

# EXHIBIT C

STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

-----X  
CONFIDENTIAL INVESTIGATION OF:  
THE MARTIN ACT  
-----X

120 Broadway  
New York, New York

September 16, 2010  
2:14 p.m.

CONFIDENTIAL INVESTIGATION OF STEVEN RATTNER,  
pursuant to Subpoena, taken at the above place,  
date and time, before MARIA CIRILLO, a Notary  
Public within and for the State of New York.

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

WILMER CUTLER PICKERING HALE & DORR, L.L.P.  
Attorneys for the Witness  
1875 Pennsylvania Avenue NW  
Washington, D.C. 20006  
BY: KIMBERLY A. PARKER, ESQ.

THE STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL  
ANDREW M. CUOMO  
120 Broadway  
New York, New York 10271-0332  
BY: EMILY BRADFORD, ESQ.  
Assistant Attorney General  
Public Integrity Bureau

ALSO PRESENT: Brian Wilkie, Analyst, State of New  
York

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2 S T E V E N R A T T N E R, the witness  
3 herein, having been first duly sworn by a  
4 Notary Public within and for the State of  
5 New York, was examined and testified as  
6 follows:

7 EXAMINATION BY

8 MS. BRADFORD:

9 Q. Will you state your name and  
10 address for the record, please.

11 A. Steven Rattner, 998 5th Avenue,  
12 New York, New York 10028.

13 Q. My name is Emily Bradford. I am  
14 an assistant attorney general. With me is  
15 Brian Wilkie, an analyst.

16 MS. BRADFORD: Counsel, could you  
17 please state your name for the record.

18 MS. PARKER: I am Kimberly  
19 Parker. I am from the law firm Wilmer,  
20 Cutler Pickering Hale & Dorr.

21 Q. This examination is being  
22 conducted by the attorney general pursuant to  
23 article 23A of the General Business Law of  
24 the State of New York more commonly known as  
25 the Martin Act. Accordingly it is not

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1 S. Rattner  
2 subject to the C.P.L.R.

3 You have the right to refuse to  
4 answer any question if a truthful answer to  
5 the question would tend to incriminate you.  
6 Anything you say or any documents you produce

7 may be used against you in a legal  
8 proceeding. Any willful misstatement by you  
9 may constitute perjury.

10 Your attorney is here as a  
11 courtesy. You can consult about privileged  
12 matters only but she has no right to make any  
13 objections for the record.

14 Can you please just state your  
15 name again for the record?

16 MS. PARKER: Before we begin I  
17 just want to say that as we previously  
18 said we do object to the participation  
19 in questioning here of anyone who has  
20 been tainted by or exposed in any way to  
21 grand jury material.

22 Q. Can you please state your name  
23 for the record.

24 A. Steven, S-t-e-v-e-n, Rattner,  
25 R-a-t-t-n-e-r.

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1 S. Rattner

2 Q. From 2003 through at least 2006  
3 were you a principal of Quadrangle Group LLC?

4 A. On the advice of counsel I  
5 respectfully decline to answer and exercise  
6 my Fifth Amendment rights under the U.S.  
7 Constitution.

8 Q. In or about early 2003 Quadrangle  
9 was preparing to make its second private --  
10 to market its second private equity fund,  
11 Quadrangle Capital Partners II; is that

12 correct?

13 A. On the advice of counsel I  
14 respectfully decline to answer and exercise  
15 my Fifth Amendment rights under the U.S.  
16 Constitution.

17 Q. Going forward if you would like  
18 to say "same answer" to indicate the answer  
19 you just provided you may do so.

20 On or about July 8, 2003 did you  
21 meet with David Loglisci, the head of  
22 Alternative Investments for the New York  
23 State Common Retirement Fund, in order to  
24 develop a relation with him so that you could  
25 pre-market Quadrangle's new fund to the CRF?

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1 S. Rattner

2 A. Same answer.

3 Q. Did you understand that as the  
4 head of Alternative Investments David  
5 Loglisci owned a fiduciary duty to the Common  
6 Retirement Fund whereby he was required to  
7 act solely in the best interest of the  
8 pension fund?

9 A. Same answer.

10 Q. On or about December 2, 2003 did  
11 you meet with Hank Morris?

12 A. Same answer.

13 Q. You understand that Hank Morris  
14 was a paid political consultant to Alan  
15 Hevesi; is that correct?

16 A. Same answer.

17 Q. At this meeting Morris told you  
18 that he was helping private equity firms to  
19 raise money from certain pension funds that  
20 he was close to including the CRF; is that  
21 correct?

22 A. Same answer.

23 Q. At this same meeting Morris asked  
24 you to help Steve, Loglisci, L-o-g-l-i-s-c-i,  
25 the brother of David Loglisci, with his film

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1 S. Rattner

2 Chooch; is that correct?

3 A. Same answer.

4 Q. You were in a position to help  
5 Steve Loglisci because IFC was a subsidiary  
6 of Cablevision. Quadrangle was an investor  
7 in Cablevision and you sat on the board of  
8 Cablevision; is that correct?

9 A. Same answer.

10 Q. You understood that Morris was  
11 asking you to help Steve Loglisci because  
12 Steve Loglisci was the brother of Dave  
13 Loglisci, the head of Alternative Investments  
14 at the CRF; is that correct?

15 A. Same answer.

16 Q. You agreed to Morris' request to  
17 help Steve Loglisci with IFC; is that  
18 correct?

19 A. Same answer.

20 Q. You then met with Steve Loglisci  
21 on two occasions in December 2003 regarding

22 Chooch, correct?

23 A. Same answer.

24 Q. You tried to help Steve Loglisci  
25 with IFC; is that correct?

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1 S. Rattner

2 A. Same answer.

3 Q. In doing so, isn't it correct,  
4 that you hoped to influence David Loglisci's  
5 fiduciary considerations of Quadrangle's  
6 proposed investment?

7 A. Same answer.

8 Q. In or around the fall of 2004 you  
9 contacted Kerry Hatch, the CEO of Good Times  
10 Entertainment, and asked her to consider a  
11 DVD distribution deal for Steve Loglisci's  
12 film Chooch; is that correct?

13 A. Same answer.

14 Q. At that time Good Times was a  
15 portfolio company of Quadrangle and was in  
16 the DVD distribution business; is that  
17 correct?

18 A. Same answer.

19 Q. In or about October of 2004 Hatch  
20 told you that Good Times had spoken with  
21 Steve Loglisci about Chooch; is that correct?

22 A. Same answer.

23 Q. Did she also tell you that Good  
24 Times could offer Steve Loglisci a  
25 distribution deal out of courtesy if it would

1 S. Rattner  
2 benefit Quadrangle but otherwise Good Times  
3 would take a pass on Chooch?

4 A. Same answer.

5 Q. You told Hatch to continue to  
6 look into the Chooch distribution deal even  
7 though it was something Good Times would  
8 otherwise take a pass on because Steve  
9 Loglisci's brother, David Loglisci, was  
10 important to Quadrangle; is that correct?

11 A. Same answer.

12 Q. David Loglisci was important to  
13 the Quadrangle because as head of Alternative  
14 Investments he would help decide whether or  
15 not the CRF invested in Quadrangle's private  
16 equity fund; is that correct?

17 A. Same answer.

18 Q. At your request Hatch caused Good  
19 Times to continue its discussions with Steve  
20 Loglisci about distributing the Chooch DVD,  
21 correct?

22 A. Same answer.

23 Q. In or about November 2004 after  
24 these further discussions between Good Times  
25 and Steve Loglisci, Hatch told you that Good

1 S. Rattner  
2 Times was at a point with Steve Loglisci and  
3 Chooch at which it would typically disengage;  
4 is that correct?

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A. Same answer.

Q. You instructed Hatch to continue to dance along with Steve Loglisci for a couple of weeks while you figured out what you needed to do; is that correct?

A. Same answer.

Q. In order to figure out what you needed to do, you asked Morris whether Good Times needed to distribute the Chooch DVD; is that correct?

A. Same answer.

Q. Morris told you he was going to nose around about the importance of Good Times distributing Chooch; is that correct?

A. Same answer.

Q. You understood that Morris was going to find out the extent to which obtaining a DVD distribution deal with Chooch would influence David Loglisci's decision to recommend that the CRF invest in Quadrangle; is that correct?

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A. Same answer.

Q. After speaking to Morris you asked Hatch how much a DVD distribution deal for Chooch would cost; is that correct?

A. Same answer.

Q. Even though the Chooch DVD deal was something Good Times would ordinarily not distribute you asked Hatch to continue to

10 Rattner depo transcript - Exh C.txt  
11 consider Chooch because you understood that a  
12 distribution deal for Chooch would influence  
13 David Loglisci's decision to recommend a CRF

14 A. Same answer.

15 Q. You also understood that as the  
16 head of Alternative Investments David  
17 Loglisci owed a fiduciary duty to the CRF  
18 whereby he was required to act solely in the  
19 best interest of the pension fund; is that  
20 correct?

21 A. Same answer.

22 Q. On or about November 30, 2004,  
23 Hatch told you that Good Times offered and  
24 Steve Loglisci accepted a below market  
25 distribution deal for Chooch; is that

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1 S. Rattner

2 correct?

3 A. Same answer.

4 Q. On or about December 2, 2004, you  
5 approved the below market distribution deal  
6 that Good Times offered to Steve Loglisci; is  
7 that correct?

8 A. Same answer.

9 Q. On or about January 14, 2005,  
10 Hatch reported to you that Good Times was  
11 moving forward with the Chooch DVD  
12 distribution deal; is that correct?

13 A. Same answer.

14 Q. Did you then inform Morris that

15 Rattner depo transcript - Exh C.txt  
16 Good Times was moving forward with the Chooch  
17 distribution deal?

18 A. Same answer.

19 Q. Did you then tell Morris -- did  
20 you tell Morris about the distribution deal  
21 because you wanted to ensure that Morris  
22 informed David Loglisci that you had helped  
23 Steve Loglisci obtain a distribution deal for  
24 Chooch?

25 A. Same answer.

Q. Did you understand that Morris

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1 S. Rattner

2 would tell David Loglisci that you had helped  
3 with Chooch because Morris had asked you to  
4 help with Chooch at the same time that you  
5 proposed marketing Quadrangle to the CRF?

6 A. Same answer.

7 Q. Did you want David Loglisci to  
8 know that you had helped Steve Loglisci  
9 obtain a distribution deal for Chooch because  
10 you wanted to influence his decision to  
11 recommend an investment in Quadrangle?

12 A. Same answer.

13 Q. At the same time you were working  
14 to get a DVD distribution deal for Chooch you  
15 were seeking an investment from the CRF in  
16 Quadrangle Capital Partners II; is that  
17 correct?

18 A. Same answer.

19 Q. In or about October 2004 you met

20 Rattner depo transcript - Exh C.txt  
21 with David Loglisci regarding an investment  
22 in Quadrangle and he seemed eager to help  
23 Quadrangle get an investment from the CRF; is  
24 that correct?

25 A. Same answer.

Q. You understood that David

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1 S. Rattner

2 Loglisci was willing to help Quadrangle to  
3 obtain approval from the CRF's outside  
4 consultants and to obtain investments from  
5 other pension funds; is that correct?

6 A. Same answer.

7 Q. In November 2004 while you were  
8 pressuring Good Times to distribute the  
9 Chooch DVD you resumed contact with Morris  
10 regarding soliciting investments in  
11 Quadrangle Capital Partners II; is that  
12 correct?

13 A. Same answer.

14 Q. Although you understood at the  
15 time that Quadrangle was likely to receive an  
16 investment of 20 to 50 million from the  
17 Common Retirement Fund with the most likely  
18 scenario being 25 million, Morris told you he  
19 could cause the CRF to increase the size of  
20 its investment in Quadrangle; is that  
21 correct?

22 A. Same answer.

23 Q. Morris told you that Quadrangle  
24 should hire him and pay him for any increased

25 Rattner depo transcript - Exh C.txt  
investments from the Common Retirement Fund;

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1 S. Rattner

2 is that correct?

3 A. Same answer.

4 Q. On January 10, 2005 Quadrangle  
5 formally retained Searley, the broker/dealer  
6 with which Morris was affiliated, as its  
7 placement agent for the CRF and six other  
8 pension funds; is that correct?

9 A. Same answer.

10 Q. You understood that Quadrangle  
11 agreed to pay Searley a percentage of any  
12 investment Quadrangle received from the  
13 Common Retirement Fund in excess of  
14 25 million and an additional bonus percentage  
15 on any investments in excess of 75 million;  
16 is that correct?

17 A. Same answer.

18 Q. Searley subsequently entered into  
19 a sub-finder agreement with Wetherly  
20 Financial, the broker/dealer with which Julio  
21 Ramirez, an unlicensed agent, was affiliated,  
22 pursuant to which Searley agreed to split its  
23 fees for any investment made in Quadrangle  
24 Capital Partners II by any pension funds  
25 other than CRF; is that correct?

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1 S. Rattner

2 A. Same answer.

3 Q. You agreed that Morris would be  
Page 12

4 paid in connection with the Quadrangle  
5 investment because you wanted Morris to use  
6 his political influence to affect Hevesi's  
7 fiduciary consideration of the proposed  
8 investment; is that correct?

9 A. Same answer.

10 Q. You understood that Morris  
11 provided no legitimate placement agent  
12 services with Quadrangle with the CRF; is  
13 that correct?

14 A. Same answer.

15 Q. You knew that Morris neither set  
16 up nor attended any meetings with the CRF or  
17 its consultant Hamilton Lane & PCG on  
18 Quadrangle's behalf; is that correct?

19 A. Same answer.

20 Q. Rather from time to time Morris  
21 reported on conversations with David Loglisci  
22 and the comptroller relating to Quadrangle;  
23 is that correct?

24 A. Same answer.

25 Q. You also communicated with Morris

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1 S. Rattner  
2 regarding the Chooch DVD deal which you  
3 understood from Morris to be a benefit to  
4 David Loglisci; is that correct?

5 A. Same answer.

6 Q. At the end of January 2005 two  
7 weeks after you notified Morris that Good  
8 Times would be distributing the Chooch DVD,

9 the CRF recommended a 100 million dollar  
10 investment in Quadrangle; is that correct?

11 A. Same answer.

12 Q. On March 17, 2005 the CRF made a  
13 formal commitment of 100 million dollars to  
14 Quadrangle Capital Partners II; is that  
15 correct?

16 A. Same answer.

17 Q. You understood that the CRF made  
18 such a large investment in Quadrangle in part  
19 because you pressured Good Times to sign a  
20 DVD distribution deal with Steve Loglisci; is  
21 that correct?

22 A. Same answer.

23 Q. You also understood that the CRF  
24 made this investment in Quadrangle in part  
25 because you hired Morris, a close political

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1 S. Rattner  
2 advisor to the comptroller, as a placement  
3 agent and agreed to pay him placement fees  
4 despite the fact that he performed no  
5 legitimate placement work for Quadrangle; is  
6 that correct?

7 A. Same answer.

8 Q. Searley also received fees from  
9 Quadrangle with respect to the New York City  
10 pension funds which invested 85 million  
11 dollars in Quadrangle Capital Partners II; is  
12 that correct?

13 A. Same answer.

14 Q. You understood that Searley split  
15 these fees with wetherly and Julio Ramirez,  
16 an unlicensed placement agent, received part  
17 of the fees; is that correct?

18 A. Same answer.

19 Q. On October 14, 2005 a New York  
20 City pension fund sent you a copy of an  
21 investment memo from its consultant PCG  
22 identifying Quadrangle's placement agents as  
23 Monument Group, Felix Associates and  
24 wetherly; is that correct?

25 A. Same answer.

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1 S. Rattner

2 Q. At no time did Quadrangle update  
3 its answers to add notice of the retention of  
4 Searley or Morris; is that correct?

5 A. Same answer.

6 Q. In or around April of 2005  
7 shortly after the Chooch DVD distribution  
8 deal was signed Steve Loglisci told you that  
9 he wanted to help Quadrangle with potential  
10 investors in California including Elliott  
11 Broidy who sat on the board of the LA fire  
12 employees pension fund; is that correct?

13 A. Same answer.

14 Q. On or about April 20, 2005 Steve  
15 Loglisci met with you for this purpose; is  
16 that correct?

17 A. Same answer.

18 Q. The LA Fire and Police Pension

19 Fund invested 10 million dollars in  
20 Quadrangle Capital Partners II entitling  
21 Searley to placement agent fees totaling a  
22 \$150,000 to split with Wetherly; is that  
23 correct?

24 A. Same answer.

25 Q. In or around 2006 as Alan Hevesi

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1 S. Rattner

2 was running for reelection as New York State  
3 comptroller Morris called you and said that  
4 Hevesi wanted you to contribute to his  
5 reelection efforts; is that correct?

6 A. Same answer.

7 Q. Morris told you that others whose  
8 funds had received investments from the  
9 Common Retirement Fund were also making  
10 contributions to Hevesi's campaign; is that  
11 correct?

12 A. Same answer.

13 Q. Despite your policy against  
14 making campaign contributions to officials  
15 with oversight over investments you arranged  
16 for approximately \$50,000 in campaign  
17 contributions to be made to Hevesi from one  
18 or more other parties; is that correct?

19 A. Same answer.

20 Q. You obtained these contributions  
21 from one or more others so that you could get  
22 credit for contributing to Hevesi's campaign  
23 without your name appearing as a donor in

24 public records; is that correct?

25 A. Same answer.

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1 S. Rattner

2 Q. Shortly after you obtained these  
3 contributions to Hevesi's reelection campaign  
4 the CRF increased its investment in  
5 Quadrangle Capital Partners II from 100  
6 million to 150 million dollars; is that  
7 correct?

8 A. Same answer.

9 Q. You understood that the  
10 contributions you arranged were a factor --  
11 you arranged for Hevesi's reelection campaign  
12 were a factor in the CRF's approval of the  
13 increase in capital to Quadrangle Capital  
14 Partners II; is that correct?

15 A. Same answer.

16 Q. Quadrangle received approximately  
17 5 million dollars in management fees as a  
18 result of the investments arranged by Morris;  
19 is that correct?

20 A. Same answer.

21 (Continued on the following  
22 page.)

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1 S. Rattner

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Rattner depo transcript - Exh C.txt  
MS. BRADFORD: There are no

further questions.

(Time noted: 2:33 p.m.)

\_\_\_\_\_  
STEVEN RATTNER

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 2010.  
\_\_\_\_\_, Notary  
Public.

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CERTIFICATE

I, MARIA CIRILLO, a Notary Public within  
and for the State of New York, do hereby  
certify:

7 Rattner depo transcript - Exh C.txt  
8 That the witness whose deposition is  
9 hereinbefore set forth, was duly sworn by me  
10 and that the within transcript is a true  
11 record of the testimony given by such  
12 witness.

13 I further certify that I am not related to  
14 any of the parties to this action by blood  
15 or marriage and that I am in no way  
16 interested in the outcome of this matter.

17 IN WITNESS WHEREOF, I have hereunto set my  
18 hand this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

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MARIA CIRILLO

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WITNESS'S CORRECTION SHEET

PAGE \ LINE \ CORRECTION


Rattner depo transcript - Exh C.txt

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STEVEN RATTNER

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Subscribed and sworn to before me

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this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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\_\_\_\_\_, Notary Public.