

Exhibit 20

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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HOWARD K. STERN,
Plaintiff,
V. Civ. Action No. 07-CV-8536 (DC)
RITA COSBY and HACHETTE BOOK
GROUP USA, INC. d/b/a Grand Central
Publishing, and JOHN OR JANE DOE,
Defendants.

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DEPOSITION OF BRONCHA MACHLA STERN
Los Angeles, California
Wednesday, September 3, 2008

CONFIDENTIAL

Reported by:
SUSAN A. SULLIVAN, CSR 3522, RPR, CRR
JOB NO. 18451A

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**

2 A Well, we wired money to him until he came

3 to California and I'm not sure of the date you came

4 to California, but it is several months.

5 **Q Several months from today, several months**

6 **back from today?**

7 A Yes.

8 **Q Went you say came to California, what do**

9 **you mean by that, to live?**

10 A Well, he is living with us right now.

11 **Q Okay, understood.**

12 **And he has been living with you for**

13 **approximately how long?**

14 A Six months, five months, I'm not --

15 **Q That's fine.**

16 A -- definate.

17 **Q That's fine.**

18 **Now the approximately \$240,000 that you**

19 **transferred, is that a gift or a loan or --**

20 A It is a loan.

21 **Q Okay. Are there any notes --**

22 A No.

23 **Q -- that -- is your son paying interest on**

24 **that amount?**

25 A No.

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**

2 **Q Has he agreed to pay interest?**

3 A We never discussed it.

4 **Q Okay. Has he to date paid you back any of**

5 **those funds?**

6 A He has no money. The only money he has is

7 when we give it to him. He is so busy with the

8 various lawsuits that he hasn't had time to work.

9 **Q Uh-huh.**

10 A He is working but for the lawsuits.

11 **Q Understood.**

12 **Since January of '05, aside from you and**

13 **your husband and the support you have given him, are**

14 **you aware of any other sources of income that he has,**

15 **has had?**

16 A I'm not aware of any other sources.

17 **Q Okay.**

18 **To your knowledge, since January 2005 has**

19 **Mr. Stern had any bank accounts?**

20 A Are you talking about my husband Mr. Stern

21 or --

22 **Q No, I'm sorry, your son Howard.**

23 A My son, has he had any bank accounts. I'm

24 aware of one.

25 **Q Okay. Where is that account that you are**

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**

2 **aware of, what bank?**

3 A Bank of America.

4 **Q Okay. How long are you aware of that bank**

5 **account?**

6 A Because I established it with him with --

7 he didn't know about it but I established it in my

8 name and his name and that was the source that I

9 could wire the money to him in The Bahamas.

10 **Q From that account or to that account?**

11 A From that account.

12 **Q To The Bahamas, okay.**

13 **And this account at Bank of America,**

14 **approximately when did you open this account?**

15 A Very shortly after Anna's death, very

16 shortly.

17 **Q Do you remember what branch you opened it**

18 **at?**

19 A Well --

20 **Q Or what the neighborhood is or anything**

21 **like that, where you went to open it?**

22 MR. WOOD: She didn't say she went anywhere

23 to open it.

24 A I did it by phone.

25 **Q Okay.**

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**

2 A I do have a personal bank account in the

3 San Fernando Valley but this one, I never went to any

4 office or branch for this one.

5 **Q Tell me then, explain how did you open the**

6 **account, what happened.**

7 A Well, I talked to Howard about wiring him

8 money because I knew that he was going to need money

9 and he gave me the name of a person working for Bank

10 of America who was Anna Nicole Smith's banker and

11 through him I opened this account.

12 **Q What was his name?**

13 A Scott Roges.

14 **Q Can you say that again?**

15 A Scott Roges.

16 **Q Do you know how to spell it, can you take a**

17 **stab?**

18 A I think it is R-o-g-e-s, but I'm not

19 positive.

20 **Q Understood, Roges, R-o-g-e-s, something**

21 **like that, okay.**

22 **And he works for Bank of America?**

23 A He did. I'm not sure he is there now.

24 **Q Whether he does any longer.**

25 **Okay. So your son Howard suggested you**

1 BRONCHA MACHLA STERN - CONFIDENTIAL
2 call him or gave him your name; is that correct?

3 A He gave me the name.

4 Q Okay. And then what happened?

5 A I called him and I opened an account in my
6 name and his name.

7 Q Uh-huh. Did you have to give any
8 information to Mr. Roges to open that account,
9 identification information, address?

10 A Yes. But I had an account, you know, a
11 private account with the Sherman Oaks branch of Bank
12 of America.

13 Q And what other information did you have to
14 give Mr. Roges?

15 A You know, I don't remember because this was
16 a very tumultuous time, a very stressful time and a
17 lot of things happened. Our son was suicidal, the
18 death of Anna was very difficult for our family
19 because we knew her well, and it was the beginning of
20 some of the media turmoil that was surrounding my son
21 so there are some things that happened that I don't
22 remember exactly the detail. I know that I called
23 him and I know that it was opened and every time I
24 needed to wire money, I went through Scott.

25 Q Uh-huh. Okay.

1 BRONCHA MACHLA STERN - CONFIDENTIAL
2 Do you recall, and I understand why you

3 don't remember all the details but I want to know
4 what you do remember, if you don't that's fine, but
5 do you remember whether you had to give Mr. Roges any
6 information about your son, any identification
7 information?

8 A No, because he knew him.

9 Q Uh-huh.

10 A Because when Anna would do her banking,
11 many times Howard was involved in helping her do it.

12 Q So he didn't need to see any driver's
13 license or passport or any other identification for
14 your son; is that right?

15 A No.

16 Q Do you recall what address you put down for
17 the account?

18 A My address.

19 Q The Sherman Oaks address; is that right?

20 A Uh-huh.

21 Q Did you fill out -- I understand this was
22 done by phone, but did you later fill out any
23 paperwork regarding the opening of the account?

24 A No.

25 Q You didn't sign any signature blocks,

1 BRONCHA MACHLA STERN - CONFIDENTIAL
2 anything like that?

3 A (No audible response.)

4 Q Do you know if your son Howard filled out
5 any paperwork in connection with opening that
6 account?

7 A He didn't know I opened it.

8 Q Well, take me back then, what did he --
9 your conversation with him where he suggested you
10 call Mr. Roges, tell us about that conversation.

11 A Well, he said he was going to be needing
12 money for the burial of Anna and for attorneys and
13 for whatnot and because is he not a citizen of The
14 Bahamas he can't have a bank account there. So the
15 only way I could get money to him was to wire it so
16 when he -- when I said to him how am I going to do
17 this and he gave me Scott's name and phone number, I
18 called Scott and it was just done.

19 Q You had your own account at Bank of
20 America, correct?

21 A I have a checking account.

22 Q Okay. Could you wire money from that
23 account to The Bahamas?

24 A I imagine, yes.

25 Q Do you know why a separate account was

1 BRONCHA MACHLA STERN - CONFIDENTIAL
2 opened?

3 A Well, we wanted to keep track of how much
4 money we were going to be giving him too.

5 Q Is that the only reason that the separate
6 account was opened?

7 A I think so.

8 Q Okay. Why was the account opened in
9 Howard's name as well as your own?

10 A Well, because I was wiring him the money.

11 Q Out of that account, correct?

12 A Yes.

13 Q Okay. Did you understand that money was
14 going to be wired into that account when you opened
15 it?

16 A Yes. Our -- our money was going to be
17 wired in. I gave him about a hundred 20 thousand
18 dollars from my own money which I had inherited and I
19 put it into that account in installments and as he
20 needed money, I would wire it to him. And following
21 that I had to -- my husband and I took a mortgage on
22 our house and put in another hundred thousand and
23 then we wired that in installments.

24 Q Okay. So the money that you put into --
25 we're talking about the account that was in your name

1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 and Howard's name, correct?
 3 A Right.
 4 Q And you wired money from your account into
 5 that account; is that right?
 6 A From various accounts.
 7 Q Okay. Did anybody besides you or your
 8 husband, to your knowledge, ever transfer funds into
 9 the account that was in your name and Howard's name?
 10 A Yes, "ET."
 11 Q "ET." How much did they transfer in?
 12 A 150,000.
 13 Q Do you know approximately when that
 14 happened?
 15 A Very soon after Anna died.
 16 Q And therefore very soon after the account
 17 was opened, correct?
 18 A Yes.
 19 Q When you opened the account in your name
 20 and Howard's name did you know that "ET" was going to
 21 be wiring money in or did you not know that fact?
 22 A Yes, I knew.
 23 Q You knew. How did you know that?
 24 A Well, when we were in The Bahamas -- well,
 25 when Anna died, the next -- that night I flew to The
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1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 Bahamas. I flew to Florida with my daughter.
 3 Q Uh-huh.
 4 A And we went to the Hard Rock Hotel and we
 5 saw Howard and he was in terrible straits. He was
 6 depressed, he was in the fetal position, he wanted to
 7 die, he wanted to join Anna and Daniel in death, and
 8 it was just a very, very, very terrible time and
 9 we -- we struggled. I couldn't bring my husband
 10 because my husband had just completed chemotherapy
 11 for cancer and he was in no condition to go there so
 12 my daughter went with me and it just was a very
 13 terrible time.
 14 We did meet several people from "ET" at the
 15 house, at Horizons, and I was talking to Bonnie
 16 Tiegel about the expenses that were coming up because
 17 Howard did in his condition remind me of the money
 18 that we would need to bury Anna and he had no money,
 19 he didn't have anything when I arrived there. So I
 20 talked to Bonnie Tiegel and she said that she would
 21 be able to help financially and I agreed to have her
 22 help.
 23 Now Howard originally was going to -- was
 24 going to be involved in this and then he changed his
 25 mind and he did not want to have to sell any property
 26
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1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 that was Anna's or his property that could be used
 3 for money --
 4 Q Uh-huh.
 5 A -- such as photos and whatnot that he had,
 6 mementoes.
 7 And so I talked to Bonnie Tiegel about it
 8 and I said if he doesn't want to do it, then I will
 9 do it.
 10 Q Uh-huh.
 11 A Because I knew that we were going to need a
 12 lot more money than what my husband and I could
 13 provide. We saw from Virgie Arthur that she was
 14 already saying she didn't want Anna buried in The
 15 Bahamas, she wanted her buried in Texas, and we knew
 16 already there was going to be litigation involved in
 17 that. And so there were attorneys in Florida,
 18 shortly thereafter there were attorneys in The
 19 Bahamas, there were in California, and while we were
 20 not indigent, we could not take care of all these
 21 fees.
 22 Q Uh-huh, uh-huh.
 23 So let's focus on the first conversation
 24 you had with Bonnie Tiegel about money, getting money
 25 somehow. Who was present for that conversation?
 26
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1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 A My daughter and I, not Howard.
 3 Q Howard was not present?
 4 A No.
 5 Q Where did that conversation take place?
 6 A In Horizons.
 7 Q In Horizons, okay.
 8 I think you said you first flew to Florida;
 9 is that correct?
 10 A Yes.
 11 Q How long were you in Florida before you
 12 went to The Bahamas?
 13 A We left the night that she died and got to
 14 Florida the morning, early morning of the next day.
 15 And after I saw Howard and he was in such terrible
 16 straits, that I asked the -- I asked the hotel to
 17 provide a doctor, I wanted him to be looked at to
 18 make sure he was going to be all right, and we had a
 19 doctor come up.
 20 And then Howard became concerned about
 21 Dannielynn who was in The Bahamas and so he said, "I
 22 want you to go to The Bahamas to make sure that
 23 Dannielynn is okay."
 24 So my daughter and I flew to The Bahamas.
 25 Q Okay. Before you flew to The Bahamas and
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1 **BRONCHA MACHLA STERN - CONFIDENTIAL**
2 **when you were still in Florida did you speak with**
3 **anybody from "ET"?**

4 A I was introduced to them.

5 **Q Okay. Is that -- who were you introduced**
6 **to?**

7 A To Bonnie Tiegel and Bonnie Tiegel's boss,
8 Linda something. I can't remember her last name.

9 **Q Is that the first time that you had met**
10 **either one of them?**

11 A Yes.

12 **Q While in Florida did you have any**
13 **discussions with them about finances or money?**

14 A No.

15 **Q Okay. So as you said before, the first**
16 **time you actually talked about money was in the**
17 **Horizons.**

18 A Uh-huh.

19 **Q Tell us as best can you remember about the**
20 **conversation you had at Horizons with Bonnie Tiegel**
21 **and your daughter.**

22 A Well, at first we were just talking about
23 the horrendousness of what happened and they were
24 friends with Anna Nicole and we were friends with
25 Anna Nicole and we just couldn't believe it took

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**
2 place. And Howard was unconsolable, there was just
3 no talking to him, he -- he just was in bed with his
4 dogs, with her dogs, with Anna's dogs, and we -- we
5 talked about the tragedy.

6 **Q Okay. How did money come up?**

7 A I think -- well, I knew Howard didn't have
8 any money and so I was talking about how are we going
9 to take care of the expenses of the funeral, that was
10 the first thing, and that's how it came up.

11 **Q Okay. And what was the discussion about**
12 **money?**

13 A How we would come up with enough money to
14 pay for all of this.

15 **Q Okay. And what did Ms. Tiegel say?**

16 A She said that I could, as I said a few
17 minutes ago, she said that I would be able to help
18 you.

19 **Q Okay.**

20 A Or "ET" would be able to help you.

21 **Q Right.**

22 **And in that first conversation with her was**
23 **there any discussion about how that would work? In**
24 **other words, whether there would be a contract or a**
25 **sale of some photos or was there any discussion along**

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**
2 **those lines --**

3 A No.

4 **Q -- at that point? Okay. Okay.**
5 **Did you talk about your conversation that**
6 **you had with Ms. Tiegel with Howard?**

7 A No.

8 **Q No, you did not, okay.**
9 **Did you talk when you were in Horizons at**
10 **that point, ever talk to Howard about getting money**
11 **from "ET"?**

12 A No.

13 **Q Okay. You said at some point Howard**
14 **changed his mind about --**

15 A Well, originally I heard that he was going
16 to sign with "ET" --

17 **Q Uh-huh.**

18 A -- to get this money and that's all I
19 heard.

20 **Q Who did you hear that from?**

21 A I'm not sure now.

22 **Q Okay. What did you understand or what did**
23 **you hear that he was going to sign?**

24 A I don't know what he was going to sign.

25 **Q Okay. And what happened then? Did he ever**

1 **BRONCHA MACHLA STERN - CONFIDENTIAL**
2 **sign any document, to your knowledge?**

3 A Well, I later found out he did. I didn't
4 know it at the time.

5 **Q Okay. What kind of document did you later**
6 **find out that he signed?**

7 A I don't know what it was.

8 **Q Have you ever seen any document --**

9 A No.

10 **Q -- that he signed? No?**

11 A No.

12 **Q Okay. What did you hear about it?**

13 A Well, about, I don't know, five or six
14 months ago he received a 1099 for that money and he
15 didn't know what it was, he didn't know what the 1099
16 was for, and so he called and he said, "Why am I
17 getting a 1099 for this \$150,000"? And so then I had
18 to tell him what I did.

19 **Q What did you tell him?**

20 A That I talked with Bonnie Tiegel and I
21 agreed to take the money to use it for his benefit,
22 and I used it mainly for attorneys, for house
23 expenses, for the care of Dannielynn, for utilities.
24 But most of it went to attorneys very, very soon
25 after the money came in.

1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 **Q And, to your knowledge, what did Howard**
 3 **know about this arrangement that you came up with**
 4 **with "ET"?**
 5 A He didn't know it. He didn't know it.
 6 **Q Did you --**
 7 A He knew he was getting money and he knew he
 8 was getting money from us but he had been receiving
 9 money from us at other times so he didn't question
 10 it.
 11 **Q When had he received money from you at**
 12 **other times?**
 13 A Well, that's what Lin didn't want me to
 14 discuss.
 15 **Q Exactly. And I ask you again, when --**
 16 MR. WOOD: Since January --
 17 MR. MAYNARD: No, she is saying there were
 18 earlier occasions where she supported him and I
 19 want to know again when those earlier occasions
 20 were.
 21 MR. WOOD: Let's go off the record for a
 22 minute.
 23 (Witness and counsel conferring)
 24 MR. WOOD: I'm going to let her answer.
 25 ///

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1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 BY MR. MAYNARD:
 3 **Q Go ahead.**
 4 **Let's just to give a timeframe to make it**
 5 **easier for you, we're talking now about before Anna**
 6 **Nicole's death, and you say there were occasions**
 7 **prior to that when you and your husband had supported**
 8 **your son Howard financially; is that correct?**
 9 A Right.
 10 **Q Before her death when was the most recent**
 11 **time, how long before her death had you last given**
 12 **him any funds?**
 13 A Well, when he first started working with
 14 her we provided him with funds and then there reached
 15 a point where we said we wouldn't provide anymore
 16 funds and we didn't --
 17 **Q Okay.**
 18 A -- until after Anna died.
 19 **Q Got it. Okay.**
 20 **So when you say you provided him with some**
 21 **funds when he started working for Anna, can you**
 22 **approximate when that was, a year?**
 23 A I don't remember the year.
 24 **Q Okay. Do you remember approximately how**
 25 **much you provided him with during that period?**

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1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 A It was on and off and I'm not sure the
 3 entire period that it covered, but it was into the
 4 thousands and thousands of dollars.
 5 **Q Okay. Approximately how long was it that**
 6 **you were giving him money?**
 7 A Maybe seven years.
 8 **Q Okay. Were you providing him with cash,**
 9 **checks, wire transfers, paying bills, how did you --**
 10 **what form did the support take?**
 11 A Checks mostly.
 12 **Q Okay. Did he have a bank account at that**
 13 **point?**
 14 A I don't know.
 15 **Q Okay.**
 16 **Would he ask you for funds and then you**
 17 **would provide it or was it on a regular basis?**
 18 A No, he would ask.
 19 **Q Okay.**
 20 A He was working full time on Anna Nicole
 21 Smith's Marshall case and it was very time consuming
 22 and he at first did have other clients but then when
 23 he got into it fully we helped him.
 24 **Q Understood. Okay.**
 25 **One question I want to ask. When you**

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1 BRONCHA MACHLA STERN - CONFIDENTIAL
 2 **opened, going back now to when you opened the bank**
 3 **account in your name and your son's name soon after**
 4 **Anna's death --**
 5 MR. WOOD: And she is assuming it is in
 6 both names.
 7 MR. MAYNARD: She said so.
 8 MR. WOOD: But the account --
 9 MR. MAYNARD: That's what I want to know.
 10 MR. WOOD: You've got the record. There's
 11 an account -- excuse me. You've got the
 12 documents and it, my review of the documents,
 13 there's an account that's in Howard's name.
 14 MR. MAYNARD: Absolutely.
 15 MR. WOOD: Now whether she is also on that
 16 account or believes she is on that account, I
 17 don't know.
 18 MR. MAYNARD: Well -- or whether there's
 19 another account, that's my question.
 20 THE WITNESS: No.
 21 MR. WOOD: There's not another account.
 22 MR. MAYNARD: There is and you will see.
 23 THE WITNESS: There's no other account.
 24 MR. WOOD: There's not another account.
 25 MR. MAYNARD: All right.

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