

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.
	.	September 17, 1999
vs.	.	2:25 p.m.
	.	
HAMILTON SECURITIES GROUP,	.	
INC., et al.,	.	
	.	
Defendants.	.	
	.	
.....	.	

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

APPEARANCES:

For the Plaintiff:	ANTHONY ALEXIS, ESQ. U.S. Attorney's Office 555 Fourth Street, N.W. Washington, D.C. 22001
	Tucker Flyer By: WAYNE G. TRAVELL, ESQ. 1615 L Street, N.W. Suite 400 Washington, D.C. 20036

For the Defendant:

Court Reporter:	BEVERLY J. BYRNE Official Court Reporter Room 6810 U.S. Courthouse Washington, D.C. 20001 (202) 273-0899
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Proceedings reported by stenomask, transcript produced from dictation.

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THE DEPUTY CLERK: U.S. ex rel Ervin and Associates
versus Hamilton Securities Group, Civil Action 96-1258. Mr.
Alexis and Mr. Travell for the government.

MR. ALEXIS: Good afternoon, Your Honor.

THE COURT: And who is for --

MR. TRAVELL: Your Honor, Wayne Travell for the
relator, Ervin and Associates.

THE COURT: Anybody else here?

MR. TRAVELL: These are members of Ervin and
Associates.

THE COURT: All right. What do we need? Another
date?

MR. ALEXIS: You gave us an extension, Your Honor,
until November 8. So we could probably do a status at about
that time.

THE COURT: Okay.

MR. ALEXIS: And in the meantime I'm making the
private bar very happy. Goldman Sachs is represented by Paul
Weiss, and Blackrock is represented by Scad & Arps in New
York.

But we are moving along, and we have meetings
scheduled that discuss the allegations with them. And we have
meetings --

THE COURT: And I gave you authority to do that?

1 MR. ALEXIS: Yes, you lifted the seal partially.

2 THE COURT: Let me see who is involved. You got
3 Scad involved and who else?

4 MR. ALEXIS: Paul Weiss.

5 THE COURT: Paul Weiss, okay. Just let me know the
6 law firms that are involved.

7 MR. ALEXIS: Yes.

8 THE COURT: If there are any more to come in, okay.

9 MR. ALEXIS: Well, the relator is represented by --
10 who is --

11 MR. TRAVELL: Your Honor, Tucker Flyer announced a
12 merger this week with Venable, Batijen effective January 1.

13 THE COURT: Okay. Thanks.

14 MR. ALEXIS: Your Honor, since our last hearing, we
15 filed an amended complaint which we did as a matter of right.
16 No answer has been filed. What we did in our amended
17 complaint is we attempted to garner all of the information
18 that we've obtained over the past three years which is
19 consistent with the allegations we made in the original
20 complaint.

21 THE COURT: All right. Now, is this the Egyptian
22 case?

23 MR. TRAVELL: No, Your Honor. This HUD note sales.

24 MR. ALEXIS: The note sales case.

25 THE COURT: Oh, this is the note sales case. Oh,

1 okay. And now you're going to be talking to the note sellers
2 or the note buyers.

3 MR. ALEXIS: Yes, the purchasers and bidders. The
4 people that took all the notes --

5 THE COURT: Now, what do you want, a November 8
6 date?

7 MR. ALEXIS: Yes, Your Honor.

8 THE DEPUTY CLERK: For status, right?

9 THE COURT: Why are we here today?

10 MR. ALEXIS: Because this was a regular status.

11 THE COURT: Okay. I see. So we want a status on
12 November 8 at what time?

13 THE DEPUTY CLERK: 10:30.

14 THE COURT: 10:30, okay. All right. I'll see you
15 then.

16 Well, let me ask you here, what progress are you
17 making here in this? Are you making good progress?

18 MR. ALEXIS: Yes, Your Honor. I believe we're at
19 the end. I mean, I think with the note sale people, it's fish
20 or cut bait time, and I should know something probably in the
21 next three to four weeks where we're going to go one way or
22 the other.

23 THE COURT: Have you given him some help?

24 MR. TRAVELL: Your Honor, I think the record will
25 show that we've been among the more active relators in terms

1 of keeping both HUD IG's office and the U.S. Attorney's Office
2 involved. We've provided an enormous amount of information
3 over the years, and we think that there is a good claim here.

4 THE COURT: Well, this will adjourn the proceedings.

5 (Whereupon, the proceedings were concluded at 2:30
6 o'clock p.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