

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA EX	.	Docket No. CA 96-1258
RELATOR ERVIN AND	.	
ASSOCIATES, INC.,	.	
	.	
Plaintiff,	.	Washington, D.C.
	.	July 10, 1998
vs.	.	11:18 a.m.
	.	
HAMILTON SECURITIES GROUP,	.	
INC., et al.,	.	
	.	
Defendants.	.	
	.	
.....	.	

TRANSCRIPT OF SEALED MATTER
BEFORE THE HONORABLE STANLEY SPORKIN
UNITED STATES DISTRICT JUDGE.

APPEARANCES:

For the Plaintiff:

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For the Defendant:

Court Reporter:

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Proceedings reported by stenomask, transcript produced from dictation.

P R O C E E D I N G S

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THE DEPUTY CLERK: U.S. ex rel Ervin versus Hamilton Securities, Civil Action 96-1258. Tony Alexis representing the plaintiff. Daniel Hawke representing the defendant.

THE COURT: Let's take it at the bench.

THE DEPUTY CLERK: Approach the bench, counsel.

(Bench conference on the record.)

THE COURT: All right. Is this a status as to whether the government is going to pursue or whether they're going -- is that today's -- are you supposed to tell me today?

MR. ALEXIS: Today the deadline expires, and we move to renew it until November.

THE COURT: You still need time?

MR. ALEXIS: My understanding from talking -- I'm not working on the document matter. Ms. Heatherton from HUD is, along with Dan Van Horn, and it's like pulling teeth, even with the special masters, in helping to try to get all the documents, and my understanding is they don't even have the documents to even begin the review. So HUD hasn't even begun the review of the documents.

One of my concerns also --

MS. HEATHERTON: That's not exactly --

MR. ALEXIS: Well, we do have some of it. We do have some of the documents.

MS. HEATHERTON: Yes. We haven't gotten access to

1 the electronic records yet.

2 MR. ALEXIS: We don't have the electronic records.

3 THE COURT: Is that because -- is the master having
4 trouble getting them?

5 MS. HEATHERTON: No, it has to do with working it
6 out.

7 THE COURT: Are they helpful to you?

8 MS. HEATHERTON: Are the special masters? Yes.

9 THE COURT: That's working out pretty well?

10 MS. HEATHERTON: Yes.

11 MR. ALEXIS: Another issue, we are at a critical
12 phase in terms of actually interviewing people. I don't want
13 to have the government's infomatter on this matter at this
14 particular time, because one of the defendants, Goldman Sachs,
15 is about to go public. You know, the last thing we want to do
16 is have some kind of negative impact on the stock.

17 Under these circumstances we haven't had a chance to
18 fully review, and before we finish our investigation, we would
19 like that extra time. We are conducting the actual interviews
20 of some of the key defendants.

21 THE COURT: So you need some more time. Is that all
22 right with you?

23 MR. HAWKE: Yes, we consent.

24 THE COURT: So when do you want to come back,
25 November?

1 MR. ALEXIS: Yes, I'd ask for I believe, Your Honor,
2 until November 13.

3 THE COURT: If you need any more help from the
4 special master, I could -- are they giving you all the
5 cooperation that you need? Because that's the charge to them.

6 MS. HEATHERTON: Yes.

7 THE COURT: And they're pretty good people. They're
8 no bunch -- they're pretty smart people. They know what
9 they're doing. And I would think they would know this area
10 pretty well.

11 MR. ALEXIS: My understanding is it's not the
12 special master. It's getting things to the -- the special
13 master is in control of the documents is the way I see it.

14 MS. HEATHERTON: Well, it's a question of agreement
15 as to how these things are going to be turned over and whether
16 they're going to be turned over to us and who is going to do
17 the reviewing and that sort of thing.

18 THE COURT: Well, there shouldn't be any reason why
19 you shouldn't get access to them, right?

20 MS. HEATHERTON: Well, --

21 THE COURT: Who is opposing it?

22 MS. HEATHERTON: We've been through many counsel on
23 either side, Your Honor, so we have --

24 THE COURT: Well, come on back to the court if there
25 is a problem.

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MS. HEATHERTON: Yes, we will.

THE COURT: I mean, there shouldn't be any problem.
We got to really move this thing in fairness to everybody.

THE DEPUTY CLERK: A status in November, Judge?

THE COURT: Yes.

THE DEPUTY CLERK: November 16 at 10:30?

MR. ALEXIS: That's fine. Thank you, Your Honor.

THE COURT: And as I say, again, the special master
is there to help. He's not going to be to hinder anybody.
All right. Thanks.

(Whereupon, the proceedings concluded at 11:20 o'clock
a.m.)

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CERTIFICATE

I certify that the foregoing is a correct transcript
from the record of proceedings in the above-entitled matter.

BEVERLY J. BYRNE
Official Court Reporter