

Grasso says testimony handed over to Spitzer's office

Tue Apr 4, 2006 9:43 AM ET

By Megan Davies

NEW YORK, April 4 (Reuters) - Former NYSE Chairman Richard Grasso on Tuesday said that a transcript of testimony he gave last year to the U.S. Securities and Exchanges Commission had been handed to New York Attorney General Eliot Spitzer's office.

Spitzer is preparing to take Grasso to trial later this year to get back some of the money from his \$193 million pay package and argues this testimony is relevant to his case.

Grasso was forced out of the New York Stock Exchange <NYX.N> in 2003 following an uproar over his compensation and the AG sued him a year later, saying his pay was excessive under New York's not-for-profit law.

In March, Spitzer's office filed documents to try and compel Grasso to hand over a transcript of the testimony. The AG's office said that Grasso invoked the Fifth Amendment against self-incrimination during the deposition, taken in June 2005 about specialist trading on the floor of the exchange.

"My lawyers decided to simply give them the two transcripts," Grasso told reporters on Tuesday, speaking as he arrived at a Manhattan law office where Spitzer's office will resume a deposition of Grasso that began in March.

"There was a February of '04 (transcript) and then a June of '05 (transcript) -- the '05 of course I didn't answer questions and the '04 was a day long testimony," Grasso said. "My lawyers felt that at this juncture there was no reason to fight about it so they gave them the transcripts."

Earlier, Avi Schick, a lawyer for Spitzer, when asked how the SEC deposition issue had been resolved, said: "Mr. Grasso caved." Schick was also arriving at the law office.