

IN THE CIRCUIT COURT OF THE 15th JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA

CIVIL DIVISION
CASE NO. 502009CA040800XXXXMB-AG
Judge David F. Crow

JEFFREY EPSTEIN,

Plaintiff,

v.

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

Defendants.

_____ /

AMENDED COMPLAINT

The Plaintiff, Jeffrey Epstein, ("Epstein"), by and through his undersigned attorneys, files this action against the Defendants, Scott Rothstein, ("Rothstein"), and Bradley J. Edwards ("Edwards") and alleges:

INTRODUCTION

This litigation has its genesis in the creation and operation of a criminal \$1.2 billion Ponzi scheme designed to inject funds into the law firm of Rothstein, Rosenfeldt and Adler, ■■■ ("RRA"), to personally enrich Rothstein and others at RRA, and to raise capital to fund the prosecution of civil claims against Epstein for alleged sexual assault and battery by defrauding investors into purchasing interests in assignments of alleged structured settlements, including those reached by RRA for clients with claims against Epstein, all to the detriment of the Plaintiff. Defendants Scott Rothstein and Bradley Edwards, made improper use of the judicial system and civil process by *inter alia* engaging in unreasonable and vexatious discovery in the underlying actions against Epstein, making unfounded allegations in the underlying actions, using improper

investigatory tools, interfering with a Non Prosecution Agreement, and causing damages to Epstein. The conduct perpetrated by Defendants epitomizes the tort of abuse of process.

GENERAL ALLEGATIONS

1. This is an action for damages in excess of fifteen thousand dollars (\$15,000.00), exclusive of interest and costs.

2. Plaintiff is domiciled in Palm Beach County, Florida.

3. Defendant Rothstein was at all times relevant a resident of Broward County, Florida, and the chairman, managing partner and chief executive officer of a law firm called Rothstein, Rosenfeldt & Adler, ■■■ ("RRA"), whose main office was in Broward County.

4. Defendant Edwards is a resident of Broward County, Florida, and is licensed to practice law in the state of Florida.

5. At all times material to this action, Edwards was a shareholder in RRA.

The Ponzi Scheme

6. During 2009 Rothstein and others pursued a course of criminal conduct which included a scheme to defraud various investors into purchasing interests in assignments of alleged structured settlements purportedly reached on behalf of RRA for clients, including clients who had claims against the Plaintiff, in exchange for immediate payments to these clients of a discounted lump sum amount.

7. The purpose of the investments was to enrich Rothstein personally along with other members of RRA, to sustain the daily operations of RRA, and specifically, among other things, to raise capital to fund the prosecution of claims against the Plaintiff.

8. At or near the time that Rothstein and others were pursuing this Ponzi scheme, RRA was also bringing actions against Epstein in three civil cases, alleging sexual assault and

battery. The cases were *Jane Doe v. Epstein*, Case No. 08-CIV-80893 ("Jane Doe") U.S. District Court, Southern District of Florida; ■■■ v. *Epstein* ("LM"), Case No. 50-2008 CA 028051XXXXMB-AB; and *E.W. v. Epstein* ("EW" or "Jane Doe #2"), 50-2008 CA 028058XXXXMB-AB (collectively, the "Epstein Actions").

9. The lead attorney for RRA handling the Epstein Actions was Defendant Edwards.

10. At the same time, Rothstein made various representations to potential investors in support of the massive Ponzi regarding the Epstein Actions, as well as other alleged claims against Epstein, including, but not limited to, the following:

- (1) That RRA had sophisticated eavesdropping equipment;
- (2) That RRA had a team of investigators consisting of former law enforcement officers, including a former sheriff, who would use this sophisticated eavesdropping equipment and sift through a potential defendant's garbage looking for damaging evidence that could be used to benefit RRA clients by enhancing the value of their clients' claims;
- (3) That Rothstein had meetings with the alleged victims of Epstein's assaults and their families regarding the structured settlements;
- (4) That these victims would take a lesser settlement if paid promptly and that investors who funded these early payments would be paid their investment plus a return when Epstein paid the greater amounts to settle the claims;
- (5) That in addition to the Epstein Actions, many anonymous women were lined up to settle with Epstein and many had claims for hundreds of millions of dollars;
- (6) That RRA attorneys would sue Epstein and disclose embarrassing information about Epstein, his family, friends and associates unless Epstein paid exorbitant settlements;
- (7) That if the potential investors did not make investments as promised on a strict timetable, RRA risked being fired and would lose the cases they had against Epstein to other lawyers; and
- (8) That one of the RRA clients felt that Rothstein had lied to her repeatedly about funding, and that she was one step away from going to another lawyer and going to The Florida Bar.

11. RRA employed a team of skilled investigators on the Epstein Actions, including Michael Fisten ("Fisten") and former Broward County Sheriff and felon Ken Jenne ("Jenne").

12. Fisten and Jenne were the primary investigators assigned to Edwards and to whom they reported regarding their investigations of Epstein.

13. In October, 2009, Rothstein directed Edwards' investigative team to bring case files into a conference room at RRA to be examined by potential investors. Fisten and Jenne brought in the case files for the Epstein Actions, which numbered as many as nineteen boxes.

14. Dean Kretschmar ("Kretschmar") was a representative of one of the investor groups who was permitted by Rothstein to look at the Epstein case file boxes that Fisten and Jenne had stacked around the conference room.

15. Illinois attorney, Michael Legamaro, and his client, hedge fund operator Thane Ritchie, were also invited to examine Epstein case files and a flight log displayed by Rothstein that allegedly contained the names of numerous celebrities claimed to have flown on Epstein airplanes. Mr. Legamaro and his client accepted that invitation and reviewed both the log and the case files in the offices of RRA.

16. The Epstein case files were displayed to potential investors in RRA's office to show them that the cases against Epstein were real and were actually pending and that the alleged victims actually existed.

17. Edwards brought the clients Jane Doe #1, EW and LM to RRA, when he joined the firm in the spring of 2009.

18. Rothstein approved Edwards incurring costs between \$110,000-\$200,000 on the Epstein Actions and supported his efforts to use all available resources of RRA, including its investigator team, in pursuing the Epstein Actions.

19. Although Edwards has given sworn deposition testimony that few attorneys at RRA were directly involved in the prosecution of the Epstein Actions, the only privilege log prepared by Edwards clearly reflects that more than 18 RRA lawyers were involved in prosecuting the Epstein Actions. Additionally, four RRA investigators and several legal assistants and paralegals were also involved in the Epstein matters.

20. On multiple occasions, many RRA attorneys conferred and were involved with the prosecution of the Epstein Actions. Edwards was aware that RRA's offices were audio monitored and recorded, including discussions on a speakerphone. Given the interdependence of so many RRA lawyers, investigators, and other staff, and the wide communications that necessarily accompanied the involvement of so many people, Edwards knew, or should have known, that his Epstein case files were being shown and touted to investors, particularly where the magnitude of the potential settlements in the Epstein Actions was a key selling point.

21. Rothstein and others convinced investors to put up money allegedly to realize a substantial return emanating from the fraudulent settlement of the Epstein cases and others.

22. In November, 2009, RRA collapsed and ultimately went into bankruptcy and Rothstein voluntarily relinquished his law license and was disbarred by the Florida Supreme Court.

23. Subsequently, Rothstein was arrested, arraigned in federal court, pled guilty and ultimately was sentenced to a 50-year prison sentence for fraud and racketeering, based on an alleged \$1.2 billion Ponzi scheme designed, among other things, to infuse funds into RRA, his own pockets, and those of his cohorts.

The Epstein Non-Prosecution Agreement

24. In September, 2007, long prior to the collapse of RRA, Epstein, who had been charged with crimes allegedly perpetrated on under-age women, entered into a Non-Prosecution Agreement ("NPA") with the federal government. Material terms of the agreement included, but were not limited to, the following:

- (1) Epstein would plead guilty to a state felony charge and agree to be a registered sex offender;
- (2) Epstein agreed to accept an eighteen (18) month sentence of incarceration;
- (3) Epstein would serve a period of one year Community Control;
- (4) Epstein agreed to waive liability to alleged victims who sued exclusively under 18 USC §2255;
- (5) The United States would not prosecute Epstein for any federal offenses arising out of the alleged victim assaults; and
- (6) The United States retained the ability to prosecute Epstein up until 90 days after Epstein completed his obligations under the NPA.

25. Epstein fully complied with the terms of the NPA. Epstein made payments to the alleged victims identified in the NPA and their attorneys. Epstein was released from incarceration in 2009 and completed his Community Control in 2010.

26. It was not the intent of the United States government, nor was the NPA designed, to "hand [the alleged Epstein victims] a jack pot or a key to the bank."

27. Notwithstanding the agreement reached by the United States Attorney's Office, the Palm Beach County State Attorney's Office and the Plaintiff to resolve these matters, the Defendants during 2009 and 2010, embarked on a scheme to interfere with the NPA for the purpose of upping the stakes and inducing investors to fund the Ponzi scheme, to finance RRA, and to extort Epstein to settle the claims by threat of further incarceration.

ABUSE OF PROCESS

28. The Plaintiff realleges each and every allegation contained in paragraphs 1 through 27 as if they were fully set forth here.

29. In the Epstein Actions, the Defendants made illegal, improper and perverted use of the civil process by utilizing it to conduct unreasonable and unnecessary "discovery" or threatening to take discovery, and by making unfounded allegations, including but not limited to:

(1) Deposing three airplane pilots employed by Epstein, and seeking a deposition of a fourth pilot; collectively, the three were deposed for over twelve hours but were not asked a single question relating to any of the claims of Edwards' clients. Instead they were asked many inflammatory questions that had no legitimate legal purpose;

(2) Notifying the Plaintiff that Edwards intended to take the depositions and was subpoenaing:

- (a) Donald Trump, (real-estate developer and television personality);
- (b) Alan Dershowitz (renowned Harvard Law Professor and one of Epstein's criminal defense lawyers);
- (c) Bill Clinton (former President of the United States);
- (d) Bill Richardson (then Governor of New Mexico and former U.S. Representative and Ambassador to the United Nations);
- (e) Tommy Mottola (former President of Sony Records);
- (f) David Copperfield (illusionist); and
- (g) Individuals who had knowledge of Epstein's charitable, political or other donations.

Edwards targeted the foregoing individuals because they were close to Epstein, not because they had any connection to or knowledge of the claims of Edwards' clients. Edwards' intent was simply to harass friends and acquaintances of Epstein;

(3) Asking outrageous questions of the Plaintiff in deposition which had no legitimate bearing on the case or the issues to be tried, including questions regarding the size of his genitalia;

(4) In *Jane Doe 2*, Edwards represented in a pleading to the federal magistrate that records of communications by and between the United States Government and Epstein's criminal defense lawyers in the plea negotiations of the criminal matter were likely to lead to relevant information in the *Jane Doe* proceedings. Instead, the real purpose of those records was to obtain them for use in a separately filed Criminal Victims Rights Act ("CVRA") suit which was specifically brought for the purpose of invalidating the NPA Agreement, and has no legitimate legal basis, given the fact that Epstein had pled guilty, served a prison sentence, became a registered sex offender, and settled many civil actions. The CVRA does not confer on victims the right to impair prosecutorial discretion of the Attorney General or the U.S. Attorney, nor does it create any right to invalidate a prosecutor's decision to settle a federal criminal investigation or decline prosecution;

(5) Conducting irrelevant and meritless discovery to obtain records from an alleged sex therapist, Dr. Leonard Bard in Massachusetts, when issues relating to Epstein's mental and emotional states were not at issue and when Dr. Bard had never even treated the Plaintiff;

(6) Filing a Second Amended Complaint on behalf of ■■■■■, alleging that Epstein forced the minor into "oral sex" when Edwards knew, or should have known, of a prior F.B.I. statement where ■■■■■ testified under oath that she never engaged in such acts;

(7) Attempting to conduct discovery of celebrities and other famous people that allegedly had flown on Epstein's airplanes where alleged assaults took place, even though no RRA clients claimed that they had flown on Epstein's airplanes; and

(8) Directing that third party subpoenas be used to obtain all records of Epstein's prescriptions and any other documents at two local pharmacies, when no issues of Epstein's health had been raised in the Epstein Actions.

30. The Defendants used illegal and improper investigative tools, including trespassing on Epstein's property and perpetrating continual and intrusive use of investigators for surveillance that interfered with Epstein's privacy and caused Epstein to employ security guards and install an expensive security system to prevent intrusions and protect himself.

31. Edwards filed motions in Epstein Actions attempting to plead a cause of action for RICO when there was no good faith basis for doing so.

32. Edwards filed motions to freeze assets of Epstein without any evidence that Epstein was attempting to sequester or transfer assets and prior to Edwards obtaining a judgment against Epstein.

33. Edwards and others at RRA communicated extensively with state and federal law enforcement officials during the course of the prosecution of the Epstein Actions in an effort to invalidate the NPA and subject the Plaintiff to the risk of further criminal investigation and prosecution and additional defense costs, although the matter had been resolved with the government.

34. Based on information and belief, there are in excess of 10,000 emails or other written communications between RRA employees and federal and state authorities relating to Epstein that were created and exchanged after the execution of the NPA.

35. The Defendants had ulterior motives for making these improper uses of civil process which included, among others:

- (1) obtaining monies to further a lavish lifestyle;
- (2) obtaining operating revenue so that RRA could continue to operate;
- (3) obtaining funds for the continued investigation and prosecution of the Epstein Actions; and
- (4) maintaining a Ponzi scheme.

36. As a result of the above, the Plaintiff has suffered damages, including but not limited to incurring additional and unnecessary attorney's fees and costs, the costs of installing an enhanced security system, and the retention of security personnel for the safety of Epstein and to protect his property.

WHEREFORE, the Plaintiff, Jeffrey Epstein, demands a trial by jury, a judgment against Defendant Scott Rothstein and Defendant Bradley J. Edwards for compensatory damages, costs, interest, and any other relief deemed appropriate by this Court.

I HEREBY CERTIFY that a true and correct copy of the foregoing was emailed and sent First Class mail this ____ day of April, 2011 to: Jack Alan Goldberger, Esq., Atterbury, Goldberger & Weiss, ■■■, 250 Australian Avenue South, Suite 1400, West Palm Beach, FL 33401-5012; Marc S. Nurik, Esq., Law Offices of Marc S. Nurik, One East Broward Boulevard, Suite 700, Fort Lauderdale, FL 33301; and Jack Scarola, Esq., Searcy Denney Scarola et al., 2139 Palm Beach Lakes Boulevard, ■■■, Drawer 3626, West Palm Beach, FL 33409.

Respectfully submitted,

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Fla. Bar No. 235954

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