

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. OIG-509
OIG-509)

 **ORIGINAL**

WITNESS: Number 31

PAGES: 1 through 11

PLACE: Securities and Exchange Commission
100 "F" Street, N.E.
3rd Floor Conference Room

Washington, D.C. 20549

DATE: Monday, April 27, 2009

The above-entitled matter came on for hearing, via telephone, pursuant to notice, at 1:30 p.m.

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1 APPEARANCES:

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3 On behalf of the Securities and Exchange Commission:

4 H. DAVID KOTZ, Inspector General

5 Office of the Inspector General

6 Securities and Exchange Commission

7 100 "F" Street, N.E.

8 Washington, D.C. 20549

9 (202) 551-6037

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11 On behalf of the Witness:

12 JUAN M. MARCELINO, PRO SE (Via telephone)

13 Greenberg Traurig LLP

14 One International Place

15 Boston, MA 02110

16 (617) 310-6000

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1 PROCEEDINGS

2 MR. KOTZ: All right, we'll go on the record.
3 We're on the record at 1:30 p.m. on April 27, 2009. It's a
4 telephone testimony.

5 We are here at the United States Securities and
6 Exchange Commission, Office of Inspector General and Juan
7 Marcelino is in Boston at his law offices of Greenberg
8 Traurig. Okay Juan, I'm going to swear you in if that's
9 okay?

10 MR. MARCELINO: Yes.

11 MR. KOTZ: Would you please raise your right hand?
12 Whereupon,

13 JUAN MARCELINO

14 was called as a witness and, having been first duly sworn,
15 was examined and testified as follows:

16 MR. KOTZ: Could you state and spell your full name
17 for the record, please?

18 THE WITNESS: Yes, Juan Marcel Marcelino. That's
19 J-u-a-n M-a-r-c-e-l M-a-r-c-e-l-i-n-o.

20 MR. KOTZ: Okay. Mr. Marcelino, my name is David
21 Kotz; I'm the Inspector General of the United States
22 Securities and Exchange Commission. This is an investigation
23 by the Office of Inspector General, case number OIG-509.

24 I'm going to ask you certain questions, you'll be
25 providing answers under oath. The court reporter will record

1 how do you say his name?

2 Q Markopolos.

3 A Yeah, it occurred the day after he testified in
4 Congress. There was some pretty -- there was pretty
5 extensive news coverage of that event. And in reading that
6 news coverage I saw comments or testimony of his that did not
7 paint Grant Ward in a favorable light.

8 As a result of reading that I reached out to Grant
9 Ward just to kind of give him a shot in the arm and tell him,
10 "Hey, don't let it get to you," type of conversation, which I
11 did.

12 Q Right, and in that conversation Mr. Ward indicated
13 that he had met with Harry Markopolos but that he didn't
14 think he did anything wrong; is that right?

15 A That's correct.

16 Q Okay. What else did he say that you can recall?

17 A Well basically, the gist of it was, I think
18 Markopolos had kind of painted him as a, you know, as a
19 less-than-stellar individual and, you know, Grant was just
20 basically responding that he knew what the issues were, he
21 was smart enough to ask the right questions and that he
22 wasn't troubled by it.

23 Q Okay. And so when he says he was smart enough to
24 ask the right question, he knew the issues, Grant was
25 referring to the meeting that he had with Markopolos?

1 A That's correct.

2 Q Okay.

3 A And I don't remember those were his exact words,
4 but that's pretty much the gist of it.

5 Q Okay, but you remember that Ward indicated that he
6 had met -- he remembered meeting with Markopolos but that he
7 didn't feel he did anything wrong.

8 A Correct.

9 Q Okay. All right. That's all I have. Thank you
10 very much for your time.

11 A All righty.

12 Q Okay, we're off the record.

13 (Whereupon, at 1:36 p.m. the examination was
14 concluded.)

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