

1 A P P E A R A N C E S :

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3 For the SEC:

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5 H. DAVID KOTZ, Inspector General

6 Office of Inspector General

7 United States Securities and Exchange Commission

8 100 F Street NE

9 Washington DC 20549

10 Via phone:

11 DAVE FIELDER, Assistant Inspector General

12 HEIDI STIDBER, Investigator

13 DAVID WITHERSPOON, Investigator

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16 For Ms. Geigel:

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1 P R O C E E D I N G S

2 MR. KOTZ: We're on the record at
3 11:45 a.m., at the law offices of Proskauer Rose
4 LLP, 1585 Broadway, New York, New York.

5 Would the reporter swear in the
6 witness?

7 THE REPORTER: Do you solemnly swear to
8 tell the truth, the whole truth, and nothing but
9 the truth, so help you God?

10 THE WITNESS: Yes.

11 THE REPORTER: State your name and
12 address for the record.

13 THE WITNESS: Susan Geigel, Personal Privacy

14 Personal Privacy

15 MR. KOTZ: Ms. Geigel, my name is David
16 Kotz. I'm an inspector general with the Securities
17 and Exchange Commission. I'll ask you certain
18 questions which will be taken down by the court
19 reporter. Please listen carefully to the
20 questions.

21 If there is anything you don't
22 understand or are not sure about, please let me
23 know; otherwise I'll assume you heard and
24 understood the question.

25 I want to give you a general warning

1 A. That the firms can settle and clear
2 transactions that are done on the exchanges.

3 Q. What do you mean by "settle and clear"?

4 A. Moneys are exchanged; and also, most
5 likely, positions.

6 Q. Does the NSCC keep records of these
7 positions?

8 A. I'm not an expert on NSCC; but I do know
9 that they keep some type of records.

10 Q. Do you recall a conversation in mid-2006
11 with SEC enforcement staff, perhaps... or Peter
12 Lamore from the New York region office, about
13 records of DTCC, or any of the entities under DTCC,
14 regarding Bernard Madoff?

15 A. No.

16 Q. Do you recall a conversation at any
17 point in time with the SEC about Bernard Madoff?

18 A. At any point in time?

19 Q. In the 2006 time frame?

20 A. No, I don't recall any conversation.

21 Q. Later on, you did recall in 2008 or 2009
22 time frame, do you recall a conversation with the
23 SEC about Bernard Madoff?

24 A. Yes.

25 Q. What was that conversation?

1 with that?

2 A. We can give you their holdings as of a
3 certain date. This report does not, and I don't
4 have the knowledge of what this report is
5 reflecting; but this report does not tell you that
6 you are looking at Walmart Stores. You would need
7 another piece of information as to a CUSIP number.

8 A CUSIP number identifies a security.
9 So therefore, if we produced to your report from
10 Madoff's holding as of a certain date, it would be
11 by a CUSIP number. And then one could see if they
12 were to match it up to identify, if that's the way
13 they chose to do it.

14 But Walmart Stores may have various
15 types of instruments out there in the industry. It
16 would not be just a one for one. You would need a
17 nine digit CUSIP number.

18 Q. That would be a CUSIP number for?

19 A. SMP; Standard & Poor's issues CUSIP
20 numbers.

21 Q. If you got the CUSIP numbers, then you
22 would be able to verify the positions?

23 A. Would I be able to verify?

24 Q. One would be able to?

25 A. Somebody would be able to, if they chose

1 to, they could take a look at what we provided as
2 of a certain particular date in time. And if they
3 chose to, they could take a look at -- again, I
4 assume against Bernard Madoff holdings as of a
5 certain date and time.

6 Q. And see if they match up?

7 A. Correct.

8 Q. That is information you could have
9 provided or arranged to be provided in 2006?

10 A. Absolutely.

11 Q. How long would that process take?

12 A. I think, as I mentioned before, if it
13 was just a one day request, looking for one day's
14 holdings, we could probably do it in a day or two.

15 MR. KOTZ: Do you folks have any
16 questions there? Dave, are you there?

17 MR. FIELDER: We're here.

18 MR. KOTZ: I'll ask a couple more and
19 leave it open to you guys if you want to ask
20 anything.

21 MR. FIELDER: Go ahead with your line of
22 questions. We did want to ask, but we'll wait
23 until you're done.

24 BY MR. KOTZ:

25 Q. Do you know what a DTC terminal is?

1 I think you said you have no information.

2 If you could clarify that?

3 THE WITNESS: In this particular case we
4 know Bernard Madoff as one particular participant
5 number. Commingled into that position that we
6 would be holding, could be proprietary, their own
7 trading account. It could be customer information,
8 as well. It's all commingled under the one
9 umbrella.

10 MR. MASHBERG: Would you know whether
11 there is proprietary and customer, or one or the
12 other?

13 THE WITNESS: It could be both together.

14 MR. MASHBERG: You wouldn't know?

15 THE WITNESS: No.

16 MR. FIELDER: Anything further?

17 BY MR. FIELDER:

18 Q. To follow-up, you wouldn't know unless
19 there were certain seg codes; is that correct? And
20 even then, you might not know what the seg codes
21 designated; is that right?

22 A. To clear that up. Participants have the
23 ability to segregate positions. And that could be
24 for the customer, fully paid for securities, or
25 they could do it for another reason. We would not

1 know the difference. They would make that movement
2 and segregate the position.

3 Q. The segregated position would be
4 reflected on a DTC report; correct?

5 A. Correct.

6 Q. And the last question on this, as it
7 relates to his broker dealer market maker: Is the
8 one account he had at DTC, was the activity for
9 that Bernard Madoff brokerage firm that was a
10 market maker, was that also subsumed, if you will,
11 in that account? Or is 646 only an account for
12 Bernard Madoff Investment Securities LLC?

13 A. My understanding was 646 Bernard Madoff
14 Investment LLC.

15 Q. Did he have a separate account there for
16 the broker dealer, or did he just clear those
17 trades somewhere else?

18 A. We only had one account at DTC, and also
19 NSCC only one account, 646.

20 Q. You said we only had one account and who
21 else?

22 A. And SEC, as well.

23 Q. Do you have any idea where the market
24 maker trades for his broker dealer were clearing?

25 A. No, I do not.