

# **EXHIBIT 132**

**TO AFFIRMATION OF DANIEL M. REILLY IN SUPPORT OF  
CONSOLIDATED REPLY IN OPPOSITION TO THE  
PROPOSED SETTLEMENT**

1 SUPREME COURT OF THE STATE OF NEW YORK

2 COUNTY OF NEW YORK

3 -----X

In the Matter of the )  
Application of )

5 THE BANK OF NEW YORK MELLON )

(As Trustee under various )  
Pooling and Servicing )  
Agreements and Indenture )

Index No.  
651786/2011

7 Trustee under various )  
Indentures), et al., )

8 )

Petitioners, )

9 )

for an order, pursuant to )

10 C.P.L.R. 7701, seeking )

judicial instructions and )

11 approval of a proposed )

Settlement. )

12 -----X

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15 VIDEOTAPED DEPOSITION OF

16 JOHN LANGBEIN

17 Thursday, April 18, 2013

18 51 Madison Avenue

19 New York, New York

20

21

22 Reported by:  
AYLETTE GONZALEZ, CLR  
23 JOB NO. 60113

24

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1                   DATE: April 18, 2013

2                   TIME: 9:27 a.m.

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5           Videotaped Deposition of JOHN LANGBEIN,

6 held at the offices of QUINN EMANUEL

7 URQUHART & SULLIVAN, LLP., 51 Madison

8 Avenue, New York, New York 10010, before

9 AYLETTE GONZALEZ, a Certified LiveNote

10 Reporter and Notary Public of the State of

11 New York.

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

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4 REILLY POZNER

5 Counsel for The American

6 International Group entities

7 1900 Sixteenth Street

8 Denver, Colorado 80202

9 BY: LARRY POZNER, ESQ.

10 BY: DANIEL M. REILLY, ESQ.

11 BY: MICHAEL T. KOTLARCZYK, ESQ.

12 BY: CLARE PENNINGTON, ESQ.

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17 GIBBS & BRUNS

18 Counsel for Institutional Investors

19 1100 Louisiana

20 Houston, Texas 77002

21 BY: ROBERT J. MADDEN, ESQ.,

22 (Via teleconference)

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1           A.    I was not asked to find the facts.  
2    I, obviously, have tried to come to understand  
3    the facts in various details.  I've cited  
4    various deposition sources and documents --  
5    transactional documents and the like.  But it  
6    is -- it is typically my role when people ask  
7    me to serve in these matters, it is my role to  
8    talk about the fiduciary and related duties of  
9    the Trustee as opposed to -- to figure out  
10   what happened or figure out the close  
11   ramifications of particular factual matters.

12           Q.    And that's what you've done, you've  
13   looked at the fiduciary duties of Bank of New  
14   York Mellon in this case?

15           A.    Yes.

16           MR. HOUPPT:  Objection to form.

17           Q.    You found fiduciary duties of Bank  
18   of New York Mellon in this case?

19           A.    I found them?

20           Q.    Yes.  Do you have an opinion that  
21   they had fiduciary duties in this case?

22           A.    I've indicated a few, yes.

23           Q.    Have you indicated all the  
24   fiduciary duties you believe Bank of New York  
25   Mellon owed to the certificate holders in the

1 530 trusts?

2 A. I think it would take many years to  
3 identify all of them. So the answer is no.

4 Q. Have you identified the critical --  
5 what you believe to be the critical fiduciary  
6 duties owed to the certificate holders in this  
7 case?

8 A. I have tried to indicate with  
9 respect to the particular opinions I give, the  
10 basis in fiduciary principal for those  
11 opinions.

12 Q. Now, I want to make sure I  
13 understand you were not asked to arrive at an  
14 opinion whether Bank of New York had conducted  
15 a sufficient legal investigation in this  
16 before negotiating a settlement.

17 MR. HOUPPT: Don't answer whether  
18 you were asked, but answer whether you  
19 have arrived at that opinion.

20 A. Whether the investigation that they  
21 conducted was sufficient?

22 Q. Yes.

23 A. Sufficient to what purpose?

24 Q. Well, when you say you were not  
25 hired to conduct a factual investigation, I'm

1 right, title and interest of the depositor in  
2 and to the trust fund together with the  
3 depositors right to require each seller to  
4 cure any breach of a representation or  
5 warranty or to repurchase. That empowerment  
6 expresses very substantial dominion and power  
7 over those assets."

8 Q. Could we stop there? I see you  
9 turning the page. Let me make sure I  
10 understand that section.

11 A. Yes.

12 Q. What does Section 2.01(b) does in  
13 your opinion is it conveys broad powers and  
14 duties?

15 MR. HOUPT: Objection to form.

16 A. I think what I said is that it  
17 conveys broad ownership and that when a  
18 fiduciary owns something for the benefit of  
19 somebody else, there are, unless other  
20 provisions allocate the responsibility  
21 elsewhere, the default is that you have duties  
22 of prudence and loyalty to the beneficial  
23 owners because your ownership here is merely  
24 legal ownership, not equitable ownership. The  
25 equitable title, so to speak, is in the hands

1 of your beneficiaries.

2 Q. So what we're seeing in Exhibit 13,  
3 paragraph 2.01(b) is in your opinion the  
4 creation of fiduciary duties to in some way  
5 guard the assets of the beneficiaries?

6 MR. HOUPPT: Objection to form.

7 A. That's not what I said. What I  
8 said is what you're seeing here is the  
9 transfer of ownership to the Trustee, but  
10 always in a Trustee relationship not for the  
11 trustee's benefit, but for the benefit of the  
12 beneficiaries. And that in consequence of  
13 your being a Trustee, for the benefit of these  
14 beneficiaries, you will have fiduciary duties  
15 of loyalty and prudence of various sorts of  
16 applications unless those have been elsewhere  
17 allocated away from you in the instrument.

18 Q. Do I understand then that the  
19 fiduciary duties of loyalty and prudence  
20 spring, in part, from the description of  
21 rights and duties in paragraph 2.01(b)?

22 MR. HOUPPT: Objection to form.

23 Mischaracterizes the PSA.

24 A. If I understand the question, yes,  
25 that this is the -- this is the term which



1 review Trustee conduct on the basis of the  
2 information known to the Trustee at the time  
3 of the decision. We've -- in the Uniform  
4 Prudent Investor Act which I drafted and which  
5 is in effect in most American states, governs  
6 most fiduciary investing at the state level,  
7 we spelled this out in a provision which  
8 expressly says that the Trustee is to be  
9 judged by information at the time and "not by  
10 hindsight".

11 MR. MADDEN: That's all I have.

12 Thank you, Professor Langbein.

13 THE WITNESS: Pleased.

14 MR. HOUPT: I do not have  
15 anything.

16 (Continued on next page to include  
17 jurat.)

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C E R T I F I C A T E

STATE OF NEW YORK            )  
  :  SS.:  
COUNTY OF RICHMOND        )

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

That the witness, JOHN LANGBEIN,  
whose examination is hereinbefore set forth  
was duly sworn and that such examination is a  
true record of the testimony given by that  
witness.

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

IN WITNESS WHEREOF, I have hereunto  
set my hand this 19th day of April, 2013.

\_\_\_\_\_  
AYLETTE GONZALEZ  
(Notary Public No. 01G06228612  
Expiration date: 9/27/2014)

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May 2, 2013

**VIA ELECTRONIC MAIL**

TO: STEERING COMMITTEE

Re: *In re the Application of The Bank of New York Mellon* (Index No. 651786-2011)

**Matthew D. Ingber**  
Direct Tel +1 212 506 2373  
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mingber@mayerbrown.com

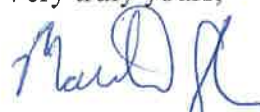
Dear Counsel:

Pursuant to Paragraph 2(c) of the protective order signed by the parties and so ordered by Justice Kapnick on June 14, 2012 (the "Protective Order"), The Bank of New York Mellon designates the following portions of the deposition of Professor John Langbein as "Confidential," as it is defined in the Protective Order:

<b>April 18, 2013 Transcript Page/Line Designation</b>
7:16-9:20
45:20-47:7
258:6-264:18
267:13-274:25

Please feel free to call or email me if you have any questions.

Very truly yours,



Matthew D. Ingber