

# 6,000 E-MAILS, 10 BOXES TURNED OVER FOR CASE AGAINST RRA

by Julie Kay

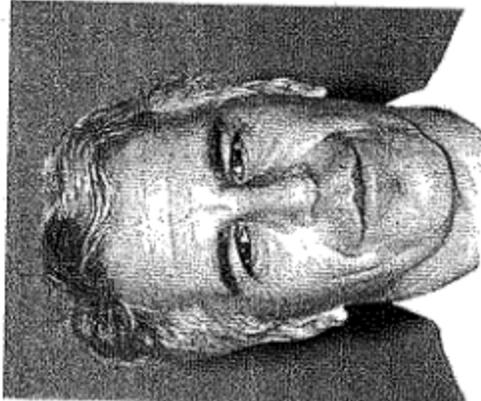
About 6,000 e-mails and 10 boxes of work files relating to convicted billionaire Jeffrey Epstein will be turned over to his lawyers and attorneys for investors who lost millions of dollars in the Scott Rothstein's Ponzi scheme.

But a special master will be appointed to review the documents beforehand to ensure nothing protected by attorney-client privilege is revealed, U.S. Bankruptcy Judge Raymond Ray ruled Wednesday. Epstein will be required to pay for the special master, who will be chosen jointly by all the parties.

In 2008, Epstein pleaded guilty to a charge of soliciting prostitution after accusations that he had sex with minor girls. He recently finished a one-year house arrest sentence. The documents relate to Epstein, who has faced civil suits brought by the families of underage girls he allegedly had sex with. It is unclear if the files are from legitimate cases or cases that Rothstein may have fabricated to recruit investors as part of his \$1.2 billion Ponzi scheme.

The e-mails and boxes of records are being sought by parties involved in litigation against Rothstein and his defunct Rothstein Rosenfeldt Adler law firm. They include communications between lawyers, contingency fee agreements and information about and names of Epstein's alleged underage victims.

The law firm represented six of Epstein's victims before Rothstein's \$1.2 billion settlement financing scheme collapsed last November.



MELANIE BELL

The e-mails and boxes are in the possession of Gary Farmer, right, and Bradley Edwards, former Rothstein Rosenfeldt Adler attorneys who opposed releasing them. They say they contained protected work product for active cases against Jeffrey Epstein, left, including new ones.

but he also allegedly recruited investors for settlements with non-existent victims.

The e-mails and boxes are in the possession of Gary Farmer and Bradley Edwards, former RRA attorneys who opposed releasing them. They say they contained protected work product for active cases against Epstein, including new ones.

But attorneys for Epstein — Lilly Ann Sanchez, Joseph Ackerman Jr. and Christopher Knight of Fowler White Burnett in Miami — argued subpoenas were issued for the materials in April and they still have not been turned over. Epstein's attorneys say they need the material to prepare for an October trial in Palm Beach Circuit Court, where Epstein

is suing Rothstein and Edwards. Epstein, a part-time Palm Beach resident, has settled

with some of the victims confidentially. He is now suing Rothstein and Edwards for allegedly filing a frivolous case.

"These documents have been used by others," Knight said. "I think invoking privilege is a smoke-screen."

Farmer responded: "Mr. Epstein ... has settled with tons of people. Despite this, he has filed a lawsuit against (the victim) and Mr.



Ray

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## ROTHSTEIN: Attorneys, investors want access to information

Rothstein. It is a blatant attempt to obtain privileged documents from (the victim)."

But Bill Scherer, who is representing victims claiming losses of \$13.5 million in Rothstein's scheme, said he also wants the Epstein-related material. He said some of his clients were brought into Rothstein's conference room last October, told by two investigators about Epstein settlements and shown 10 boxes of related documents.

"He used a real case to defraud my clients," Scherer said. "I want to see those 10 boxes and e-mails. We want to see the documents and see who in the firm had involvement."

Scherer argued that letting Farmer and Edwards decide which documents to release would be like "letting the fox guard the henhouse. I don't know how they had the right to

### ABOUT JEFFREY EPSTEIN

Jeffrey Epstein, 57, is a billionaire with homes in New York, Palm Beach and New Mexico. In 1982, he founded a financial management firm, J. Epstein and Co., in the U.S. Virgin Islands.

In 2008, he pleaded guilty to a charge of soliciting prostitution after accusations that he had sex with minor girls. He recently finished a one-year house arrest sentence. After his guilty plea, several politicians — including Eliot Spitzer and Bill Richardson — returned donations they had received from him. Epstein has been sued by many families of underage girls who allege sexual molestation, and he has settled with some.

Epstein also is suing imprisoned former law firm chairman Scott Rothstein, who allegedly used Epstein's name as a recruiting tool in his \$1.2 billion fraud.

take those boxes."

While Scherer argued law firm bankruptcy trustee Herbert Stettin should oversee the turnover, Stettin's attorney, Chuck Lichtman of Berger Singerman, said that would cost the estate money and suggested a special

master be appointed. If the parties can't agree who should be appointed, Ray said they should submit three names and he will choose.

One floor down in the Fort Lauderdale federal courthouse, attorneys for the government,

Stettin and investors such as auto magnate Ed Morse, battled in criminal court over \$3 million seized from RRA bank accounts after Rothstein's arrest. The issue of whether the government has the right to the funds under criminal forfeiture law or the bankruptcy estate should get the funds to distribute to victims will be decided by U.S. District Judge James Cohn after a hearing Aug. 16.

Meanwhile, Cohn partially agreed to a request by Stettin and his lawyer Sharon Kegerreis of Berger Singerman by ordering federal prosecutors to turn over all bank records from Jan. 1, 2009, to the time of Rothstein's arrest. The information must include the name of each investor transferring money into RRA accounts, bank account numbers and transaction dates.

Berger Singerman is seeking

the information to assess the government's claim that the \$3 million was all derived from fraud. The firm had sought records going back years, but Cohn agreed to release records for less than a year in the four-year fraud.

At Wednesday's hearing, two other parties claimed the right to intervene at the Aug. 16 hearing and stake partial claim to the funds. Ed Pozzuoli of Tripp Scott, who represents Morse, and Bill Salim of Moskowitz Mandell & Salim, who represents an investor who claims a \$68,000 loss, asked for the right to question witnesses. Cohn agreed.

Kegerreis said she plans to call four to six witnesses at the hearing — all federal agents. Federal prosecutors said they will call just one witness, also an agent.

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