind of
25 opportunity -- it's much harder if I want to go out

1 and put a storefront up to sell cars and I've never
2 done it before.

3 So, you know, when you have that kind
4 of opportunity and you have the inside track on how
5 to run a business already, how to do it, you can
6 make things happen.

7 Q. And the resources would be, I think
8 you just said, the computer systems and the other
9 facilities in place for House 5 which was
10 legitimate?

11 A. Well, it's a good point. I haven't
12 concluded House 5 was legitimate. As I detail in
13 the report, I say there was some legitimate trading
14 that I saw and I -- and I went through that.

15 The fact that House 5 was falsifying
16 FOCUS reports and pumping up their revenues, so I'm
17 not opining that House 5 in any way was legitimate.

18 Having said that, again, the analogy
19 to the car dealer, you've got somebody over here
20 trading stocks and bonds and acting as a market
21 maker, they have the prop trading. That makes it
22 easier to facilitate pulling something like this
23 off, in my opinion.

24 Q. I think -- and at any point you're
25 welcome to read your report, but I think then you go