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E-Mail: [REDACTED]

December 9, 2009

[REDACTED], Esq.  
Assistant United States Attorney  
United States Attorney's Office  
Southern District of Florida  
500 South Australian Avenue  
Suite 400  
West Palm Beach, Florida 33401

**RE: Jeffrey Epstein**

Dear [REDACTED]:

You emailed me a letter on November 2, asking whether Jeffrey Epstein's place of employment remained constant. It has. I reviewed a Google map to confirm that the distance between that place of employment and the location where he was stopped by Palm Beach Police is less than 3 miles (and that the location where he was walking was on a direct route to his place of work).

It has taken us a while to respond to your letter because other matters have consumed our time and effort. Over the past five weeks, the massive billion-dollar conspiracy created and run by Scott Rothstein has been exposed. On Monday, Mr. Epstein filed a state civil RICO lawsuit charging Rothstein, his partner Brad Edwards, and others with tortuous and fraudulent abuses of process that resulted in serious injury to Mr. Epstein. A copy of the Complaint is enclosed with this letter.

As you know, Rothstein's firm represents [REDACTED], [REDACTED] and [REDACTED], three of the plaintiffs who have brought civil actions against Mr. Epstein. The Rothstein firm was a criminal enterprise that used the litigation against Mr. Epstein to lure investors into its billion-dollar ponzi scheme. We believe that Rothstein and his co-conspirators used the government's criminal investigation as a means to perpetrate and further their fraud. For example:

██████████, Esq.

December 9, 2009

Page 2

1. The Rothstein lawyers sought disclosure of the NPA to prove who the victims were, and used the NPA to "corroborate" their false claims.

2. Rothstein and his co-conspirators abused the legal process in other cases. They forged the signature of judges, and even forged an Eleventh Circuit opinion.

3. Rothstein lawyers demanded phony protective orders.

4. In our case, they sought discovery of Epstein's plane logs to fish for celebrities to extort and convince investors that huge amounts of settlement money was available from them.

5. Rothstein lawyers litigated claims using Jane Doe names to make the phony settlements appear plausible to investors, and also to prevent any investigation into the claims by the investors.

6. Rothstein and others told investors that your office directed the women to the Rothstein firm.

7. Rothstein and his co-conspirators gathered information illegally, and shared it with the other plaintiffs' attorneys in this case.

8. Rothstein deceived investors into believing that he had the confidential victim list you prepared, and that he had a copy of the NPA.

9. Rothstein told investors that his investigators had sophisticated electronic bugging equipment to gather evidence against Epstein.

10. Rothstein told investors that Epstein had offered to settle the cases for \$200 million, when there have been no such discussions about any settlement at any price.

And it does not stop there. Rothstein, his partners, and his employees investigated and litigated the ██████, ██████, and ██████ cases with funds derived from their criminal enterprise and their fraud and misrepresentations to investors. But we have been stymied from debunking fraudulent claims brought by the Rothstein criminal enterprise because you have threatened that such action on

A. [REDACTED] Villafaña, Esq.  
December 9, 2009  
Page 3

our part would constitute a breach of the NPA. So the Rothstein lawyers, once again, are using the power of the federal government to perpetrate and further their fraud. And the expense of litigating these cases has been extreme. For example, Bob Josefsberg, who I do not believe was aware of the Rothstein crimes, is now demanding over \$2 million in legal fees.

As a lawsuit brought by some of the investors' claims, Rothstein and his partner Edwards used Jeffrey Epstein as bait. The litigation strategy, media pronouncements, and investigatory initiatives of Rothstein and Edwards were calculated to support Rothstein's deceptions rather than to advance the position of his clients. I bring these facts to your attention so that if you had contact with Edwards or those associated with him in the past concerning Mr. Epstein, you consider not continuing communications with any of them in the future.

I would like a short conference with you in person to talk about Mr. Epstein's progress through the state criminal justice system, to discuss several outstanding issues that I want to make sure you have accurate information about, and, from my perspective, most importantly, so that I can provide Mr. Epstein with proper counsel going forward. If you email me some dates when you are available this month, we can schedule a short meeting in your office hopefully before the year ends.

Sincerely,



Roy Black

RB/wg

Enclosure

IN THE CIRCUIT COURT OF THE  
FIFTEENTH JUDICIAL CIRCUIT IN AND FOR  
PALM BEACH COUNTY, FLORIDA

JEFFREY EPSTEIN,

Complex Litigation, Fla. R. Civ. Pro. 1.201  
CASE NO.

Plaintiff,

50 2009 CA 04 03 00 XXX MB

v.

SCOTT ROTHSTEIN, individually,  
BRADLEY J. EDWARDS, individually, and  
L.M., individually,

Defendants.

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SHARON N. BOCK  
CLERK & COMPTROLLER  
CIRCUIT CIVIL DIVISION

COMPLAINT

Plaintiff, JEFFREY EPSTEIN, (hereinafter "EPSTEIN"), by and through his undersigned attorneys, files this action against Defendants, SCOTT ROTHSTEIN, individually, BRADLEY J. EDWARDS, individually, and [REDACTED], individually. Accordingly, EPSTEIN states:

SUMMARY OF ACTION

Attorney Scott Rothstein aided by other lawyers and employees at the firm of Rothstein, Rosenfeldt, and Adler, P.A. for personal greed and enrichment, in betrayal of the ethical, legal and fiduciary duties to their own clients and professional obligations to the administration of justice, deliberately engaged in a pattern of racketeering that involved a staggering series of gravely serious obstructions of justice, actionable frauds, and the orchestration and conducting of egregious civil litigation abuses that resulted in profoundly serious injury to Jeffrey Epstein one of several targets of their misconduct

and others. Rothstein and RRA's fraud had no boundary; Rothstein and his co-conspirators forged Federal court orders and opinions. Amongst the violations of law that are the subject of this lawsuit are the marketing of non-existent Epstein settlements and the sanctioning of a series of depositions that were unrelated to any principled litigation purpose but instead designed to discover extraneous private information about Epstein or his personal and business associates (including well-known public figures) in order to defraud investors and support extortionate demands for payment from Epstein. The misconduct featured the filing of legal motions and the pursuit of a civil litigation strategy that was unrelated to the merits or value of their clients' cases and, instead, had as its improper purpose the furthering of Rothstein's misrepresentations and deceit to third party investors. As a result, Epstein was subject to abusive investigatory tactics, unprincipled media attacks, and unsupportable legal filings. This lawsuit is filed and will be vigorously pursued against all these defendants. The Rothstein racketeering enterprise endeavored to compromise the core values of both state and federal justice systems in South Florida and to vindicate the hardworking and honest lawyers and their clients who were adversely affected by the misconduct that is the subject of this Complaint.

Plaintiff reserves the right to add additional defendants – co-conspirators as the facts and evidence is developed.

#### **GENERAL ALLEGATIONS**

1. This is an action for damages in excess of \$15,000.00, exclusive costs, interest, and attorneys' fees.

2. Plaintiff, EPSTEIN, is an adult and currently is residing and works in Palm Beach County, Florida.

3. Defendant, SCOTT ROTHSTEIN ("ROTHSTEIN"), is an individual residing in Broward County, Florida, and was licensed to practice law in the State of Florida. In November 2009, ROTHSTEIN voluntarily relinquished his law license in the midst of the implosion of Rothstein, Rosenfeldt and Adler, P.A. ("RRA"). He was disbarred by the Florida Supreme Court on November 20, 2009. On December 1, 2009, ROTHSTEIN was arrested and arraigned in Federal Court in Broward County, Florida.

4. At all times relevant hereto, ROTHSTEIN was the managing partner and CEO of RRA.

5. Defendant, ROTHSTEIN and Stuart Rosenfeldt, are and were the principal owners of equity in RRA and each co-founded RRA.

6. Defendant, BRADLEY J. EDWARDS ("EDWARDS"), is an individual residing in Broward County, Florida and is licensed to practice law in the State of Florida. At all times relevant hereto, EDWARDS was an employee, agent, associate, partner, shareholder, and/or other representative of RRA.

7. Defendant, ■ (■■■■), is an individual residing in Palm Beach County, Florida. At all times relevant hereto, ■■■■ was represented by RRA, ROTHSTEIN and EDWARDS in a civil lawsuit against Epstein and was an essential participant in the scheme referenced *infra* by, among other things, substantially changing prior sworn testimony, so as to assist the Defendants in promoting their fraudulent scheme for the

promise of a multi-million dollar recovery relative to the Civil Actions (defined below) involving Epstein, which was completely out of proportion to her alleged damages.

8. Non-party, RRA is a Florida Professional Service Corporation, with a principal address of 401 East Las Olas Blvd., Suite 1650, Fort Lauderdale, FL 33401. In addition to its principal office, RRA also maintained seven offices in Florida, New York, and Venezuela, and employed over 70 attorneys and 200 support staff. RRA also maintains an office at 1109 NE 2d Street, Hallendale Beach, Florida 33009-8515. RRA, through its attorneys, including those named as Defendants herein, conducted business throughout Florida, and relevant to this action, conducted business and filed lawsuits on behalf of clients in Palm Beach County, Florida. (RRA is currently a debtor in bankruptcy. RRA is not named as a Defendant).

#### **FACTUAL ALLEGATIONS**

9. The United States in United States of America ■ Scott W. Rothstein, Case No. 09-60331CR-Cohn, United States District Court, Southern District of Florida, has brought an action for Racketeering Conspiracy, 18 U.S.C. § 1962(d) against Scott W. Rothstein who was the chief executive officer and chairman of RRA. Within the information which was filed, the United States of America has identified the enterprise as being the law firm, RRA, through which Rothstein in conjunction with "his co-conspirators" (not yet identified by the USA) engaged in the pattern of racketeering through its base of operation at the offices of RRA from sometime in 2005 up through and continuing into November of 2009. Through various criminal activities, including mail fraud, wire fraud and money laundering, the United States of America asserts that

Rothstein and his co-conspirators unlawfully obtained approximately \$1.2 billion from investors by fraud in connection with a Ponzi scheme. The USA further alleges that "Rothstein and co-conspirators initiated the criminal conduct alleged in the instant Information in order to personally enrich themselves and to supplement the income and sustain the daily operation of RRA." In essence, in the absence of Rothstein and his co-conspirators conducting the Ponzi scheme, the daily operation of RRA, which included payroll (compensation to lawyers, staff, investigators, etc.), accounts payable including unlimited improper, harassing and potential illegal investigation on cases, including Epstein-related matters, would in all likelihood would not have been sustainable. A copy of the information is attached as **Exhibit 1** to this action.

10. As more fully set forth herein, RRA held itself out as legitimately and properly engaging in the practice of law. In reality, ROTHSTEIN and others in RRA were using RRA to market investments, as described below, so as to bilk investors out of hundreds of millions of dollars. ROTHSTEIN and others in RRA devised an elaborate plan through which were sold purported confidential assignments of a structured pay-out settlements, supposedly reached on behalf of RRA for clients, in exchange for immediate payments to these clients of a discounted lump sum amount. Investors were being promised in excess of a 30% return on their investment which was to be paid out to the investors over time. While some of the cases relied upon to induce investor funding were existing filed cases, it is believed that the confidential, structured pay-out settlements were all fabricated.

11. Based on media reports, Federal Bureau of Investigation (FBI) press conferences and releases and the information the massive Ponzi scheme and pattern of criminal activity meant to lure investors began sometime in 2005 and continued through the fall of 2009, when the scheme was uncovered by some of the investors and the FBI. As of November of 2009, civil lawsuits were and continue to be filed against various Defendants as result of their massive fraudulent and criminal scheme.

12. This fraudulent and illegal investment scheme is also evidenced by the filing of *Amended Complaint For Dissolution And For Emergency Transfer of Corporate Powers to Stuart A. Rosenfeldt, Or, In The Alternative, For the Appointment of A Custodian or Receiver* by ROSENFELDT, and RRA, against ROTHSTEIN, individually. (Case No. 09 059301, In the Circuit Court of the Seventeenth Judicial Circuit, Broward County, Florida, Complex Business Div.), (hereinafter "RRA dissolution action, and attached hereto as **Exhibit 2**).

13. Plaintiff references the RRA dissolution action for the sole purpose that it acknowledges that RRA and ROTHSTEIN were in fact conducting an illegal and improper investment or Ponzi scheme based on promises of financial returns from settlements or outcomes of supposed legal actions, including the actions brought against Plaintiff EPSTEIN. The RRA dissolution action alleges in part that – "ROTHSTEIN, the managing partner and CEO of the firm (RRA), has, according to assertions of certain investors, allegedly orchestrated a substantial misappropriation of funds from investor trust accounts that made use of the law firm's name (RRA). The investment business created and operated by ROTHSTEIN centered around the sale of

interests in structured settlements." See *Preliminary Statement* of RRA dissolution action, **Exhibit 2** hereto.

14. In furtherance of the scheme, RRA's letterhead was used in communications regarding investment opportunities in purported structured settlements. RRA's trust account was used to deposit hundreds of millions of dollars or wire transfer of monies from duped investors and other victims. RRA personally guaranteed payments.

15. Rothstein's scheme went so far as to manufacture false and fraudulent Court opinions/orders including forging the signatures of U.S. District Judge, Kenneth A. Marra and U.S. Circuit Court Judge, Susan H. Black, 11<sup>th</sup> Circuit in other cases. It is not yet known if he forged similar documents in Epstein related matters. See Composite Exhibit 3 hereto.

16. The details of this fraudulent scheme are being revealed on a daily basis through various media reports and court documents. The most recent estimate of the financial scope of the scheme is that it exceeds \$1.2 billion dollars.

17. Relevant to this action, EPSTEIN is currently named as a defendant in three civil actions alleging, inter alia, sexual assault and battery that were handled by RRA and its attorneys including EDWARDS prior to its implosion – one of which is filed in federal court (Jane Doe ■. Epstein, Case No. 08-CIV-80893, U.S.D.C. S.D. Fla.)(Jane Doe is a named Defendant herein), and two of which have been filed in state court in the 15<sup>th</sup> Judicial Circuit Court, Palm Beach County, State of Florida, (■■. ■. Epstein, Case No. 502008CA028051XXXXMB AB; ■■■. ■. Epstein, Case No. 502008CA028058XXXXMB

AB), (hereinafter collectively referred to as the "Civil Actions," and ■ is a named Defendant herein). The Civil Actions were all filed in August and September of 2008.

18. What is clear is that a fraudulent and improper investment or Ponzi scheme was in fact conducted and operated by RRA and certain of the named Defendants, which scheme directly impacted EPSTEIN as a named defendant in the Civil Actions.

19. Miami attorney and developer, Alan Sakowitz, was quoted in a November 2009 article as saying that he had met with ROTHSTEIN as a potential investor in August of 2009, but became suspicious. He stated "I was convinced it was all a Ponzi scheme and I notified the FBI in detail how Scotty ROTHSTEIN was hiding behind a legitimate law firm to peddle fake investments." Attorney Sakowitz was also quoted as saying ROTHSTEIN had sophisticated eavesdropping equipment and former law enforcement officers who would sift through a potential defendants' garbage looking for damaging evidence to use with investors to show how potential defendants could be in essence blackmailed into paying settlement that far exceeded the value of any legitimate damage claim.

20. Ft. Lauderdale attorney William Scherer represents multiple Rothstein related investors. He indicated in an article that RRA/Rothstein had used the "Epstein Ploy ... as a showpiece as bait. That's the way he raised all the money. He would use . . . cases as bait for luring investors into fictional cases. All the cases he allegedly structured were fictional. I don't believe there was a real one in there." In fact, on November 20, 2009, William Scherer, on behalf of certain clients, filed a 147 page Complaint against ROTHSTEIN, David Boden, Debra Villegas, Andrew Barnett, TD Bank, N.A., Frank

Spinosa, [REDACTED] Kerstetter, Rosanne Caretsky and Frank Preve asserting various allegations that further prove the massive Ponzi scheme behind the RRA façade; and as of November 25, 2009, a 249 page Amended Complaint naming additional Defendants was filed.

21. In addition, and upon information and belief, ROTHSTEIN, David Boden, Debbie Villegas, Andrew Barnett, Michael Fisten and Kenneth Jenne (all employees of RRA) through brokers or middlemen would stage regular meetings during which false statements were made about the number of cases/clients that existed or RRA had against EPSTEIN and the value thereof. They would show and share actual case files from the EPSTEIN actions with hedge fund managers. Thus, the attorneys and clients have waived any attorney-client or work-product privileges that otherwise may have existed.

22. Because potential investors were given access to some of the actual Civil Action files, investor-third parties may have become aware of a name of an existing Plaintiff who had filed anonymously against Epstein and had opposed disclosure of her legal name.

23. In all other instances, by RRA, ROTHSTEIN and EDWARDS claiming the need for anonymity with regard to existing or fabricated clients, they were able to effectively use initials, Jane Doe or other anonymous designations which was a key element in the fraudulent scheme. Fictitious names could be created to make the investors believe many other cases existed against Epstein.

24. In each of RRA's Civil Actions, the Plaintiffs are or were represented by RRA and its attorneys, including ROTHSTEIN and EDWARDS.

25. In addition, investors were told that in addition to the Civil Actions another fifty (50) plus anonymous females were represented by RRA, with the potential for hundreds of millions of dollars in settlements, and that RRA and its attorneys would sue Epstein unless he paid exorbitant-settlement amounts to protect his high-profile friends.

26. Upon information and belief, EDWARDS knew or should have known that ROTHSTEIN was utilizing RRA as a front for the massive Ponzi scheme and/or were selling an alleged interest or investment in the Civil Actions (and other claims) involving Epstein.

27. Further evidencing that EDWARDS (and possibly other attorneys of RRA) knew or should have known and participated in the continuation of the massive Ponzi scheme, a front-page Palm Beach Post article, dated November 24, 2009, reported on the recent filing of an amended forfeiture complaint by prosecutors against "dozens of ROTHSTEIN's real estate properties, foreign cars, restaurants and other assets – including \$12 million in the lawyer's bank account in Morocco, along with millions more donated to political campaigns and charitable funds." The article further reported that –

Attorney Scott ROTHSTEIN tapped into millions of dollars from his massive investment scam to cover payroll costs at his expanding Fort Lauderdale law firm, federal authorities said in court records released Monday.

ROTHSTEIN's law firm (RRA) generated revenue of \$8 million in one recent year, yet his 70-lawyer law firm had a payroll of \$18 million,

prosecutors said. ROTHSTEIN, who owned half of RRA used investors' money from his Ponzi scheme to make up the shortfall, they said.

Subsequent articles and court filings have reflected ROTHSTEIN received compensation in excess of \$35.7 million in 2008 and \$10.5 million in 2009, while his partner Rosenfeldt received greater than \$6 million in 2008.

28. ROTHSTEIN attempted to lure the entity known as D3 Capital Club, LLC, ("D3"), by offering D3 "the opportunity" to invest in a pre-suit \$30,000,000.00 court settlement against EPSTEIN; yet this supposed settlement never existed and was entirely fabricated. To augment his concocted story, ROTHSTEIN, upon information and belief, invited D3 to his office to view thirteen (13) banker's boxes of case files in Jane Doe (one of the Civil Actions)<sup>1</sup> in an attempt to substantiate that the claims against EPSTEIN were legitimate and that the evidence obtained against him by RRA, ROTHSTEIN, and EDWARDS (the "Litigation Team") was real.

29. Upon information and belief, ROTHSTEIN and others offered other investors like the entity D3 fabricated investment opportunities in the Civil Actions involving EPSTEIN. Fisten (a former Dade County police officer with a questionable police record and RRA investigator) and Jenne (a former attorney, Broward County Sheriff and felon) assisted ROTHSTEIN in making these offers by providing confidential, privileged and work-product information to prospective third-party investors.

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<sup>1</sup> It appears that 13 out of the 40 boxes seized by the FBI as part of its investigation at RRA consisted of files relating to the Civil Actions involving EPSTEIN, as reported by counsel for the Bankruptcy Trustee. Until those boxes can be reviewed, as well as other discovery, Epstein will not know the depth of the fraud and those involved.

30. By using the Civil Actions against EPSTEIN as "bait" and fabricating settlements regarding same, ROTHSTEIN and others were able to lure investors into ROTHSTEIN'S lair and bilked them of millions of dollars which, in turn, was used to fund the litigation against EPSTEIN for the sole purpose of continuing the massive Ponzi scheme.

31. As part of this scheme, ROTHSTEIN and the Litigation Team, individually and in a concerted effort, may have unethically and illegally:

- a. Sold, allowed to be sold and/or assisted with the sale of an interest in non-settled personal injury lawsuits (which are non-assignable and non-transferable) or sold non-existent structured settlements (including those cases involving Epstein);
- b. Reached agreements to share attorneys fees with non-lawyers;
- c. Used investor money to pay plaintiffs (i.e., ■■■, ■■■, and Jane Doe) "up front" money such that plaintiffs would refuse to settle the Civil Actions;
- d. Conducted searches, wiretaps or intercepted conversations in violation of state or federal laws and Bar rules; and
- e. Utilized the judicial process including, but not limited to, unreasonable and unnecessary discovery, for the sole purpose of furthering the Ponzi scheme.

32. Any such actions by ROTHSTEIN, and other attorneys, including the Litigation Team, directly or indirectly, would potentially be a violation of various Florida Bar Rules,

including prohibiting the improper sharing of fees or costs and various conflicts of issues rules.

33. Evidencing that the Litigation Team knew or should have known of the improper purpose that ROTHSTEIN was pursuing in the continuation of the scheme, ROTHSTEIN used RRA's Litigation Team in the EPSTEIN cases to pursue issues and evidence unrelated to and unnecessary to the claims pled in the Civil Actions, but significantly beneficial to lure investors into the Ponzi scheme orchestrated by ROTHSTEIN and other co-conspirators.

34. Upon information and belief, ROTHSTEIN and others claimed their investigators discovered that there were high-profile individuals onboard Epstein's private jet where sexual assaults took place and showed D3 (and possibly others) copies of a flight log purportedly containing names of celebrities, dignitaries, and international figures.

35. For instance, the Litigation Team relentlessly and knowingly pursued flight data and passenger manifests regarding flights EPSTEIN took with these famous individuals knowing full well that no underage women were onboard and no illicit activities took place. ROTHSTEIN and the Litigation Team also inappropriately attempted to take the depositions of these celebrities in a calculated effort to bolster the marketing scam that was taking place.

36. One of Plaintiffs' counsel, EDWARDS, deposed three of EPSTEIN'S pilots, and sought the deposition of a fourth pilot (currently serving in Iraq). The pilots were deposed by EDWARDS for over twelve (12) hours, and EDWARDS never asked one question relating to or about [REDACTED], [REDACTED], and Jane Doe (RRA clients) as it related to

transportation on flights of RRA clients on any of EPSTEIN'S planes. But EDWARDS asked many inflammatory and leading irrelevant questions about the pilots' thoughts and beliefs (which will never be admissible at trial) which could only have been asked for the purposes of "pumping" the cases and thus by using the depositions to sell the cases (or a part of them) to third parties.

37. Because of these facts, ROTHSTEIN claimed that Epstein wanted to make certain none of these individuals would be deposed and therefore he had offered \$200,000,000.00 to settle the claims of RRA female clients various potential plaintiffs in actions against EPSTEIN. The offer of a \$200 million dollar settlement by EPSTEIN was completely fabricated; no such offer had ever been made.

38. EDWARDS' office also notified Defendant that he intended to take the depositions of and was subpoenaing:

- (i) Donald Trump (real-estate magnate and business mogul);
- (ii) Alan Dershowitz (noted Harvard Law professor, constitutional attorney and one of EPSTEIN'S criminal defense attorneys);
- (iii) Bill Clinton (Former President of the United States);
- (iv) Tommy Mottola (former President of Sony Record); and
- (v) David Copperfield (illusionist).

39. The above-named individuals were friends and acquaintances of EPSTEIN with whom he knew through business or philanthropic work over the years. None of the above-named individuals had any connection whatsoever with any of the Litigation Team's clients, ■■■, ■■■, or Jane Doe.

40. EDWARDS filed amended answers to interrogatories in the state court matters, [REDACTED] and [REDACTED], and listed additional high profile witnesses that would allegedly be called at trial, including, but not limited to:

- (i) Bill Richardson (Governor of New Mexico, formerly U.S. Representative and Ambassador to the United Nations); and
- (ii) Any and all persons having knowledge of EPSTEIN'S charitable, political or other donations;<sup>2</sup>

41. The sole purpose of the scheduling of these depositions or listing high profile friends/acquaintances as potential witnesses was, again, to "pump" the cases to investors. There is no evidence to date that any of these individuals had or have any knowledge regarding RRA's Civil Actions.

42. In furtherance of their illegal and fraudulent scheme against EPSTEIN, ROTHSTEIN, EDWARDS (who either know or should have known) and, at times, [REDACTED] in her Civil Action against EPSTEIN:

- a) Included claims for damages in Jane Doe's federal action in excess of \$50,000,000.00 rather than simply alleging the jurisdictional limits.
- b) Organized a Jane Doe TV media interview without any legitimate legal purpose other than to "pump" the federal case for potential

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<sup>2</sup> These high-profile celebrity "purported" witnesses have no personal knowledge regarding the facts on these "Three Cases", but were being contacted, subpoenaed or listed to harass and intimidate them and Epstein, and to add "star" appeal to the marketing effort of the Ponzi scheme.

investors or to prejudice Epstein's right to a fair trial in Palm Beach County.

- c) EDWARDS, Berger and Russell Adler (another named partner in RRA) all attended EPSTEIN's deposition. At that time, outrageous questions were asked of EPSTEIN which had no bearing on the case, but so that the video and questions could be shown to investors.
- d) Conducted and attempted to conduct completely irrelevant discovery unrelated to the claims in or subject matter of the Civil Actions for the purpose of harassing and embarrassing witnesses and EPSTEIN and causing EPSTEIN to spend tens of thousands of dollars in unnecessary attorneys' fees and costs defending what appeared to be discovery related to the Civil Actions but was entirely related to the furtherance of the Ponzi scheme.
- e) After EDWARDS was recruited and joined RRA in the spring of 2009, the tone and tenor of rhetoric directed to cases against EPSTEIN used by Attorney EDWARDS and Berger changed dramatically in addressing the court on various motions from being substantive on the facts pled to ridiculously inflammatory and sound-bite rich such as the July 31, 2009, transcript when EDWARDS stated to the Court in [REDACTED]: "What the evidence is really going to show is that Mr. Epstein – at least dating back as

far as our investigation and resources have permitted, back to 1997 or '98 – has every single day of his life, made an attempt to sexually abuse children. We're not talking about five, we're not talking about 20, we're not talking about 100, we're not talking about 400, which, I believe, is the number known to law enforcement, we are talking about thousands of children. . . and it is through a very intricate and complicated system that he devised where he has as many as 20 people working underneath him that he is paying well to schedule these appointments, to locate these girls."

- f) As an example, EDWARDS filed an unsupportable and legally deficient Motion for Injunction Restraining Fraudulent Transfer of Assets, Appointment of a Receiver to Take Charge of Property of Epstein, and to Post a \$15 million Bond to Secure Potential Judgment, in Jane Doe ■. Epstein, Case No. 08-CV-80893-Marra/Johnson. The motion was reported in the press as was the ultimate goal (i.e., to "pump" the cases for investor following). However, the Court found "Plaintiff's motion entirely devoid of evidence . . .", and denied the motion *in toto*.
- g) ROTHSTEIN told investors he had another 52 females that he represented, and that Epstein had offered \$200 million to resolve,

but that he could settle, confidentially, these cases for \$500 million, separate and apart from his legal fees.

- h) ROTHSTEIN and the Litigation Team knew or should have known that their three (3) filed cases were weak and had minimal value for the following reasons:
- (i) [REDACTED] – testified she never had any type of sex with Epstein; worked at numerous strip clubs; is an admitted prostitute and call girl; has a history of illegal drug use (pot, painkillers, Xanax, Ecstasy); and continually asserted the 5<sup>th</sup> Amendment during her depositions in order to avoid answering relevant but problem questions for her;
  - (ii) [REDACTED] – testified she worked at eleven (11) separate strip clubs, including Cheetah which RRA represented and in which ROTHSTEIN may have owned an interest; and [REDACTED] also worked at Platinum Showgirls in Boynton Beach, which was the subject of a recent police raid where dancers were allegedly selling prescription painkillers and drugs to customers and prostituting themselves.
  - (iii) Jane Doe (federal case) seeks \$50 million from Epstein. She and her attorneys claim severe

emotional distress as a result of her having voluntarily gone to Epstein's home. She testified that there was never oral, and or sexual intercourse; nor did she ever touch his genitalia. Yet, Jane Doe suffered extreme emotional distress well prior to meeting Epstein as a result of having witnessed her father murder his girlfriend's son. She was required to give sworn testimony in that matter and has admitted that she has lied in sworn testimony. Jane Doe worked at two different strip clubs, including Platinum Showgirls in Boynton Beach.

- i) Conducted ridiculous and irrelevant discovery such as subpoenaing records from an alleged sex therapist, Dr. Leonard Bard in Massachusetts, when the alleged police report reflected that EPSTEIN had only seen a chiropractor in Palm Beach named Dr. Bard. No records relating to EPSTEIN existed for this alleged sex therapist, Dr. Bard, and the alleged subpoena for records was just another mechanism to "pump" the cases for investor appeal;
- j) Allowed a Second Amended Complaint to be filed on behalf of ■. alleging that EPSTEIN forced the minor into "oral sex," yet ■. testified that she never engaged in oral, anal, or vaginal

intercourse with EPSTEIN and she had never touched his genitalia.

- k) Told investors, as reported in an Associated Press article, that celebrities and other famous people had flown on EPSTEIN'S plane when assaults took place. Therefore, even though none (zero) of RRA's clients claim they flew of EPSTEIN'S planes, the Litigation Team sought pilot and plane logs. Why? Again, to prime the investment "pump" with new money without any relevance to the existing claims made by the RRA clients.
- l) After EDWARDS joined RRA, EDWARDS and former Circuit Judge William Berger filed and argued motion to make the Non-Prosecution Agreement (NPA) between Epstein and USAO public. But, RRA, EDWARDS and Berger, and their three clients, already had a copy of the NPA. They knew what it said and they knew the civil provisions in the agreement had no impact whatsoever on the three pending Civil Actions.

The concept behind certain civil provisions in the NPA was to allow an alleged victim to resolve a civil claim with Epstein, maintain her complete privacy and anonymity and move on with her life. As an assistant United States Attorney stated at a hearing in federal court, the NPA was not designed "to hand them a jackpot or a key to a bank."

43. ROTHSTEIN, with the intent and improper motive to magnify his financial gain so continue to fund the fraudulent and illegal investment and/or Ponzi scheme, had EDWARDS demand excessive money from EPSTEIN in the Civil Actions.

44. The actions described in paragraph 42 above herein had no legitimate purpose in pursuing the Civil Actions against EPSTEIN, but rather were meant to further the fraudulent scheme and criminal activity of ROTHSTEIN so that he and others could fraudulently overvalue the settlement value of the existing and non-existent claims against EPSTEIN to potential investors.

45. As a result of the fraudulent investment or (Ponzi) scheme, RRA and its attorneys in the Civil Actions against EPSTEIN may have compromised their clients' interests. ROTHSTEIN and the Litigation Team would have been unable to give unbiased legal counsel because outside investor(s) had been promised a financial interest in the outcome of the actions. Additionally, if a plaintiff received payments from investment monies while her action is pending, this clearly could impact the plaintiff's decision of whether or not to settle the current litigation or shade their testimony (i.e., commit perjury) to gain the greatest return on the investment and to further promote the Ponzi Scheme.

46. The truthfulness of [REDACTED]'s allegations and testimony in [REDACTED]'s state civil action have been severely compromised by the need to seek a multi-million dollar payout to help maintain RRA's massive fraud. Because fictitious settlements of tens of millions of dollars in cases relating to EPSTEIN were represented to "investors" in this Ponzi scheme, RRA and the attorneys in the Civil Actions needed to create a fiction that

included extraordinary damages. However, the actual facts behind her action would never support such extraordinary damages. Therefore, extraordinary measures were undertaken to create an entirely inflated value of her claims against EPSTEIN.

- a. Though she held herself out as a "victim" of Epstein, she admitted to having returned over and over again to him despite her current claim of abuse. She has now admitted, under oath, to being a call girl/escort since the age of 15. (in her deposition September 24, 2009 Transcript "DT" 280:16-19). She testified "Well, I lived life as a prostitute," (see DT 156:7) and "I am a prostitute when I make money" (see DT 156:12-13). ■ admitted her activity with men other than Epstein to making \$1,000 a day from prostitution on maybe more than 20 occasions in one year alone (DT 157:11-158:21). ■ admitted under oath to keeping a list of amounts she collected from "Johns" in "two or three" lined books including a book of "Psalms" that she obtained from a religious store (DT 152:1-14). Under the circumstances, her claim for damages against EPSTEIN, one of L.M.'s many "Johns" during that same period, would be so incredible and certainly not likely to produce the extraordinary settlements promised to "RRA's investors."

47. In April 2007, before she was represented by EDWARDS, and RRA, ■ gave sworn taped recorded testimony to the agents of the FBI. She was represented by a lawyer other than EDWARDS at that statement. She spoke of EPSTEIN in a very positive and friendly terms and directly contradicted the central allegations on which ■'s civil action against Epstein is now based. However, once in the hands of

EDWARDS and RRA, ■'s story changed dramatically. All of a sudden she wanted to sue EPSTEIN and like other RRA clients, sought tens of millions of dollars.

- a. For example, in her sworn statement to the FBI, ■, was insistent that "Jeffrey is an awesome man." (p. 21 – FBI); At the conclusion of she stated: "I hope Jeffrey, nothing happens to Jeffrey because he's an awesome man and it really would be a shame. It's a shame that he has to go through this because he's an awesome guy and he didn't do nothing wrong, nothing." (pp. 57-58 - FBI). In fact, ■. spoke so highly of EPSTEIN and her interactions with him that the US Attorney's office informed a federal court in July 2008 that the US Attorney could not consider ■. a victim.

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Yet, by September 24, 2009, the date on which ■. began her deposition in her civil action and now represented by RRA and EDWARDS, ■'s new and very different tale about purported sexual misconduct under the supposed influence of EPSTEIN had been thoroughly rehearsed and her role into the ROTHSTEIN scam was complete. In her deposition in her civil action, ■. declared that:

"I, I don't really care about money." (DT 206:8)

"He needs time in jail. He doesn't want to be – this is not right for him to be on the streets living daily . . ." (DT 219:21-23)

"You don't think my whole life I have lived that shitty life because of Jeffrey Epstein?" (DT 222:7-8)

b. In her sworn FBI testimony (pre-EDWARDS and RRA), ■ was emphatic that her interactions with Epstein involved no inappropriate sexual touching in any way. In fact, it was exactly the opposite:

Q: Did he at any point kiss you, touch you, show any kind of affection towards you?

A: Never, never. (p. 21 – FBI) . . .

Q: So he never pulled you closer to him in a sexual way?

A: I wish. - No, no, never, ever, ever, no, never. Jeffrey is an awesome man, no. (p. 21 - FBI)

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Yet, ■ filed her second amended complaint in April 2009, after EDWARDS joined RRA, the allegations against EPSTEIN in ■'s complaint became even more salacious. In paragraph 12 of ■'s Second Amended Complaint, ■ alleges among other things, that:

"Jeffrey Epstein coerced, induced, or enticed . . .the then minor Plaintiff to commit various acts of sexual misconduct. These acts included, but were not limited to, fondling and inappropriate and illegal sexual touching of the then minor Plaintiff, forcing or inducing the then minor plaintiff into oral sex or other sexual misconduct..."

- c. In her sworn FBI statement (pre-EDWARDS and RRA), [REDACTED] testified that [REDACTED], the individual who first brought [REDACTED] to EPSTEIN's home, told [REDACTED] "make sure you're 18 because Jeffrey doesn't want any underage girls." (p. 8 - FBI).

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Yet at her September, 2009 deposition now represented by EDWARDS and RRA, [REDACTED] told a very different story:

Q: My question was what did [REDACTED] tell you to tell Mr. Epstein about your age?

A: She said it didn't matter.

Q: That's your recollection about what she said?

A: Yes, she said – I remember her saying it doesn't matter. Don't worry about it.

(DT 199:20-25)

- d. Pre-EDWARDS and RRA, [REDACTED] testified to the FBI: "I always made sure – I had a fake ID, anyways saying that I was 18." (p. 8 - FBI).

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Yet, when questioned about her fake ID at her September 2009 depo, she stated:

Q: And did you have a fake ID?

A: No.

Q: Have you ever had a fake ID?

A: No.

(DT 300:5-8)

e. In her FBI statement (pre-EDWARDS and RRA), [REDACTED] testified about others [REDACTED] brought to the Epstein home. [REDACTED] testified that women she brought to EPSTEIN's home were eager for the opportunity and content with their experiences:

A: None of my girls ever had a problem and they'd call me. They'd beg me, you know, for us to go to Jeffrey's house because they love Jeffrey. Jeffrey is a respectful man. He really is. I mean, and he all thought we were of age always. This is what's so sad about it. (p 30 - FBI).

...

Q: Did any of the girls complain about what happened after they left there?

A: No. You asked me that question. No, everybody loved Jeffrey. (p. 44 - FBI)

...

A: Every girl that I brought to Jeffrey, they said they were fine with it. and like for example [REDACTED] – another of RRA's clients in the Civil Actions], a lot of girls begged me to bring them back for the money. And as far as I know, we all had fun there. (p. 45 - FBI)

Yet, with EDWARDS and RRA as her attorneys, ██████ did a "180" at her September, 2009 deposition in saying:

A: . . . Once they were there, they were scared out of their mind. They did it anyways and some of them walked out and said ██████ don't ever do this to me again. That was the worst thing that ever happened to me. (DT 170:6-11)

. . . A: And then, a lot of girls weren't comfortable. (DT 171:13)

f. The above represent only a few of the dramatic changes ██████ made in her testimony prior to her representation by EDWARDS/RRA and after she hired ROTHSTEIN, EDWARDS and RRA.

48. As a result of the fraudulent investment or (Ponzi) scheme, ██████ may knowingly have compromised her alleged interests in her Civil Action, or committed a fraud on the court.

49. RRA and the Litigation Team took an emotionally driven set of facts involving alleged innocent, unsuspecting, underage females and a Palm Beach Billionaire and sought to turn it into a gold mine. Rather than evaluating and resolving the cases based on the merits (i.e. facts) which included knowledgeable, voluntary and consensual actions by each of the claimants and substantial pre-Epstein psychological and emotional conditions of each of the claimants and substantial sexual experiences pre-Epstein, RRA and the Litigation Team sought through protective orders and objections to block relevant discovery regarding their claimants. They instead forged ahead with discovery the main purpose of which was to pressure Epstein into settling the cases.

Fortunately, their tactics have not been successful. As Magistrate Judge Linnea Johnson wrote in a discovery order dated September 15, 2009 (DE 299 in Federal Case #08-80119) in denying Plaintiffs' Motion for Protective Order:

"This is his [Epstein's] right. The Record in this case is clear that the childhood of many of the Plaintiffs was marred by instances of abuse and neglect, which in turn may have resulted, in whole or in part, in the damages claimed by the Plaintiffs."

In addition, in an Omnibus Order dated October 28, 2009 (DE 377 in Federal Case #08-80119) Magistrate Judge Linnea Johnson wrote:

"Here the request at issue goes to the very heart of the Plaintiff's damage claims, requesting not only general information relating to Plaintiff's sexual history, but inquiring as to specific instances wherein Plaintiff received compensation or consideration for sex acts, claim other males sexually assaulted, battered, or abuses her, and/or claim other males committed lewd or lascivious acts on her. As a global matter, Plaintiffs clearly and unequivocally place their sexual history in issue by their allegations that Epstein's actions in this case has negatively affected their relationships by, among other things, "distrust in men," "sexual intimacy problems," "diminished trust," "social problems," "problems in personal relationships," "feeling of stress around men," "premature teenage pregnancy," "antisocial behaviors," and "hyper-sexuality and promiscuity." Considering these allegation, there simply can be no question that Epstein is entitled to know whether Plaintiffs were molested or the subject of other "sexual activity" or "lewd

and lascivious conduct" in order to determine whether there is an alternative basis for the psychological disorders Plaintiffs claim to have sustained, whether Plaintiffs engaged in prostitution or other similar type acts and how certain acts alleged in the Complaint materially affected Plaintiffs' relationships with others or how those acts did not have such an affect on those relationships and/or whether Plaintiffs suffered from the alleged emotional and psychological disorders as a result of other sexual acts prior to the acts alleged in the Complaint. To deny Epstein this discovery, would be tantamount to barring him from mounting a defense."

50. ROTHSTEIN, EDWARDS and ■'s actions constitute a fraud upon EPSTEIN as RRA, ROTHSTEIN and the Litigation Team represented themselves to be acting in good faith and with the best interests of their clients in mind at all times when in reality, they were acting in furtherance of the investment or Ponzi scheme described herein. EPSTEIN justifiably relied to his detriment on the representations of RRA, and Defendants, ROTHSTEIN, EDWARDS and ■, as to how he conducted and defended the Civil Actions brought against him.

51. As a direct and proximate result of the fraudulent and illegal investment or Ponzi scheme orchestrated by ROTHSTEIN and as yet other unknown co-conspirators and as a result of the litigation tactics undertaken by the Litigation Team and ■, as set forth herein, Plaintiff EPSTEIN has incurred and continues to incur the monetary damages including, but not limited to, having to pay an amount in excess of the Civil Actions' true value as a result of them refusing to settle in that a percentage of any payment by

EPSTEIN may have been promised to third party investors; incurring significant additional legal fees and costs as result of Defendants refusal to conduct settlement negotiations in a forthright and good faith manner because any monies paid by EPSTEIN is in reality a promised return on an investment; and incurred significant attorneys' fees and costs in defending the discovery that was not relevant, material and/or calculated to lead to the admissibility of evidence, but which was done for the sole purpose of "pumping" the cases to investors.

52. EPSTEIN has also been injured in that the scope of the fraudulent and criminal or racketeering activity so permeated the RRA law firm that EPSTEIN has been prevented from fully and fairly defending the civil actions brought against him. In essence, the very existence of RRA was based on the continuation of the massive Ponzi scheme orchestrated by ROTHSTEIN and other co-conspirators. In order to continue to bring in monies from investors, ROTHSTEIN and other co-conspirators used the Civil Actions against EPSTEIN, along with other manufactured lawsuits, as a means of obtaining massive amounts of money.

53. ROTHSTEIN, EDWARDS and [REDACTED] are liable for damages caused to EPSTEIN – individually, and jointly and severally.

**Count I – Violation of §§772.101, et seq., Fla. Stat. -**  
**Florida Civil Remedies for Criminal Practices Act –**  
**Against All Defendants**

54. Plaintiff realleges and incorporates paragraphs 1 through 53 as if fully set forth herein.

55. RRA, ROTHSTEIN, EDWARDS and ■. each and collectively constitute an enterprise pursuant to §772.102(3), Fla. Stat. (2009).

56. ROTHSTEIN, EDWARDS and ■. engaged in a pattern of criminal activity as defined in §772.102(3) and (4), Fla. Stat. (2009).

57. As alleged herein, ROTHSTEIN and EDWARDS committed multiple predicate acts in violation of §772.103(1), (2), (3) and (4), Fla. Stat., including violations of Florida Statutes - Chapter 517, relating to securities transactions; Chapter 817, relating to fraudulent practices, false pretenses, and fraud generally (which includes ■.); Chapter 831, relating to forgery; §836.05, relating to extortion (which includes ■.); and Chapter 837, relating to perjury (which includes ■.). Substantially more than two predicate acts (i.e., the selling of or participation of the sale of fabricated settlements outlined herein, including the Civil Actions involving Epstein as well as the improper litigation tactics outlined above) occurred within a five-year time period.

58. As a direct and proximate result of ROTHSTEIN, EDWARDS and ■.'s violations of §772.103, Fla. Stat., EPSTEIN has been injured.

59. Pursuant to §772.104(1), Fla. Stat., Plaintiff EPSTEIN is entitled to threefold of his actual damages sustained, reasonable attorney's fees and court costs, and such other damages as allowed by law.

WHEREFORE, Plaintiff EPSTEIN respectfully demands the entry of a judgment for damages against all the named Defendants.

**Count II – Florida RICO -**  
**“Racketeer Influenced and Corrupt Organization Act”**  
**Pursuant to §§895.01, et seq., Fla. Stat. (2009),**  
**Against All Defendants**

60. Plaintiff realleges and incorporates paragraphs 1 through 53 as if fully set forth herein.

61. RRA, along with ROTHSTEIN, EDWARDS and ■■■, each and collectively, constitute an enterprise pursuant to §895.02(3), Fla. Stat. (2009).

62. During all times relevant hereto, ROTHSTEIN, EDWARDS and ■■■ were and are associated with the enterprise, RRA, and each other.

63. Defendants, ROTHSTEIN, EDWARDS and ■■■, as persons associated with the enterprise, RRA and each other (as an enterprise), unlawfully conducted or participated, directly or indirectly, in such an enterprise through a pattern of racketeering, § 895.03(3), Fla. Stat., as alleged above herein.

64. The breadth and scope of ROTHSTEIN, EDWARDS and, potentially, ■■■'s racketeering activity continues to be investigated by the FBI, as numerous civil lawsuits against some of the Defendants and others continue to be filed by persons who have been damaged. As of the filing of this Complaint, criminal charges have only been brought against ROTHSTEIN.

65. Substantially more than two predicate acts (i.e., the selling of fabricated settlements outlined herein, including the Civil Actions involving Epstein as well as the improper litigation tactics outlined above) occurred within a five year time period.

66. Pursuant to §895.02, Fla. Stat., ROTHSTEIN and EDWARDS engaged in a pattern of "racketeering activity" through the commission of crimes as defined in § 895.02(1)(a)-(b), Fla. Stat., including Chapter 517, relating to securities; Chapter 817, relating to fraudulent practices, false pretenses, and fraud (including ■■■.) generally;

Chapter 813, relating to forgery; §836.05, relating to extortion (including [REDACTED]); Chapter 837, relating to perjury (including [REDACTED]).

67. Pursuant to §895.05, Fla. Stat., Plaintiff seeks the following relief against Defendants, ROTHSTEIN, EDWARDS and [REDACTED]:

- a) Ordering ROTHSTEIN and EDWARDS to divest themselves of any interest in the enterprise, RRA;
- b) Enjoin all Defendants from engaging in the same type of conduct and activities as described herein; and
- c) Temporarily enjoining ROTHSTEIN, EDWARDS and [REDACTED], from the continuation of the Civil Actions brought against EPSTEIN until criminal charges have been formally brought against RRA and/or any of the Defendants, such that EPSTEIN may be allowed to evaluate whether a stay or dismissal of all Civil Actions against him is merited.

68. EPSTEIN further seeks an award of his reasonable attorney's fees and costs, and such other relief that this Court deems appropriate.

WHEREFORE, Plaintiff EPSTEIN respectfully demands the entry of a judgment for the relief sought and damages against the named Defendants.

**Count III – Abuse of Process –**  
**Against All Defendants**

69. Plaintiff realleges and incorporates paragraphs 1 through 53 as if fully set forth herein.

70. After instituting the Civil Actions against EPSTEIN, the actions of Defendants, ROTHSTEIN, EDWARDS and ■. as alleged in paragraphs 9 through 53 herein, constitute an illegal, improper or perverted use of process.

71. ROTHSTEIN, EDWARDS and ■. possessed ulterior motives or purposes in exercising such illegal, improper, or perverted use of process.

72. As a result of ROTHSTEIN, EDWARDS and ■.'s actions, EPSTEIN suffered damages.

WHEREFORE, Plaintiff EPSTEIN respectfully demands the entry of a judgment for damages against all the named Defendants.

**Count IV – Fraud**  
**Against All Defendants**

73. Plaintiff realleges and incorporates paragraphs 1 through 53 as if fully set forth herein.

74. ROTHSTEIN, by and through Defendant EDWARDS and ■. made false statements of fact to EPSTEIN and his attorneys and agents, known to be false at the time made, and/or intentionally concealed material information from EPSTEIN and his attorneys and agents, for the purpose of inducing EPSTEIN to act in reliance thereon.

75. EPSTEIN did so act on the misrepresentation and/or concealment by incurring additional attorney's fees, costs, and expenses in aggressively defending the civil actions whereas in reality, because the Civil Actions against Plaintiff were being exploited and over-valued so as to lure additional investors and to attempt to extort as much money as possible from EPSTEIN so as to continue the massive fraud.

WHEREFORE Plaintiff EPSTEIN demands judgment against Defendants for damages incurred and for any other relief to which he is entitled under the law.

**Conspiracy to Commit Fraud**  
**Against All Defendants**

76. Plaintiff realleges and incorporates paragraphs 1 through 53, and 74 and 75 as if fully set forth herein.

77. ROTHSTEIN, EDWARDS and [REDACTED] conspired to commit a fraud upon EPSTEIN.

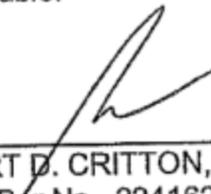
78. ROTHSTEIN, EDWARDS and [REDACTED] combined by and through concerted action as detailed herein to accomplish an unlawful purpose or accomplish some purpose by unlawful means. The unlawful purpose was, among other things, the orchestrating and continuation of the massive fraudulent Ponzi scheme and receipt of monies for the continuation of the scheme. The unlawful means includes, but is not limited to, the use of the Civil Actions against EPSTEIN in an unlawful, improper, and fraudulent manner.

79. As a direct and proximate result of ROTHSTEIN, EDWARDS and [REDACTED]'s conspiracy to defraud EPSTEIN, EPSTEIN suffered damages.

WHEREFORE Plaintiff EPSTEIN demands judgment against Defendants for damages incurred and for any other relief to which he is entitled under the law.

**Jury Trial**

Plaintiff demands Jury Trial on all issues so triable.

By:   
ROBERT D. CRITTON, JR., ESQ.  
Florida Bar No. 224162

[REDACTED]  
MICHAEL J. PIKE, ESQ.  
Florida Bar # [REDACTED]  
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(Attorneys for Plaintiff)

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. **09-60331**

**CR-COHN**  
MAGISTRATE JUDGE  
~~SELTZER~~

- 18 U.S.C. §1962(d)
- 18 U.S.C. §1956(h)
- 18 U.S.C. §1349
- 18 U.S.C. §1343
- 18 U.S.C. § 2
- 18 U.S.C. §1963
- 18 U.S.C. §982(a)(1)
- 18 U.S.C. §981(a)(1)(C)

UNITED STATES OF AMERICA,  
Plaintiff,

SCOTT W. ROTHSTEIN,  
Defendant.

FILED by _____ D.C.
<b>DEC 01 2009</b>
STEVEN M. LARIMORE CLERK U. S. DIST. CT. S. D. of FLA. - FT. LAUD.

INFORMATION

The United States Attorney charges that, at all times relevant to this Information:

GENERAL ALLEGATIONS

1. Scott W. Rothstein was an attorney admitted to practice law in Florida. Defendant Rothstein was the Chief Executive Officer (CEO) and Chairman of Rothstein, Rosenfeldt and Adler, P.A.
2. Rothstein, Rosenfeldt and Adler, P.A. was a law firm with offices located at 401 East Las Olas Boulevard, Fort Lauderdale, Florida and elsewhere. The law firm employed approximately seventy (70) attorneys and engaged in the practice of law involving a wide range of specialties, including labor and employment law.

**EXHIBIT 1**

**SEARCHED**

**COUNT 1**

(Racketeering Conspiracy, 18 U.S.C. §1962(d))

1. The General Allegations of this Information are realleged and expressly incorporated herein as if set forth in full.

**THE ENTERPRISE**

2. The law firm, Rothstein, Rosenfeldt and Adler, P.A. (hereinafter referred to as RRA) was a legal entity organized under the laws of the State of Florida and constituted an Enterprise as that term is defined in Title 18, United States Code, Section 1961(4). The Enterprise engaged in, and the activities of which affected, interstate and foreign commerce.

**THE RACKETEERING CONSPIRACY**

3. From in or about 2005 and continuing through in or about November 2009, in the Southern District of Florida and elsewhere, the defendant,

**SCOTT W. ROTHSTEIN,**

being a person employed by and associated with the Enterprise described above, which was engaged in, and the activities of which affected, interstate and foreign commerce, did knowingly combine, conspire, confederate, and agree, with persons known and unknown to the United States Attorney, to violate Title 18, United States Code, Section 1962(c); that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of the Enterprise through a pattern of racketeering activity as that term is defined in Title 18, United States Code, Sections 1961(1) and (5), as set forth herein below at paragraph 4.

#### THE PATTERN OF RACKETEERING ACTIVITY

4. The pattern of racketeering activity as defined in Title 18, United States Code, Sections 1961(1) and 1961(5), through which the defendant and his co-conspirators agreed to conduct and participate, directly and indirectly, in the conduct of the affairs of the Enterprise consisted of multiple acts indictable under the laws of the United States, namely:

- i. Title 18, United States Code, Section 1341 (mail fraud);
- ii. Title 18, United States Code, Section 1343 (wire fraud);
- iii. Title 18, United States Code, Section 1956(a)(1) (laundering of monetary instruments);
- iv. Title 18, United States Code, Section 1957 (engaging in monetary transactions); and
- v. Title 18, United States Code, Section 1956(h) (conspiracy to launder monetary instruments and engage in monetary transactions).

#### THE PURPOSE AND OBJECT OF THE RACKETEERING ACTIVITY

5. The principal purpose of the racketeering conspiracy was to generate money for the defendant and his co-conspirators through the operation of the Enterprise and through various criminal activities, including mail fraud, wire fraud, and money laundering.

6. The defendant and his co-conspirators agreed to engage in a pattern of racketeering activity through its base of operation at the offices of RRA. The conspirators also utilized other locations to further the objectives of the Enterprise. RRA was utilized by the defendant and his co-conspirators to unlawfully obtain approximately \$1.2 billion from investors by fraud in connection with an investment scheme commonly known as a "Ponzi" scheme, in which new investors' funds

are utilized to pay previous investors in the absence of any underlying security, legitimate investment vehicle or other commodity.

#### THE ROLES AND RESPONSIBILITIES OF THE CONSPIRATORS

7. The roles of the conspirators were as follows:

A. Defendant SCOTT W. ROTHSTEIN was a shareholder, Chairman and CEO of RRA.

Through his position at RRA, defendant ROTHSTEIN promoted, managed, and supervised the administration of the Enterprise by fraudulently inducing investors through the use of false statements, documents, and computer records to (1) loan money to purported borrowers based upon fraudulent promissory notes and fictitious bridge loans, and (2) invest funds based upon anticipated pay-outs from purported confidential settlement agreements which had been reached between and among certain individuals and business entities. These settlement agreements were falsely presented as having been reached between putative plaintiffs in civil cases and putative defendants based upon the forbearance of civil claims in sexual harassment and/or whistle-blower cases.

B. Other conspirators, known and unknown to the United States Attorney, agreed with one another and with defendant ROTHSTEIN to take actions to further the operation and success of the "Ponzi" scheme, including presenting the aforesaid investments to potential investors as legitimate investment vehicles, when in fact they were not; fraudulently inducing investors to place funds into these investment vehicles by making material misstatements of facts as set forth below; assuring potential investors and investors that sufficient funds existed to pay returns on these investments, when in fact such funds did not exist; creating, and transferring funds into and from, various accounts at financial institutions in order to further the unlawful scheme; and realizing

profits from the operation of the Ponzi scheme through the acquisition of money generated as proceeds from the scheme and through the acquisition of real and personal property.

#### MANNER AND MEANS OF THE RACKETEERING CONSPIRACY

8. It was part of the conspiracy that the defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the Enterprise.

9. Defendant ROTHSTEIN and other co-conspirators initiated the criminal conduct alleged in the instant Information in order to personally enrich themselves and to supplement the income and sustain the daily operation of RRA.

10. Defendant ROTHSTEIN and other co-conspirators fraudulently solicited investors to loan money based upon promissory notes and bridge loans to and from purported clients of RRA. Defendant ROTHSTEIN falsely alleged that clients of RRA requested short-term financing for undisclosed business deals. Defendant ROTHSTEIN falsely alleged that the purported clients were willing to pay high rates of return on loans negotiated by Defendant ROTHSTEIN. In fact, defendant ROTHSTEIN was aware that no such clients or requests for business financing actually existed.

11. Defendant ROTHSTEIN and other co-conspirators participated in an investment scheme commonly known as a "Ponzi" scheme. The "Ponzi" scheme involved the sale of purported confidential settlement agreements in sexual harassment and/or whistle-blower cases. The potential investors were told by defendant ROTHSTEIN and other co-conspirators that confidential settlement agreements were available for purchase. The purported settlements were allegedly available in amounts ranging from hundreds of thousands of dollars to millions of dollars and could be purchased at a discount and repaid to the investors at face value over time.

12. Defendant ROTHSTEIN and other co-conspirators utilized the offices of RRA and the offices of other co-conspirators to convince potential investors of the legitimacy and success of the law firm, which enhanced the credibility of the purported investment opportunity.

13. Defendant ROTHSTEIN and other co-conspirators made false and misleading statements and omissions which were intended to fraudulently induce potential investors into purchasing the confidential settlements.

14. Defendant ROTHSTEIN and other co-conspirators made the following fraudulent representations to potential investors in order to induce them to purchase the purported settlements:

- A. That the purported settlements were highly confidential in order to protect the reputation of the company authorizing the settlement and the executives involved;
- B. That the plaintiffs in the purported sexual harassment and/or whistle-blower cases preferred to settle the cases in order to avoid the emotional embarrassment of pursuing a claim in a public forum;
- C. That RRA originated its own cases from reputation, internal staff and outside referrals from other law firms;
- D. That RRA retained a company that owned internet sites and well-placed "800" numbers designed to attract a large volume of high quality cases;
- E. That RRA rigorously screened the purported sexual harassment and/or whistle-blower settlement agreements;

- F. That RRA utilized former law enforcement personnel and employed highly sophisticated investigative methods in selecting and pursuing claims against purported defendants;
- G. That RRA or other law firms pursued purported settlements with defendant companies prior to the initiation of litigation;
- H. That RRA or other law firms negotiated with the purported defendant company after such company was made aware of the alleged claim by the plaintiff;
- I. That RRA or other law firms purportedly negotiated with the defendant company and reached an agreement which contained the settlement amount and the payment terms;
- J. That because the purported settlements occurred prior to the initiation of litigation, there was no court or governmental entity involved in the transaction;
- K. That the alleged defendant companies sent by wire transfer to RRA or other law firms' trust accounts the full proceeds of the purported settlements;
- L. That during the settlement conference or other settlement negotiations when a purported plaintiff protested the extended payment schedule, RRA or other law firms presented the purported plaintiff with the option of receiving a discounted lump sum payment from an unrelated confidential funding source;
- M. That RRA or other co-conspirators prepared a purported Assignment of Settlement Agreement in which the investor agreed to acquire the right to the

purported settlement payments for a discounted lump sum payment made to the purported plaintiff;

N. That when RRA received the payment by the investor it immediately disbursed those funds to the purported plaintiff; and

O. That RRA made payment to the investor pursuant to the purported payment schedule set forth in the purported settlement agreement.

15. Defendant ROTHSTEIN and other co-conspirators falsely informed potential investors that funds were maintained in designated trust accounts for the benefit of the individual investor and that these funds were verified on a regular basis, weekly if not more often, by two independent verification sources, one being an attorney and the other being an independent financial advisor (hereinafter referred to "independent verifiers").

16. Defendant ROTHSTEIN and other co-conspirators falsely informed potential investors that RRA's trust accounts were maintained with a well established international banking institution, in accordance with the rules and regulations of the Florida Bar, and that access to balances in the trust accounts was allegedly monitored by one of the two independent verifiers.

17. Defendant ROTHSTEIN and other co-conspirators falsely informed potential investors that due diligence would be undertaken with the following provisions:

A. An "independent verifier" would be permitted to ask questions of Defendant ROTHSTEIN and/or other co-conspirators to review the opportunity and structure;

B. The "independent verifier" would have the opportunity to randomly review selected completed transactions to confirm the veracity of the information;

- C. The "independent verifier" had already reviewed current transactions, including wire transfers received from defendants and payments made to plaintiffs;
- D. The "independent verifier" would have the opportunity to visit and speak with a senior banking officer at the local branch of the financial institution to confirm current trust account bank balances through bank statements provided on line; and
- E. The "independent verifier" had the opportunity to meet with a senior banking officer to verify that the trust accounts were "locked" and to verify the strength of RRA's financial position and relationship with the bank.

18. Defendant ROTHSTEIN and other co-conspirators established numerous trust accounts in the name of RRA in order to convince potential and current investors of the legitimacy of the confidential settlement agreements and the security of such investments.

19. Defendant ROTHSTEIN and other co-conspirators prepared and used altered bank statements, purportedly issued from a well-established international financial institution, to fraudulently convince potential and current investors that funds had been received from the purported defendant companies and were maintained in trust accounts.

20. In order to deceive investors, defendant ROTHSTEIN and other co-conspirators created, altered and/or maintained fictitious online banking information regarding the purported trust accounts which falsely reflected the amount of funds maintained in such accounts, the receipt of funds wired from the alleged defendant companies and the transmission of funds by wire to the alleged plaintiffs,

21. Defendant ROTHSTEIN and other co-conspirators created false and fictitious documents, including confidential settlement agreements, assignment of settlement agreements and proceeds, sale and transfer agreements, and personal guaranties by Defendant ROTHSTEIN, among other documents.

22. Defendant ROTHSTEIN and other co-conspirators facilitated the movement and transfer of funds between and among numerous trust accounts and operating accounts in order to perpetuate the scheme. The movement and transfer of such funds insured that monies were available in the individual trust accounts in order to make scheduled payments to investors.

23. Defendant ROTHSTEIN and other co-conspirators made false statements to current investors in order to convince them to re-invest in additional purported confidential settlement agreements.

24. Defendant ROTHSTEIN and other co-conspirators facilitated the creation of false and fictitious "lock letters" which were issued by an executive at the financial institution where the trust and operating accounts were maintained. Such "lock letters" falsely reflected that the funds maintained in specific trust accounts would only be disbursed to specific investors.

25. Defendant ROTHSTEIN and other co-conspirators utilized funds received from investors to pay the promised "return on investment" to earlier investors.

26. Defendant ROTHSTEIN and other co-conspirators also initiated and conducted a scheme to defraud clients of RRA in order to perpetuate the "Ponzi" scheme. Such clients had retained RRA to institute and file a civil lawsuit. Unknown to the clients, RRA settled the lawsuit and obligated the clients to pay \$500,000 to the defendant. In order to commit the fraud and deceive the clients, defendant ROTHSTEIN and other co-conspirators created a false and fraudulent court

order purportedly signed by a Federal District Court Judge which falsely alleged that the clients had prevailed in the lawsuit and were owed a judgement of approximately \$23 million. The fraudulent court order also falsely stated that the defendant had transferred funds to the Cayman Islands in order to avoid paying the judgement.

27. Defendant ROTHSTEIN and other co-conspirators falsely advised the clients on several occasions that in order to recover the defendant's funds, they had to post bonds to be held in the RRA trust account. Defendant ROTHSTEIN and other co-conspirators fraudulently caused the clients to wire transfer approximately \$57 million over several years to a trust account controlled by defendant ROTHSTEIN, purportedly to satisfy the bonds.

28. Defendant ROTHSTEIN and other co-conspirators caused the funds transmitted by the clients to be transferred to other RRA trust accounts in order to perpetuate the "Ponzi" scheme and to enrich those co-conspirators who were associated with the Enterprise.

29. Defendant ROTHSTEIN and other co-conspirators were questioned by the clients as to the progress of the alleged lawsuit. In order to delay the return of funds to the clients, defendant ROTHSTEIN fraudulently created a false Federal court order purportedly issued by a United States Magistrate Judge allegedly ordering RRA to return the transmitted funds by a later date.

30. Defendant ROTHSTEIN and other co-conspirators utilized funds obtained through the "Ponzi" scheme to supplement and support the operation and activities of RRA, to expand RRA by the hiring of additional attorneys and support staff, to fund salaries and bonuses, and to acquire larger and more elaborate office space and equipment in order to enrich the personal wealth of persons employed by and associated with the Enterprise.

31. Defendant ROTHSTEIN and other co-conspirators utilized funds illegally obtained through the "Ponzi" scheme to make political contributions to local, state and federal political candidates, in a manner designed to conceal the true source of such funds and to circumvent state and federal laws governing the limitations and contribution of such funds.

32. Defendant ROTHSTEIN and other co-conspirators used other corporations in order to launder proceeds generated from the "Ponzi" scheme to conceal the source of the funds utilized to make political contributions in order to promote the "Ponzi" scheme.

33. Defendant ROTHSTEIN and other co-conspirators paid large bonuses to employees of RRA purportedly as an award for exemplary work. Prior to the receipt of the bonuses, the employees were instructed to make large contributions to political candidates in the employees' names. Such conduct was designed to conceal the true source of the contribution and to illegally circumvent campaign finance laws.

34. Defendant ROTHSTEIN and other co-conspirators distributed lavish gifts including exotic cars, jewelry, boats, loans, cash and bonuses to individuals and members of RRA in order to engender goodwill and loyalty and to create the appearance of a successful law firm.

35. Defendant ROTHSTEIN and other co-conspirators made large charitable contributions to public and private charitable institutions, including hospitals and other legitimate charitable and nonprofit organizations using funds derived from the "Ponzi" scheme.

36. Defendant ROTHSTEIN and other co-conspirators utilized funds illegally obtained through the "Ponzi" scheme to hire members of local police departments purportedly to provide security for RRA and defendant ROTHSTEIN's personal residence. "Ponzi" scheme funds were also used to provide gratuities to high ranking members of police agencies in order to curry favor

with such police personnel and to deflect law enforcement scrutiny of the activities of RRA and defendant ROTHSTEIN.

37. Defendant ROTHSTEIN and other co-conspirators utilized funds obtained through the "Ponzi" scheme in order to purchase controlling interests in restaurants located in the Southern District of Florida. Such restaurants were used in part as a mechanism to give gratuities to individuals, including politicians, business associates and attorneys, in order to foster goodwill and loyalty, as a location to solicit potential investors and as a secure location for conspiratorial meetings.

38. Defendant ROTHSTEIN and other co-conspirators associated with affluent and politically connected individuals in order to lure wealthy investors into the "Ponzi" scheme.

39. Defendant ROTHSTEIN and other co-conspirators associated with well known sports figures and politicians, in public forums and elsewhere, in order to gain greater notoriety and to create the appearance of wealth and legitimacy. Such acts were calculated in part to enhance defendant ROTHSTEIN's ability to solicit potential investors in the "Ponzi" scheme.

40. Defendant ROTHSTEIN and other co-conspirators used funds derived from the "Ponzi" scheme to maintain the appearance of affluence and wealth, by purchasing expensive real and personal property, in order to convince potential investors of the legitimacy of RRA and of the purported investment opportunities. Defendant ROTHSTEIN purchased expensive real property, personal property, business interests, vessels, vehicles and other indicia of success and wealth.

All in violation of Title 18, United States Code, Section 1962(d).

**COUNT 2**

(Money Laundering Conspiracy, 18 U.S.C. §1956(h))

1. The General Allegations and paragraphs 5 through 40 of Count 1 of the Information are realleged and incorporated herein by reference.

2. TD Bank, N.A., (hereinafter referred to as TD Bank) was a commercial bank with branch offices in thirteen (13) states, including a branch office in Weston, Florida. The executive offices of TD Bank were located in Portland, Maine and Cherry Hill, New Jersey. Defendant ROTHSTEIN and RRA maintained approximately thirty-eight (38) bank accounts at TD Bank, which were utilized during the course of the "Ponzi" scheme.

3. Gibraltar Private Bank and Trust (hereinafter referred to as Gibraltar Bank) was a commercial bank with seven (7) branch offices, including a branch office in Fort Lauderdale, Florida. Defendant ROTHSTEIN and RRA maintained at least four (4) bank accounts at Gibraltar Bank, which were utilized during the course of the "Ponzi" scheme.

4. From in or about 2005 and continuing thereafter through in or about November 2009, in Broward County, in the Southern District of Florida and elsewhere, the defendant,

SCOTT W. ROTHSTEIN,

did knowingly conspire, confederate, and agree with persons known and unknown to the United States Attorney, to commit offenses against the United States in violation of Title 18, United States Code, Sections 1956 and 1957, that is:

i. to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, with the intent to promote the carrying on of said specified unlawful activities, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial

transaction represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i);

ii. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and

iii. to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, which property having been derived from a specified unlawful activity, that is, mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, in violation of Title 18, United States Code, Section 1957.

All in violation of Title 18, United States Code, Section 1956(h).

**COUNT 3**

(Mail and Wire Fraud Conspiracy, 18 U.S.C. §1349)

1. The General Allegations and paragraphs 5 through 40 of Count 1 of the Information are realleged and incorporated herein by reference.

2. From in or about 2005 and continuing thereafter through in or about November 2009, in Broward County, in the Southern District of Florida and elsewhere, the defendant,

SCOTT W. ROTHSTEIN,

did knowingly combine, conspire, confederate, and agree with other persons known and unknown to the United States Attorney to commit offenses against the United States in violation of Title 18, United States Code, Sections 1341 and 1343, that is:

i. to knowingly and with intent to defraud devise and intend to devise a scheme and artifice to defraud and to obtain money and property from others by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and causing to be delivered certain mail matter by any private and commercial interstate carrier, according to the directions thereon, for the purpose of executing the scheme, in violation of Title 18, United States Code, Section 1341

ii. to knowingly and with intent to defraud devise and intend to devise a scheme and artifice to defraud and to obtain money and property from others by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and transmitting and causing to be transmitted by means of wire communications in interstate and foreign commerce, certain signs, signals and sounds, for the purpose of executing the scheme, in violation of Title 18, United States Code, Section 1343.

#### THE PURPOSE AND OBJECT OF THE CONSPIRACY

3. The purpose and object of the conspiracy was to enrich defendant ROTHSTEIN and his co-conspirators by illegally obtaining money from investors and converting the investors' money to their own use and benefit through the operation of the above-described "Ponzi" scheme.

All in violation of Title 18, United States Code, Section 1349.

#### COUNTS 4 and 5 (Wire Fraud, 18 U.S.C. §1343)

1. The General Allegations and paragraphs 5 through 40 of Count 1 of the Information are realleged and incorporated herein by reference.

2. On or about the dates enumerated as to each count below, at Broward and Miami-Dade Counties, in the Southern District of Florida, and elsewhere, the defendant,

SCOTT W. ROTHSTEIN,

did knowingly and with intent to defraud devise and intend to devise a scheme and artifice to defraud and to obtain money and property from others by means of materially false and fraudulent pretenses,

representations, and promises, knowing that such pretenses, representations, and promises were false and fraudulent when made, and for the purpose of executing the scheme, transmitted and caused to be transmitted certain wire communications in interstate and foreign commerce, as more particularly described below:

COUNT	DATE	WIRE COMMUNICATION
4	December 2, 2008	Interstate wire transfer sent from TD Bank to Gibraltar Bank
5	October 16, 2009	Interstate wire transfer sent to TD Bank from JP Morgan Chase

All in violation of Title 18, United States Code, Sections 1343 and 2.

#### **FORFEITURE ALLEGATIONS**

1. The allegations of this Information are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America of certain property in which the defendant has an interest pursuant to 7(c)(2) and 32.2(a), Federal Rules of Criminal Procedure. Forfeiture is being sought pursuant to the provisions of Title 18, United States Code, Sections 1963(a), 982(a) and 981(a)(1)(C), as made applicable hereto by Title 28, United States Code, Section 2461.

2. Upon conviction of the offense of RICO Conspiracy set forth in Count 1 of the Information, the defendant, SCOTT W. ROTHSTEIN, shall forfeit to the United States the following property:

- i. Any interest acquired or maintained pursuant to Section 1962;
- ii. Any interest in, security of, claim against, or property or contractual rights of any kind affording a source of influence over, the

enterprise described in the Information which was established, operated, controlled and conducted pursuant to Title 18, United States Code, Section 1962; and

iii. Any property constituting or derived from proceeds obtained directly and indirectly from racketeering activity pursuant to Title 18, United States Code, Section 1962.

3. Upon conviction of the offense of Money Laundering Conspiracy set forth in Count 2 of the Information, the defendant, SCOTT W. ROTHSTEIN, shall forfeit to the United States all property, real or personal, involved in or traceable to the offense which property shall include:

i. all money and other property that was the subject of each transaction, transportation, transmission and transfer in violation of Section 1956(h);

ii. all commissions, fees and other property constituting proceeds obtained as a result of those violations; and

iii. all property used in any manner and part to commit and to facilitate the commission of those violations.

4. Upon conviction of the offense of Conspiracy to Commit Mail Fraud and Wire Fraud and to Commit Wire Fraud as set forth in Counts 3, 4, and 5 of the Information, the defendant, SCOTT W. ROTHSTEIN, shall forfeit to the United States, all property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

5. The property subject to forfeiture, pursuant to Title 18, United States Code, Sections 1963, 982(a)(1) and 981(a)(1)(C), includes but is not limited to:

A. A sum of money equal to \$1,200,000,000 in United States currency.

B. **Real Properties ("RP"):**

(RP1) 2307 Castilla Isle, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP1," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as Lauderdale Shores Reamen Plat 15-31 B Lot 2 Blk 5 with a Folio Number of 5042 12 13 0210;

(RP2) 2308 Castilla Isle, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP2," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: Lauderdale Shores Reamen Plat 15-31 B Lot 2 Blk 4 with a Folio Number of 5042 12 13 0020;

(RP3) 2316 Castilla Isle, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP3," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: Lauderdale Shores Reamen Plat 15-31 B Lot 3 & Lot 4 W ½ Blk 4 with a Folio Number of 5042 12 13 0030;

(RP4) 30 Isla Bahia Drive, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP4," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: Isla Bahia 47-27 B Lot 63 with a Folio Number of 5042 13 16 0640;

(RP5) 29 Isla Bahia Drive, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP5," includes all buildings, improvements, fixtures, attachments and easements

found therein or thereon, and is more particularly described as: Isla Bahia 47-27 B Lot 35 with a Folio Number of 5042 13 16 0360;

(RP6) 350 SE 2<sup>nd</sup> Street, Unit 2840, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP6," includes that portion of the condominium, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: 350 Las Olas Place Condo Unit 2840 with a Folio Number of 5042 10 AN 1490;

(RP8) 2133 Imperial Point Drive, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP8," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: Imperial Point 1 Sec 53-44 B Lot 11 Blk 22 with a Folio Number of 4942 12 07 2020;

(RP9) 2627 Castilla Isle, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP9," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: Lauderdale Shores Reamem Plat 15-31 B Lot 22 Blk 5 with a Folio Number of 5042 12 13 0380;

(RP10) 10630 NW 14<sup>th</sup> Street, Apt. 110, Plantation, Florida, hereafter also referred to as "Defendant RP10," includes that portion of the condominium/townhome, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: OPTIMA VILLAGE 1-"C" CONDO UNIT 201 BLDG 2 with a Folio Number of 4941 31 AC 0110;

(RP11) 227 Garden Court, Lauderdale by the Sea, Florida, hereafter also referred to as "Defendant RP11," includes that portion of the buildings, improvements, fixtures,

attachments and easements found therein or thereon, and is more particularly described as: SILVER SHORES UNIT A 28-39 B POR of Lot 4, BLK 5 DESC AS TO BEG AT SE COR SAID LOT 4, N 79.37 W 37.75, S 79.37, E 35.75 TO POB AKA: UNIT E MARINA VILLAGE TOWNHOMES 227GARDEN with a Folio Number of 4943 18 24 0050;

(RP12) 708 Spangler Boulevard, Bay 1, Hollywood, Florida, hereafter also referred to as "Defendant RP12," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: HARBOR VIEW 10-5 B PORTION OF LOTS 1 & 2 BLK 2 DESC AS COMM 25 S OF NE COR OF LOT 2 ON E/L, W 20.52 ALG S/R/W/L OF ST RD 84, S 15.72 TO POB, S 7.25, E 12.59, S 24.40, W 29.92, N 7.66, W 31.74, N 24.00, E 49.07 TO POB AKA: BAY 1 PORTSIDE with a Folio Number of 5042 23 28 0010;

(RP13) 1012 East Broward Boulevard, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP13," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: BEVERLY HEIGHTS 1-30 B LOT 1 W 100, LOT 2 W 100 BLK 17 with a Folio Number of 5042 11 07 0540;

(RP14) 950 N Federal Highway, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP14," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: 31-48-43 S 150 OD FOL DESC, BEG INTER E R/W/L ST RD 5, N TO POB with a Folio Number of 4843 31 00 0401;

(RP15) 350 Las Olas Boulevard, Commercial Unit 2, Fort Lauderdale, Florida, hereafter also referred to as "Defendant RP15," includes all portion of that condominium, improvements, fixtures, attachments and easements found therein or thereon, and is more particularly described as: 350 LAS OLAS PLACE COMM CONDO UNIT CU2 with a Folio Number of 5042 10 AP 0020;

(RP16) 361 SE 9 Lane, Boca Raton, Florida hereafter also referred to as "Defendant RP16," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon;

(RP17) 1198 N Old Dixie Highway, Boca Raton, Florida hereafter also referred to as "Defendant RP17," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon;

(RP18) 1299 N Federal Highway, Boca Raton, Florida hereafter also referred to as "Defendant RP18," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon;

(RP19) 151 East 58 Street, Apartment 42D, New York, New York hereafter also referred to as "Defendant RP19," includes all portion of that condominium, improvements, fixtures, attachments and easements found therein or thereon;

(RP20) 11 Bluff Hill Cove Farm, Narragansett, Rhode Island hereafter also referred to as "Defendant RP20," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon;

(RP21) 15 Bluff Hill Cove Farm, Narragansett, Rhode Island hereafter also referred to as "Defendant RP21," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon;

(RP22) 353 4 Ave., Unit 12-H, Brooklyn, NY hereafter also referred to as "Defendant RP22," includes all portion of that condominium, improvements, fixtures, attachments and easements found therein or thereon;

(RP23) 290W 11th St #1C, NY, NY hereafter also referred to as "Defendant RP23," includes all portion of that condominium, improvements, fixtures, attachments and easements found therein or thereon; and

(RP24) Versace Mansion/Casa Casuarina-10% Ownership hereafter also referred to as "Defendant RP24," includes all buildings, improvements, fixtures, attachments and easements found therein or thereon;

**C. Vehicles and Vessels ("VV"):**

(VV1) 1990 Red Ferrari F40 Coupe, VIN: ZFFMN34A5L0087066;

(VV2) 2009 White Bentley Convertible, VIN: SCBDR33W29C059672;

(VV3) 2008 Yellow McLaren Mercedes Benz SLR, VIN: WDDAK76F98M001788;

(VV4) 2007 Black Limousine Ford Expedition, VIN: 1F1FK15557LA59223;

(VV5) 2009 Red Ferrari 430 Spider, VIN: ZFFEW59A380163011;

(VV6) 2007 Silver Rolls Royce Convertible, VIN: SCA1L68557UX23044;

(VV7) 2006 Silver Hummer H1, VIN: 137PH84396E220665;

(VV8) 2008 Cadillac Escalade, VIN: 1GYEC63858R234458;

(VV9) 1967 Red Convertible Corvette, VIN: 194677S104745;

- (VV10) 2009 Black Bugatti Veyron EB 16.4, VIN: VF9SA25C28M795153;
- (VV11) 2008 Blue Rolls Royce Drophead Convertible, VIN: SCA2D68528UX16071;
- (VV17) 2007 87' Warren, Hull # WAR87777B707;
- (VV18) 33' Aquariva, Hull # XFA33R74G405;
- (VV19) 2009 11' Yamaha Jet Ski, Hull # YAMA3661I809;
- (VV20) 2009 11' Yamaha VS, Hull # YAMA3626I809;
- (VV21) 2009 11' Yamaha VS, Hull # YAMA2679G809;
- (VV22) 1999 55' Sea Ray 540 Sundancer, SER Y001899;
- (VV23) 2009 Yamaha Jet Ski, Hull # YAMA4288K809; and
- (VV 24) 2010 White Lamborghini lp-670sv, VIN: ZHWBU8AHXALA03837.

**D. Tangibles ("T")**

- (T1) 304 pieces of jewelry, watches, necklaces and earrings seized on or about Monday, November 9, 2009 from the residence of Scott and Kimberly Rothstein;
- (T2) 16 DuPont Lighters seized on or about Monday, November 9, 2009 from the residence of Scott and Kimberly Rothstein;
- (T3) 3 pieces sports memorabilia seized on or about Monday, November 9, 2009 from the residence of Scott and Kimberly Rothstein;
- (T4) \$271,160 in United States currency seized on or about Monday, November 9, 2009 from the residence of Scott and Kimberly Rothstein;
- (T5) \$1,500 in United States currency, seized on about Wednesday, November 4, 2009, from the office of Scott W. Rothstein at the law firm of Rothstein, Rosenfeldt and Adler, P.A.;

- (T6) \$30,000 in American Express Gift Cards to the attention of Scott Rothstein, obtained from UPS on or about November 12, 2009;
- (T7) \$50,000 in American Express Gift Cards to the attention of Scott Rothstein, obtained from UPS on or about November 13, 2009;
- (T8) 5 additional watches being voluntarily turned over to the United States; and
- (T9) Guitar collection of Scott W. Rothstein, located at the residence of Scott and Kimberley Rothstein, valued between \$10,000 and \$20,000.

**E. Bank Accounts ("BA")**

- (BA1) Fidelity Investments Stock Account, in the name of Scott W. Rothstein, valued at approximately \$1,263,780;
- (BA2) Gibraltar Bank account 50010085, in the approximate amount of \$484,900.68;
- (BA3) Gibraltar Bank account 50010093, in the approximate amount of \$53,448.51;
- (BA4) Gibraltar Bank account 50012053, in the approximate amount of \$71,793.06;
- (BA5) Gibraltar Bank account 50015214, in the approximate amount of \$995,521.42;
- (BA6) Bank account 178780211819923220000187 at Banque Populaire, Morocco, in the name of Scott Rothstein, in the approximate amount of \$12,000,000;
- (BA7) Bank account at Banque Populaire, Morocco, in the name of Ahnick Khalid, up to the amount of \$2,000,000;
- (BA8) Bank account at Banque Populaire, Morocco, in the name of Steve Caputi, up to the amount of \$1,000,000;

- (BA9) Toronto Dominion Bank, N.A. account 6860291266 in the name of Rothstein Rosenfeldt Adler, P.A. which, on or about November 11, 2009, contained the approximate amount of \$54,021.27;
- (BA10) Toronto Dominion Bank, N.A. account 6861011556 in the name of Rothstein Rosenfeldt Adler, P.A. which, on or about November 11, 2009, contained the approximate amount of \$10,085.00;
- (BA11) Toronto Dominion Bank, N.A. account 6860420923 in the name of Rothstein Rosenfeldt Adler, P.A. Attorney Trust Account 3, which, on or about November 11, 2009, contained the approximate amount of \$720,892.08;
- (BA12) Toronto Dominion Bank, N.A. account 6860422200 in the name of DJB Financial Holding, which, on or about November 11, 2009, contained the approximate amount of \$64,970.00;
- (BA13) Toronto Dominion Bank, N.A. account 6860755757 the name of RRA Sports and Entertainment LLC, which, on or about November 11, 2009, contained the approximate amount of \$10,490.10;
- (BA14) Toronto Dominion Bank, N.A. account 6860755781 in the name of RRA Goal Line Management, LLC, which, on or about November 11, 2009, contained the approximate amount of \$25,216.27;
- (BA15) Toronto Dominion Bank, N.A. account 6861077714 in the name of Rothstein Rosenfeldt Adler, P.A., which, on or about November 11, 2009, contained the approximate amount of \$20,080.00.

**F. Business Interests ("BI")**

- (BI1) Stock certificates, if issued, or the beneficial interest in such shares, of 50,000 shares of capital stock, in Gibraltar Private Bank & Trust, a federally chartered stock savings association, purchased in or about September 2009 by GBPT, LLC, a Delaware Limited Liability Company, by its manager, Bahia Property Management, LLC, a Delaware Limited Liability Company, by its co-manager, Scott W. Rothstein;
- (BI2) Scott W. Rothstein's equity interest in QTask;
- (BI3) Scott W. Rothstein's equity interest in Broward Bank of Commerce;
- (BI4) Scott W. Rothstein's equity interest in Bova Ristorante;
- (BI5) Scott W. Rothstein's equity interest in Bova Cucina;
- (BI6) Scott W. Rothstein's equity interest in Bova Prime;
- (BI7) Scott W. Rothstein's equity interest in Café Iguana, Pembroke Pines, Florida;
- (BI8) Scott W. Rothstein's equity interest in Cart Shield USA, LLC;
- (BI9) Scott W. Rothstein's equity interest in Renato Watches;
- (BI10) Scott W. Rothstein's equity interest in Edify LLC;
- (BI11) Scott W. Rothstein's equity interest in ■ Georgio Vodka;
- (BI12) Scott W. Rothstein's equity interest in Sea Club;
- (BI13) Scott W. Rothstein's equity interest in North Star Mortgage;
- (BI14) Scott W. Rothstein's equity interest in Kip Hunter Marketing;
- (BI15) Scott W. Rothstein's equity interest in RRA Sports and Entertainment, LLC;
- (BI16) Scott W. Rothstein's equity interest in Versace Mansion/Casa Casuarina, including 10 year Operating Agreement with 2 ten year options;

(BI17) Scott W. Rothstein's equity interest, and licensing rights, in Alternative Biofuel Company;

(BI18) Scott W. Rothstein's equity interest in RRA Goal Line Management;

(BI19) Scott W. Rothstein's equity interest in Iron Street Management, LLC;

(BI20) Scott W. Rothstein's equity interest in, and loan to, Africat Equity IG Decide;

(BI21) Scott W. Rothstein's equity interest in, and rents derived from 1198 Dixie LLC;

(BI22) Scott W. Rothstein's equity interest in, and rents derived from 1299 Federal LLC;

(BI23) Promissory Note by Uniglobe in favor of Scott W. Rothstein; and

(BI24) All equity interest held by or on behalf of Scott W. Rothstein, in the following corporations and entities:

- a. 29 Bahia LLC;
- b. 235 GC LLC;
- c. 350 LOP#2840 LLC;
- d. 353 BR LLC;
- e. 10630 #110 LLC;
- f. 708 Spangler LLC;
- g. 1012 Broward LLC;
- h. 1198 Dixie LLC;
- i. 1299 Federal LLC;
- j. 2133 IP LLC;
- k. 15158 LLC;
- l. AANG LLC;

- m. AAMG1 LLC;
- n. AAMM Holdings;
- o. ABT Investments LLC;
- p. Advanced Solutions;
- q. Bahia Property Management LLC;
- r. Boat Management LLC;
- s. BOSM Holdings LLC;
- t. BOVA Prime LLC;
- u. BOVA Restaurant Group LLC;
- v. The BOVA Group LLC;
- w. BOVA Smoke LLC;
- x. BOVCU LLC;
- y. BOVRI LLC;
- z. Broward Financial Holdings, Inc.;
- aa. CI07 LLC;
- ab. CI08 LLC;
- ac. CI16 LLC;
- ad. CI27 LLC;
- ae. CSU LLC;
- af. D & D Management & Investment LLC;
- ag. D & S Management and Investment LLC;
- ah. DJB Financial Holdings LLC;

- ai. DYMMU LLC;
- aj. Full Circle Fort Lauderdale LLC;
- ak. Full Circle Trademark Holdings LLC;
- al. GHW1 LLC;
- am. IDNL GEAH LLC;
- an. ILK3 LLC;
- ao. IS Management LLC;
- ap. JRCL LLC;
- aq. Judah LLC;
- ar. Kendall Sports Bar;
- as. Kip Hunter Marketing LLC;
- at. NF Servicing LLC;
- au. NRI 11 LLC;
- av. NRI 15 LLC;
- aw. NS Holdings LLC;
- ax. PRCH LLC;
- ay. PK Adventures LLC;
- az. PK's ██████ Ride Ltd;
- ba. Rothstein Family Foundation;
- bb. RRA Consulting Inc.;
- bc. RRA Goal Line Management LLC;
- bd. RRA Sports and Entertainment LLC;

- be. RSA 11<sup>th</sup> Street LLC;
- bf. RW Collections LLC;
- bg. S & KEA LLC;
- bh. Scorh LLC;
- bi. Tipp LLC;
- bj. VGS LLC;
- bk. The Walter Family LLC;
- bl. Walter Industries LLC;
- bm. WPBRS LLC;
- bn. WAWW;
- bo. WAWW 2 LLC;
- bp. WAWW 3 LLC;
- bq. WAWW 4 LLC;
- br. WAWW 5 LLC;
- bs. WAWW 6 LLC;
- bt. WAWW 7 LLC;
- bu. WAWW 8 LLC;
- bv. WAWW 9 LLC;
- bw. WAWW 10 LLC;
- bx. WAWW 11 LLC;
- by. WAWW 12 LLC;
- bz. WAWW 14 LLC;

- ca. WAWW 15 LLC;
- cb. WAWW 16 LLC;
- cc. WAWW 17 LLC;
- cd. WAWW 18 LLC;
- ce. WAWW 19 LLC;
- cf. WAWW 20 LLC;
- cg. WAWW 21 LLC;
- ch. WAWW 22 LLC;
- ci. JB Boca M Holdings LLC;

and

**G. Contributions ("C"),** hereinafter collectively referred to as "the defendant contributions:"

- (C1) \$6,000 in campaign contributions made to Alex Sink and voluntarily offered, and turned over, to the United States on behalf of Alex Sink;
- (C2) \$40,000 in campaign contributions to Republican Party of Florida, "Florida" account and voluntarily offered, and turned over, to the United States by the Republican Party of Florida;
- (C3) \$10,000 in campaign contributions to Republican Party of Florida, "Federal" account and voluntarily offered, and turned over, to the United States by the Republican Party of Florida;
- (C4) \$90,000 in campaign contributions to Republican Party of Florida and voluntarily offered, and turned over, to the United States by the Republican Party of Florida;

(C5) \$5,000 in campaign contributions to Republican Party of Florida by Rothstein business entity known as WAWW and voluntarily offered, and turned over, to the United States by the Republican Party of Florida;

(C6) \$800,000 Charitable Donation to Joe DiMaggio Children's Hospital, which hospital voluntarily advised the United States of the donation from the Rothstein Family Foundation, for the purpose of facilitating forfeiture;

(C7) \$1,000,000 Charitable Donation to Holy Cross Hospital, which hospital voluntarily advised the United States of the donation from the Rothstein Family Foundation, for the purpose of facilitating forfeiture;

(C8) \$9,600 in campaign contributions to Governor Charlie Crist, voluntarily offered, and turned over, to the United States by the office of Charlie Crist; and

(C9) All funds voluntarily turned over to the United States (IRS/FBI), since in or about October 28, 2009, in response to publicity regarding Scott W. Rothstein.

6. If any of the property described above as being subject to forfeiture, as a result of any act and omission of the defendant -

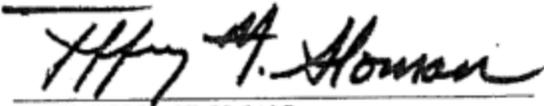
- i. cannot be located upon the exercise of due diligence;
- ii. has been transferred or sold to, or deposited with, a third party;
- iii. has been placed beyond the jurisdiction of the court;
- iv. has been substantially diminished in value; or

■ has been commingled with other property which cannot be divided without difficulty;

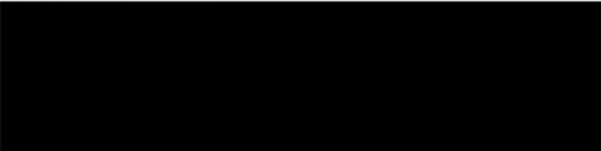
it is the intent of the United States, pursuant to Title 18, United States Code, Section 1963(m), and pursuant to Title 21, United States Code, Section 853(p), made applicable hereto by Title 18, United

States Code, Section 982(b), and pursuant to Rule 32.2 Fed. R. Crim. P., to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

All pursuant to Title 18, United States Code, Section 1963, Title 18, United States Code, Section 982(a)(1) and Title 18, United States Code, Section 981(a)(1)(C) made applicable through Title 28, United States Code, Section 2461; and the procedures outlined at Title 21, United States Code, Section 853.



JEFFREY H. SLOMAN  
ACTING UNITED STATES ATTORNEY



ASSISTANT UNITED STATES ATTORNEY



ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. \_\_\_\_\_

vs.

CERTIFICATE OF TRIAL ATTORNEY\*

SCOTT W. ROTHSTEIN

Defendant.

Superseding Case Information:

Court Division: (Select One)

New Defendant(s) Yes X No  
Number of New Defendants \_\_\_\_\_  
Total number of counts \_\_\_\_\_

X Miami FTL Key West  
\_\_\_\_\_ WPB \_\_\_\_\_ FTP

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the indictment/information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) \_\_\_\_\_  
List language and/or dialect \_\_\_\_\_

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:  
(Check only one) (Check only one)

I	0 to 5 days	<u>X</u>	Petty	_____
II	6 to 10 days	_____	Minor	_____
III	11 to 20 days	_____	Misdem.	_____
IV	21 to 60 days	_____	Felony	_____
V	61 days and over	_____		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes: Judge: \_\_\_\_\_ Case No. \_\_\_\_\_

(Attach copy of dispositive order)  
Has a complaint been filed in this matter? (Yes or No) No

If yes:  
Magistrate Case No. \_\_\_\_\_  
Related Miscellaneous numbers: \_\_\_\_\_  
Defendant(s) in federal custody as of \_\_\_\_\_  
Defendant(s) in state custody as of \_\_\_\_\_  
Rule 20 from the \_\_\_\_\_ District of \_\_\_\_\_

Is this a potential death penalty case? (Yes or No) No

- 7. Does this case originate from a matter pending in the U.S. Attorney's Office prior to April 1, 2003? \_\_\_\_\_ Yes X No
- 8. Does this case originate from a matter pending in the U. S. Attorney's Office prior to April 1, 1999? \_\_\_\_\_ Yes X No  
If yes, was it pending in the Central Region? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 9. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? \_\_\_\_\_ Yes X No
- 10. Does this case originate from a matter pending in the Narcotics Section (Miami) prior to May 18, 2003? \_\_\_\_\_ Yes X No
- 11. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? \_\_\_\_\_ Yes X No



\*Docket Sheet(s) attached

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

**Defendant's Name: SCOTT W. ROTHSTEIN**

Count #: 1 18 U.S.C. § 1962(d); RICO Conspiracy;

\* **Max. Penalty:** 20 years imprisonment, \$250,000 fine

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Count #: 2 18 U.S.C. § 1956(h); Conspiracy to Commit Money Laundering;

\* **Max. Penalty:** 20 years imprisonment, \$500,000 fine or twice the value of the property involved in the transaction.

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Count #: 3 18 U.S.C. § 1349; Conspiracy to Commit Mail Fraud and Wire Fraud;

\* **Max. Penalty:** 20 years imprisonment, \$250,000 fine

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Counts #: 4-5 18 U.S.C. §§ 2; 1343; Wire Fraud

\* **Max. Penalty:** 20 years imprisonment, \$250,000 fine

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\*Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.

IN THE CIRCUIT COURT OF THE  
SEVENTEENTH JUDICIAL CIRCUIT IN  
AND FOR BROWARD COUNTY, FLORIDA

COMPLEX BUSINESS DIVISION

CASE NO. 09 059301

STUART A. ROSENFELDT, individually,  
and ROTHSTEIN ROSENFELDT ADLER, P.A.,  
a Florida Professional Service Corporation,

Plaintiffs,

SCOTT W. ROTHSTEIN, individually,

Defendant.

**AMENDED COMPLAINT FOR DISSOLUTION  
AND FOR EMERGENCY TRANSFER OF CORPORATE POWERS TO STUART A.  
ROSENFELDT, OR, IN THE ALTERNATIVE, FOR APPOINTMENT OF A  
CUSTODIAN OR RECEIVER**

Plaintiffs, Stuart A. Rosenfeldt, individually, and Rothstein Rosenfeldt Adler, P.A.  
(sometimes referred to as the "firm"), file this action against Scott W. Rothstein, and allege as  
follows:

**PRELIMINARY STATEMENT**

It is with surprise and sorrow that the attorneys of Rothstein Rosenfeldt Adler, P.A. have  
learned that Scott W. Rothstein, the managing partner and CEO of the firm, has, according to  
assertions of certain investors, allegedly orchestrated a substantial misappropriation of funds  
from investor trust accounts that made use of the law firm's name. The investment business  
created and operated by Mr. Rothstein centered around the sale of interests in structured  
settlements. Immediate judicial action is being sought to facilitate the investigation and

EXHIBIT 2

COFFEY BURLINGTON

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accounting of investor funds and to address the ongoing affairs of the firm in an appropriate manner through the transfer of all corporate powers to Stuart A. Rosenfeldt. Mr. Rosenfeldt, as the firm's President and only other equity holder in the firm besides Mr. Rothstein, is uniquely positioned to wind down the affairs of the firm, to account for all funds in the firm's trust accounts, and, most importantly, to protect the interests of the firm's clients. In the alternative, Plaintiffs request that the Court appoint Mr. Rosenfeldt as custodian of the firm during its dissolution or appoint a receiver. In the event that the Court appoints a receiver, there is no necessity for the receiver to assume any control of the firm's law practice because the dedicated attorneys and staff are continuing to assure that the interests of the firm's clients will remain paramount and will be fully protected.

Mr. Rosenfeldt and the firm have filed this action to minimize any further damage caused by Mr. Rothstein, to emphasize that the innocent attorneys and staff of the firm are not implicated in this controversy, and, most importantly, to protect the best interests of their clients.

#### NATURE OF ACTION

1. This is an action for judicial dissolution of the firm and an accounting pursuant to Florida Statutes Section 607.1430(3). Additionally, Plaintiffs seek transfer of all corporate powers to Plaintiff Rosenfeldt, or, in the alternative, the appointment of Plaintiff Rosenfeldt as custodian of the firm or the appointment of a receiver, pursuant to Florida Statutes Sections 607.1431 and 607.1432.

2. Plaintiff Rosenfeldt is the firm's president. He has the inherent authority to initiate this emergency litigation.

3. Defendant Rothstein is the firm's managing partner and CEO. Rothstein, a charismatic and talented lawyer, has controlled firm management, especially financial matters,

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and has not extended access to core financial matters and records to any other attorney at the firm.

4. Plaintiff Rosenfeldt and Defendant Rothstein are the sole owners of the equity in the firm.

5. The firm's principal office is located at 401 East Las Olas Blvd, Suite 1650, Fort Lauderdale, FL 33301.

6. Venue properly lies with this Court because the firm's principal office is in Broward County.

### **BACKGROUND AND GROUNDS FOR DISSOLUTION**

#### **The Firm**

7. The firm was founded by Plaintiff Rosenfeldt and Defendant Rothstein in 2002.

8. The firm's practice was originally focused on labor and employment law, but the firm grew rapidly and its practice areas expanded to include intellectual property, corporate law, mergers and acquisitions, real estate, criminal defense, class actions, mass torts and personal injury claims, among others.

9. The firm currently has seven offices, with locations in Florida, New York, and Venezuela, and employs over 70 lawyers.

10. The firm has an outstanding group of attorneys, staff members, including distinguished former judges, many of whom have statewide, even national reputations, for professional excellence.

#### **The Settlement Funding Scheme**

11. Firm lawyers learned in the past few days about irregularities surrounding a settlement funding business operated by Rothstein. The settlement funding business involved

3  
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the purchase of structured legal settlements and the sale of these settlements to investors. Various investors have informed the firm that they believe that substantial funds are not properly accounted for and are missing. A review of the firm's records undertaken over this past weekend indicates that various funds unrelated to the direct practice of law cannot be accounted for, circumstances suggesting that investor money may have been misused by Rothstein who controlled all such accounts. Some investors allege that Defendant Rothstein may have been fabricating non-existent structured legal settlements for sale to investors.

12. Defendant Rothstein's allegedly improper activities were done without any knowledge of the other attorneys at the firm, and, in fact, Rothstein actively endeavored to hide the existence of the scheme. It was not until several days ago that Plaintiff Rosenfeldt or any of the other lawyers at the firm discovered some of the circumstances concerning Defendant Rothstein's actions and the alleged improprieties.

13. The firm's attorneys still have extremely limited knowledge concerning the allegations, and yet, recognize the importance of proceeding expeditiously to uncover the truth. Thus, the emergency transfer of all corporate powers to Plaintiff Rosenfeldt, or, in the alternative, the emergency appointment of Plaintiff Rosenfeldt as the firm's custodian or the appointment of a receiver, is critical to undertake at least a preliminary inquiry concerning Defendant Rothstein's conduct, and to make appropriate recommendations to the Court concerning any further investigation.

#### **Misuse of the Investor Trust Accounts**

14. With respect to the settlement funding scenario, Plaintiffs only recently discovered troubling information concerning Defendant Rothstein's investor trust accounts and details surrounding the transactions are still emerging. However, it appears that Defendant

4  
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Rothstein may have transferred substantial sums out of the investor trust accounts, and that the emergency transfer of all corporate powers to Plaintiff Rosenfeldt, or, in the alternative, the emergency appointment of Plaintiff Rosenfeldt as the firm's custodian or the appointment of a receiver, is necessary to account for and, if appropriate, consider taking action to recover the missing investor trust account funds.

#### Shareholder Deadlock

15. Defendant Rothstein has declined to resign despite the asserted and substantial irregularities because he purports to hold a 50% share of the law firm. For this reason, among others, there is a substantial shareholder deadlock, making management of the firm as it currently stands impossible.

#### COUNT I (DISSOLUTION)

16. Plaintiffs adopt, incorporate, and reallege paragraphs 1-15.

17. Under Florida Statute 607.1430, a circuit court may dissolve a corporation in a proceeding by a shareholder if the management of corporate affairs is deadlocked and irreparable injury to the corporation is threatened or being suffered. Additionally, a circuit court may dissolve a corporation having 35 or fewer shareholders if a sufficient showing is made with respect to improper or irregular conduct that materially injures the corporation.

18. For the reasons stated herein, Plaintiffs have demonstrated these two grounds for dissolving the firm.

WHEREFORE, Plaintiffs demand judgment of dissolution and all other such remedies that the Court finds appropriate.

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**COUNT II**  
**(TRANSFER OF CORPORATE POWER TO PLAINTIFF ROSENFELDT)**

19. Plaintiffs adopt, incorporate, and reallege paragraphs 1-18.

20. Florida Statute 607.1431(3) permits a court in dissolution proceedings to take any action required to preserve the corporate assets wherever located, and carry on the business of the corporation.

21. For the reasons stated herein, Plaintiffs submit that the Court's exercise of this discretionary power is appropriate to transfer all corporate power over the firm to Plaintiff Rosenfeldt to effect the dissolution request in Count I, to perform an accounting of the firm's assets and liabilities, to undertake all actions necessary to uncover the extent of Defendant Rothstein's activities, to wind down the firm's client engagements, to appoint a chief restructuring officer and an inventory attorney pursuant to Florida Bar Rule 1-3.8, to institute federal bankruptcy proceedings or other related state law proceedings, to file assignments for the benefits of creditors, and to undertake all such other actions as may be necessary and appropriate under law.

WHEREFORE, Plaintiffs demand that the Court transfer all corporate power over the firm to Plaintiff Rosenfeldt.

**COUNT III**  
**(IN THE ALTERNATIVE, APPOINTMENT OF**  
**PLAINTIFF ROSENFELDT AS CUSTODIAN OF THE FIRM)**

22. Plaintiffs adopt, incorporate, and reallege paragraphs 1-18.

23. Florida Statutes 607.1431(3) and 607.1432 permit a circuit court in a judicial dissolution to appoint a custodian to manage the business and affairs of the dissolving corporation.

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24. For the reasons stated herein, Plaintiffs request, in the alternative to Counts II and IV, that the Court appoint Plaintiff Rosenfeldt, the President of the firm and sole shareholder besides Defendant Rothstein, as custodian of the Firm to effect the dissolution requested in Count I, to perform an accounting of the firm's assets and liabilities, to undertake all actions necessary to uncover the extent of Defendant Rothstein's activities, to wind down the firm's client engagements, to appoint a chief restructuring officer and an inventory attorney pursuant to Florida Bar Rule 1-3.8, to institute federal bankruptcy proceedings or other related state law proceedings, to file assignments for the benefits of creditors, and to undertake all such other actions as may be necessary and appropriate under law.

WHEREFORE, Plaintiffs demand, in the alternative, that the Court appoint

**COUNT IV**  
**(IN THE ALTERNATIVE, APPOINTMENT OF A RECEIVER)**

25. Plaintiffs adopt, incorporate, and reallege paragraphs 1-18.

26. Florida Statutes 607.1431(3) and 607.1432 permit a circuit court in a judicial dissolution to appoint a receiver to wind up and liquidate the business and affairs of the dissolving corporation.

27. For the reasons stated herein, Plaintiffs request, in the alternative to Counts II and III, that the Court appoint a receiver to effect the dissolution requested in Count I, perform an accounting of the firm's assets and liabilities, undertake all actions necessary to uncover the extent of Defendant Rothstein's activities, and to undertake all such other actions as may be necessary and appropriate under law.

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**COFFEY BURLINGTON**

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**CONCLUSION**

28. Defendant Rothstein's conduct in connection with the settlement funding and the investor trust accounts appears at this point to be extensive. Dissolution and the emergency transfer of all corporate powers to Plaintiff Rosenfeldt, or, in the alternative, the emergency appointment of Plaintiff Rosenfeldt as the firm's custodian or the appointment of receiver, are critical to uncover the full extent of Defendant Rothstein's activities, to consider any appropriate action to recover missing proceeds, to protect the firm's clients, and to preserve, protect and review the firm's accounts and financial records.<sup>1</sup>

Dated this 3rd day of November, 2009.

Respectfully submitted,

COFFEY BURLINGTON  
Counsel for Plaintiffs  
2699 South Bayshore Drive, Penthouse  
Miami, Florida 33133  
[REDACTED]

By: *Kendall Coffey*  
for KENDALL COFFEY  
Florida Bar No. [REDACTED]

<sup>1</sup> Annexed hereto as Exhibit A is an affidavit from Plaintiff Rosenfeldt attesting to the truthfulness of the allegations contained herein.

8  
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CERTIFICATE OF SERVICE

I certify that on this 3rd day of November, 2009, with the agreement and consent of Defendant Scott W. Rothstein's counsel, Mark Nurik, Esq., a true and correct copy of the above and foregoing was served via email on Mr. Nurik, at [REDACTED].

This 3rd day of November, 2009.

/s/ Paul S. S. V.  
Fla Bar No. 823244

9  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Case No. UNDER SEAL -CIV-MARRA

EDWARD MORSE and CAROL  
MORSE,

Plaintiffs,

vs.

JAN JONES INTERNATIONAL,  
INC. a/k/a ICON BY JAN JONES,

Defendant.

---

**ORDER ON PLAINTIFFS' ORE TENUS  
MOTION TO SEIZE FURTHER ASSETS AND FOR OTHER RELIEF**

This cause came before the Court at hearing on March 17, 18, 19 & 20 2009, upon Plaintiffs', EDWARD MORSE and CAROL MORSE (collectively "MORSE"), *ore tenus* Motion to Seize Further Assets and *ore tenus* and subsequent written motions for other relief. The Court has carefully considered the oral argument of counsel, considered the evidence and witnesses presented at the hearings and being otherwise fully advised in the premises;

**The COURT FINDS AND ORDERS AS FOLLOWS:**

1. Defendant, JAN JONES INTERNATIONAL, INC. a/k/a ICON BY JAN JONES and any and all other companies and/or other entities owned or controlled by JONES ("JONES"), are liable for compensatory damages to MORSE in an amount in excess of \$2,000,000.00;
2. That JONES is liable to MORSE for punitive damages for fraud, in the amount of 21,000,000.00 modified from prior order of this court finding liability of \$3,000,000.00 in punitive damages;

3. The Court specifically finds that JONES' flagrant fraudulent activity as demonstrated by clear and convincing evidence by counsel for Morse provides sufficient legal basis for an award of such punitive damages. The record on this matter shall be sealed but the record upon which this Court has relied shall be attached hereto for appellate purposes;
4. That there is currently in excess of \$10,000,000.00 of funds clearly belonging to JONES frozen in various banks in South Florida pursuant to prior orders of this and other courts;
5. That these funds are not to be moved under any circumstances absent further order of this Court. That movement of these funds shall be punishable by civil and criminal penalties;
6. That these funds are specifically being held, pursuant to order of this Court, to fund the award of damages to MORSE;
7. That these courts have jurisdiction to order same;
8. That in addition to the funds set forth in paragraph 4 above, based upon clear and convincing evidence presented by counsel for MORSE and counsel's expert witnesses, JONES has illegally moved funds from the United States to the Cayman Islands in violation of federal law, for the purpose of secreting these assets;
9. That the IRS has provided competent testimony in this regard clearly establishing ownership of these funds by JONES and clearly establishing a partial right of entitlement by the IRS to a portion of these funds. Such liability shall be less than \$5,000,000.00;
10. That this Court has jurisdiction over said assets as they originated in the United States;
11. That the treaties between the United States and the Cayman Islands and related governments clearly establishes the right of the United States to seize such assets. That counsel for MORSE has facilitated the contact between the relative governments and as a

result, this Court has received clear and convincing evidence that such funds will be immediately transferred to the United States;

12. That the Clerk of Court is hereby directed to immediately submit the proper documentation to the appropriate bank of the Cayman Islands to facilitate immediate transfer of these funds. That any issue arising from such transfer shall be immediately reported to this Court;
13. That the evidence presented by counsel for JONES was inadequate to overcome the findings made by this court based upon the evidence presented by counsel for MORSE. That counsel for JONES is hereby found to have acted in contumacious disregard for prior orders of this and other courts and thus, is found to be in contempt thereof. Further order regarding same shall follow the evidentiary hearing in this regard to be set by this Court;
14. That MORSE shall be entitled to one-third of any monies collected from counsel for JONES pursuant to said contempt order, if monies are assessed;
15. That this Court has entered an order freezing said assets and has the authority to do so;
16. That JONES' counsel's arguments that this Court lacks such jurisdiction is without merit and frivolous;
17. That the presentation of such evidence by counsel for JONES demonstrates a lack of a good faith basis to prevent same in violation of Federal Rule of Civil Procedure, 11;
18. That MORSE has demonstrated by clear and convincing evidence, ownership of these funds by JONES, that said funds are hereby frozen and not subject to any activity by JONES or any agent of JONES whether situated here or in the United States;

19. That these funds shall be frozen for the purpose of satisfying the judgment of this Court against JONES and in MORSE's favor;
20. That MORSE shall be required to deposit to their attorney's trust account the sum of \$15,000,000.00 no later than 10:00 a.m. tomorrow morning, the 20<sup>th</sup> day of March, 2009, to secure JONES in the event of an illegal seizure of said funds. If such funds are not so posted, this order shall be null and void in its entirety and the case shall proceed according to further order of this Court;
21. That counsel for MORSE shall appear before this Court and testify, under oath, as to his receipt of these funds, under penalty of perjury and subject to action by the Florida Bar;
22. That based upon argument and representations of MORSE's counsel, made under oath, MORSE is suffering from significant financial distress due to the economy and that such a posting could cause severe and irreparable harm to MORSE; thus, as swiftly as possible, in a manner that does not interfere with the mission of the federal agencies now herewith involved, however, with the full and unfettered cooperation of the federal agencies now involved in this matter, following the posting by Morse of \$15,000,000.00 associated with the seizure of the funds located in the Caymans, all other bond amounts shall be returned to MORSE as follows: \$15,000,000.00 previously posted by MORSE, \$4,118,757.00 previously posted by MORSE, and the \$18,500,000.00 posted in two separate postings by MORSE. MORSE's counsel shall act as liason between his clients and the federal agencies to expedite return of the funds. Should there be any unnecessary delay in such return of funds, Counsel for MORSE shall appear before this Court on an emergency basis to seek whatever assistance is required, and such assistance shall not be unreasonably withheld. The Clerk of the Courts is ordered to take all steps necessary to

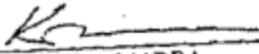
assist counsel in expediting return of the funds to MORSE in a timely and expedited fashion;

23. Further, within three (3) business days of the Clerk's receipt of said funds herewith being transferred from the Cayman Islands in compliance with this order, said amount being approximately \$20,000,000.00, shall notify this Court of same so that this Court can issue an order as to the division of said funds. Within five (5) business days of such order dividing same, that portion belonging to MORSE shall be delivered to them via their counsel;
24. The Court finds that JONES has waived its right to appeal the order of interest and penalties based upon the doctrine of fraud in the inducement. The court finds that JONES is not entitled to equitable relief of any kind based upon the fact the doctrine that he who seeks equity must do equity. JONES has unclean hands and thus can not recover anything from MORSE;
25. That this Court has jurisdiction over the Court currently hearing the matter known as MIZNER, referred to in the Court record by number and hereafter referred to as MIZNER;
26. That this Court orders the Court below (MIZNER) to release any and all bond funds held pursuant to prior order of that court within three (3) business days of the entry of this order. Counsel for MORSE shall facilitate same and insure that same occurs. Should there be a delay, counsel for MORSE shall appear before this Court on an emergency basis and seek whatever assistance is needed to achieve the established objectives;
27. Counsel for the parties are instructed to insure that all deadlines in this Order are satisfied in a timely fashion, subject to further order of this Court;

28. That both the Federal Court of the Southern District of Florida and this Court have concurrent jurisdiction over these matters and same may be enforced in either venue; and

29. That pursuant to the Bank Secrecy Act as amended on October 21, 2008, The Freedom of Information Act, The United States Patriot Act II, The Currency and Foreign Transaction Reporting Act of 1970 as amended on November 11, 2006, USC 5311-5300, the USA Patriot Act, Title III and the judgment of this Court based upon information received under oath, this Order, the facts of and amounts contained herein, the findings hereof, and any and all other matters surrounding same shall be held in strict confidence so as not to jeopardize any potential investigation by the appropriate governmental agencies. Violation of this portion of this order shall result in civil and criminal penalties.

**DONE AND ORDERED** in Chambers at West Palm Beach, Palm Beach County, Florida this 25<sup>th</sup> day of March, 2009.

  
KENNETH A. MARRA  
United States District Judge

Copies to:  
All counsel of record  
IRS, Plantation Office  
FBI, Miami Office

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Case No. UNDER SEAL -CIV-MARRA

EDWARD MORSE and CAROL  
MORSE,

Plaintiffs,

vs.

JAN JONES INTERNATIONAL,  
INC. a/k/a ICON BY JAN JONES,

Defendant.

---

STIPULATED CONFIDENTIALITY ORDER

1. On March 24, 2009, this Court entered a detailed Order with regard to its Final Findings in this matter ("Final Order").
2. As a direct result of the nature of a significant amount of the evidence presented to this Court prior to the Court entering its Final Order, and as a result of the contents of that Final Order, this Court has made a determination that the Final Order itself as well as the evidence leading to same shall be sealed and shall remain confidential, in perpetuity, unless otherwise ordered by this Court or another court of competent jurisdiction as detailed in this Confidentiality Order.
3. All parties to this matter, including all witnesses thereto, are hereby bound by this Confidentiality Order.
4. Any failure to comply with this Confidentiality Order by any party or witness shall result in severe consequences, including, without limitation, civil and criminal penalties.

- 5 Any breach of this Confidentiality Order must be reported to the Court, immediately by the discovering party. Failure to so report same shall result in severe consequences, including, without limitation, civil and criminal penalties.
6. The Final Order of this court dated March 24, 2009 shall be made a part hereof, and shall be incorporated by reference herein.
7. Any failure to comply with this Confidentiality Order or Final Order, must be reported to this court, under seal, and such non compliance shall result in severe consequences to the breaching party.
8. All information relating this Court's Final Order to which any party is given access or which is made available to any party is hereinafter referred to as "Confidential Information." Confidential Information shall include, without limitation, all methods and systems used in this case, names and addresses of customers, technical memoranda, research reports, investigative reports, analyses of any part of this case, all data, documents, and technology, contracts, depositions, notes of depositions, clients notes, clients diaries, lawyers notes, court notes, court orders preceding this order, pleading, all discovery, all email or other electronic communications between any and all parties, witnesses, lawyers, and/or other participating in any way in this matter, proprietary information, historical and projected financial information, acts of fraud, information relating to transfer of funds fraudulent or otherwise, posting of bonds, return of bonds, attorneys fees. operating data and organizational structures, now or hereafter existing or previously developed or acquired, regardless of whether any such information. data or documents qualify as "trade secrets" under applicable law, any and all other information related to this or any other related matter (collectively. the "Confidential Information").

Because the secrecy of the Confidential Information is critical to this court and its further proceedings which shall also remain confidential until brought public, the parties and witnesses hereto acknowledge and agree that the Confidential Information shall, at all times, be kept in strict confidence by the party and/or witness and same shall not, directly or indirectly, during or after the entry of this order and its execution, except as required by law, with the prior written consent of this court, (a) disclose to any person or entity any Confidential Information without the express written consent of this court which may be withheld in its sole discretion, or (b) use any Confidential Information for the parties own benefit or any other purposes, for the benefit or purposes of any other person or entity or in any manner, whatsoever. If the party or witness is required in any civil or criminal legal proceeding, regulatory proceeding or any similar process to disclose any part of the Confidential Information, such party shall give prompt notice of such request to the Court and the Court shall enter an order as it deems appropriate. Nothing shall be disclosed without same.

9. All Confidential Information, including, without limitation, all copies of all documents and other materials which the parties have received or reviewed or otherwise have knowledge of, shall, at all times, be kept in strict confidence by the party.
10. The parties have been advised and fully understand the heightened confidentiality requirements relative to this matter, including, among other things, the legal obligations of lawyers to maintain their confidentiality obligations to clients and the parties legal obligation to maintain the confidentiality set forth in this order. Clients are restricted from discussing this matter with any individual or entity other than their respective counsel of record in this matter. The parties have indicated that they, as a result of this action, have

access to certain Confidential Information as defined herein. By execution of this order, the parties recognize, acknowledge and confirm their understanding of the confidential nature of the Confidential Information and the damage that would result if any of the Confidential Information is disclosed to any Person and the parties understand their obligation to this court and the fact that this court has jurisdiction over them upon execution of this document by their consent thereto.

11. Further, because disclosure of any Confidential Information as defined herein would result in severe damage as contemplated by this Court, which would be difficult to quantify, the parties agree that liquidated damages would be a reasonable basis to calculate civil damages caused by a breach and that damages of \$1,000,000.00 per each incident of disclosure of Confidential Information by the parties and/or their representatives is agreed to under this Confidentiality Order. Such liquidated damages shall not prevent this Court from assessing additional damages and from moving forward in a criminal proceeding against the party so breaching this Confidentiality Order.
12. Each party hereby represents and warrants that they are not bound by the terms of a confidentiality agreement or other agreement with any third party that would conflict with any of the parties' obligations under this Confidentiality Order.
13. The Parties stipulate that this Stipulated Confidentiality Order is intended to strictly limit and prevent disclosure of information and production of documents compromising the Confidential Information set forth herein and in the Final Order dated March 24 2009.
14. It is further acknowledged that each party may be held responsible for any failure on his or her part to comply with the provisions of the Confidentiality Order, and agrees to

subject himself or herself to the jurisdiction of this court for the purpose of enforcing this Confidentiality Order.

15. The restrictions set forth in this Confidentiality Order shall apply to any and all documents or other information, whatsoever, designated as "CONFIDENTIAL" by this Court. All information shall be deemed confidential and the parties agree to exercise extreme discretion in protecting same. The Court hereby warns all parties hereto to err on the side of protecting such data. Violation of this order will be dealt with immediately and subject the violator to severe sanctions and penalties.
16. This Agreement shall be binding upon the parties hereto and their respective agents, successors and assigns, and inure to the benefit of the parties and their respective successors and assigns.
17. The parties warrant to each other that they each have full power and authority to execute this Agreement for and on behalf of themselves and/or their respective companies. Parties, as used herein, shall include all persons executing this document as well as their representatives, agents and assigns.
18. Each party placing their signature hereon makes the following attestation:

I certify and acknowledge, under penalty of perjury, that I have received a copy of the Stipulated Confidentiality Order (the "Confidentiality Order") which governs the production and use of confidential documents and information produced by the Parties (as defined in the Order) or third parties in this case. I have read and understand the Order and I hereby acknowledge that I am bound by it and agree to abide by it. I further understand that information designated as "CONFIDENTIAL" in this case, and any notes, memoranda or other form of information derived from it.

may not be used, copied or disclosed by me to anyone else except in strict accordance with the order and then only for the prosecution and defense of this litigation upon proper court order.

[SIGNATURES ON FOLLOWING PAGES]

*Edward J. Morse*  
EDWARD J. MORSE

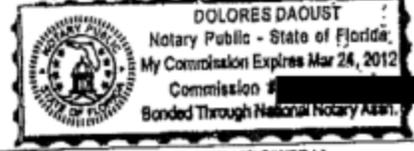
STATE OF Florida )  
COUNTY OF Franklin )

BEFORE ME, the undersigned authority, personally appeared EDWARD J. MORSE who, after being duly sworn according to law, deposes and says that he has read the foregoing document and that it is true and correct under penalty of perjury.

SWORN AND SUBSCRIBED before me this 27 day of March, 2009.

*Dolores Daoust*  
(Signature of Notary Public)

Dolores Daoust  
(Print, Type, or Stamp Commissioned Name of Notary Public)



COMMISSION NUMBER/EXPIRATION/SEAL

United States Court of Appeals,

Eleventh Circuit.

Under Seal-Civ-Marra.

EDWARD MORSE and CAROL MORSE, Plaintiffs-Appellants,

■

JAN JONES INTERNATIONAL, INC. a/k/a ICON BY JAN JONES, Defendant-Appellee.

In re EDWARD MORSE and CAROL MORSE, Petitioners.

Appeal from the United States District Court for the Southern District of Florida (Under Seal-Civ-Marra), Kenneth A. Marra, Judge.

**PETITIONERS' MOTION FOR EMERGENCY WRIT OF MANDAMUS**

Petitioners, EDWARD MORSE and CAROL MORSE, by and through their undersigned counsel, file this, their Motion for Emergency Writ of Mandamus and would state as follows:

1. This matter is before this Honorable Court on an Emergency Writ of Mandamus.
2. This matter and the entire file below have been presented to the court as SEALED pursuant to prior order of the Court below.
3. This matter is pending before the Honorable United States District Court Judge, Kenneth Marra.
4. On March 25, 2009 and on April 23, 2009, Judge Marra entered detailed orders in this matter, copies of which are attached hereto and incorporated by reference herein.
5. As set forth in the Orders, Judge Marra ordered that certain specific acts take place on certain specific dates. Many of these acts involved return of a large sum of money to the Plaintiffs.

6. Upon receipt of the orders, the undersigned began to put into place all actions necessary to timely comply with said orders.

7. In hearings held subsequent to the entry of these orders, it became abundantly clear to the undersigned that Judge Marra was in some way uncomfortable with his orders and was either staying the orders or reversing his prior decisions by vacating the orders.

8. However, despite continuous inquiry by the undersigned, counsel was unable to determine what Judge Marra intended to do and how he intended to proceed.

9. A thorough review of the record below which is available to this Court under seal clearly indicates that the undersigned, as counsel for the plaintiff had significant basis for concern based upon comments and ore tenus rulings made by Judge Marra in the court below.

10. Most importantly, as can be seen by the sealed record now before this court, when the undersigned specifically inquired of the Court as to whether he was permitted to move forward with the orders entered on March 25<sup>th</sup> and April 23<sup>rd</sup>, the courts responses to the undersigned are non-descriptive and completely without guidance at best.

11. When the undersigned inquired of the court below further and specifically asked the court whether the orders were stayed, vacated, reversed or in full force and effect, the court clearly replied that the court believes it had made itself clear.

12. Not wanting to violate a court order of a respected district court judge, the undersigned determined that the only course of conduct remaining in order to protect his clients' rights was to file an Emergency Writ of Mandamus with this court.

13. It is the position of the Plaintiffs that they have a clear and unwavering legal right to the relief awarded them in the courts orders as set forth herein.

14. Moreover, it is without doubt that the undersigned had every right to be concerned with the ore tenus rulings of the court below which post dated the orders in question.

15. As an officer of the court, the undersigned has a direct responsibility to zealously protect the rights of his client. And, as an officer of the court, the undersigned has a direct responsibility to fully and completely obey the orders of court and when, he is given reason to doubt the efficacy of subsequent orders of court that appear to taint the order in question, to attempt to ascertain the validity of said order. That is exactly what the undersigned has done here.

16. Upon determining that the validity of the orders in question were in doubt, and upon determining that he could not proceed without further order of a higher court, this Emergency Writ was filed.

17. Plaintiffs have a clear legal right to the relief specifically set forth in the orders in question.

18. The court below had an indisputable duty to act but failed to do so and failed to given the undersigned any guidance.

19. At this stage in the proceedings, the Plaintiffs have no other remedy at law other than this Writ.

20. If this writ is not entered in Plaintiffs favor, the Plaintiffs will suffer unfair prejudice as a matter of law.

Dated this 9<sup>th</sup> day of July, 2009.

Respectfully submitted,

**ROTHSTEIN ROSENFELDT ADLER**

**Counsel for Petitioners**

Las Olas City Centre

401 E. Las Olas Boulevard

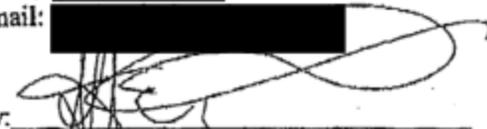
Suite 1650

Fort Lauderdale, Florida 33301

Tel:

Fax:

Email:

By: 

Scott W. Rothstein, Esq.

Florida Bar No.: 765880

FOR THE FIRM

United States Court of Appeals,

Eleventh Circuit.

Under Seal-Civ-Marra.

EDWARD MORSE and CAROL MORSE, Plaintiffs-Appellants,



JAN JONES INTERNATIONAL, INC. a/k/a ICON BY JAN JONES, Defendant-Appellee.

In re EDWARD MORSE and CAROL MORSE, Petitioners.

August 13, 2009.

Appeal from the United States District Court for the Southern District of Florida (Under Seal-Civ-Marra), Kenneth A. Marra, Judge.

On Petition for Writ of Mandamus.

Before Susan H. Black, Circuit Judge:

**ORDER ON EMERGENCY WRIT OF MANDAMUS**

Having reviewed the sealed court file as provided by the Clerk of the Court below (Judge Marra), and having heard argument of counsel in closed proceedings to maintain the integrity of the confidentiality order issued in this matter by the Court below, as well as having heard directly from Judge Marra and Judge Gerber, we find as follows:

**Findings of Fact**

1. The Court below entered orders on March 25, 2009 and April 23, 2009, specifying that certain specific acts were to take place on certain specific dates. Many of these actions involved return of funds rightfully belonging to the Plaintiffs.

2. Subsequent to the entry of same, Judge Marra, despite his rulings to the contrary, made multiple ore tenus rulings on the record which gave counsel for Plaintiff clear room for pause in following said orders.

3. In multiple subsequent hearings, Plaintiffs counsel clearly attempted to ascertain whether the orders stood as entered or whether they had been reversed or stayed. Based upon our full and complete review of the record it became clear that Judge Marra had no intention of proceeding as he previously ordered and was either reversing or staying his prior orders as set forth above. Whichever his intention is not for this Court to decide. We simply review this matter as it is presented to us, to wit: lawful orders were entered and then vacated or stayed for no clear and convincing reason and without a stated basis in law or fact. We make no finding whether Judge Marra was correct in his conclusion, but simply that the record lacked the thoroughness and completeness that is mandated when reversing orders of this magnitude.

4. Thus, we find that counsel for Plaintiff properly and timely filed a sealed Emergency Writ of Mandamus with this Court in an attempt to properly protect his clients rights under the order.

#### Conclusions of Law

1. This Court has jurisdiction over this matter pursuant to the laws controlling Writs of Mandamus

2. This matter is properly before this court

3. The findings of Judge Marra in the court below, in the orders dated March 25 and April 23, 2009, are well based in fact and law.

4. The subsequent ore tenus rulings of Judge Marra are without basis in law or fact.

5. The subsequent ore tenus rulings by Judge Marra fail to provide a sufficient record, as mandated by the rules of court, to allow this court to enter a ruling as to whether Judge Marra had the legal right to stay or reverse his prior order.

6. Plaintiffs writ of mandamus is legally sufficient to allow this court to rule in full on all matters pending before it.

Thus, we as a Court with jurisdiction over this matter find as follows:

7. Judge Marra's prior orders are hereby reinstated and remain in full force and effect. To the extent that the later order conflicts with the earlier order, the later order shall prevail and control.

8. Judge Marra's concerns regarding protection of the Government's role in this matter are well founded in both law and fact. We specifically defer further comment on this portion of this matter to maintain the integrity of the government's investigation.

9. As a matter of procedure we note that a confidentiality order remains in full force and effect in this matter. We specifically mandate that our rulings herein shall have no effect, whatsoever, on said order and that same shall remain in full force and effect in perpetuity. We again strongly caution all counsel and mandate that they caution and counsel their respective clients that this matter is governed by a strict confidentiality order that this court hereby holds shall remain in full force and effect and which this court strongly cautions, contains severe penalties for any violation of same.

10. This order and the complete sealed record shall be forwarded to the Department of Treasury, forthwith. The clerk of this court is ordered to expedite same. Sealed instructions shall be provided by this court to the Clerk.

11. The Department of Treasury is ordered to expeditiously review the materials and then, upon completion of same, shall immediately send a letter to this court advising that such review is complete and that they require nothing further from this court. Upon receipt of same, the clerk of this court shall advise Plaintiffs counsel that his Writ has been granted in full and that he is free to comply fully and completely with Judge Marra's orders. A copy of this order shall then be provided to all counsel of record.

12. This order shall not be furnished to any counsel of record until such time as the Department of Treasury has completed its review of the sealed record and has forwarded said letter as mandated above this court. This order is self executing and thus, nothing need be brought back before this court on any of these issues.

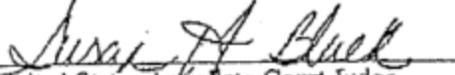
13. Plaintiffs have a clear legal right to the remedies they are seeking.

14. The court below had an indisputable duty to act but failed to do so.

15. The plaintiffs have no other remedy available to them in law or equity.

16. If this court does not act, the plaintiffs will suffer irreparable harm and unfair prejudice.

DONE AND ORDERED in Chambers, at Atlanta, Georgia, this 13 day of August, 2009.

  
United States Appellate Court Judge  
United States Court of Appeals  
Eleventh Circuit

Copies to:  
IRS, Plantation Office

FBI, Miami Office  
U.S. Dept of Treasury, Washington, D.C.  
Clerk of Court, United States District Court