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Rothstein Speaks As More Investors Come To Light

By Bob Norman
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The Miami Herald found another investor in Scott Rothstein's Ponzi scheme and [the story](#) has a couple of interesting parts.

First, Rothstein apparently answered his phone on Thursday. He told the Herald:

"I keep seeing names on the Internet who were alleged investors of me and I have no idea who they are. There are sublayers of people doing very, very bad things to people in my name, so we shall see. Not that I didn't do something wrong, and I'm back here to fix it. I made a decision to come back from Morocco and do the right thing. I know people are laughing and saying he can't repay these people, and they are wrong."

Well, that's reassuring. For a second there, I thought Rothstein might a total fraud. It's good to know he's going to repay those hundreds of millions of dollars.

But what I really want to know is who these false investors are that he's read about on the Internet. I decided to make a list of those known to date that are confirmed. But first, there's something interesting about the story involving the new investor, Todd Snyder.

Snyder, a Coconut Grove businessman, reports that he was told by a friend and supposed investor, stock broker Doug Faulkner, that he was buying whistleblower settlements in a case involving the Dole Food Co. I happen to have heard all about that angle.

The idea as proposed by Rothstein was that Dole had a juice contract with the federal government. The juice was supposed to be 100 percent pure -- in Snyder's case it was pineapple juice -- but wasn't. On top of that, Rothstein, sometimes via reps, claimed that when the government caught wind of the problem and asked for samples to test, Dole provided fraudulently prepared cases of juice to fool the government and cover up their crime.

Rothstein claimed that he had the proof of the initial fraud and cover-up and was representing numerous whistleblowers who had settled with the company. All investors had to do was fund the settlements up-front and wait for the Dole money to roll in to them.

Dole says the entire scenario was fabricated by Rothstein.

Another point of interest in the Snyder case is that Andrew Barnett, who served as Rothstein's director of corporate development and was actively promoting the investment scheme and recruiting investors, wrote a confirmation letter to Snyder stating: "This is to confirm that Todd Snyder is a client of the firm and the funds are being used for a transaction involving Mr. Snyder."

That's apparently the only piece of paper Snyder received regarding his \$2 million investment.

Now let's get to that list of investors and some of them are being named for the very first time. Here it is, with some amounts if they've been reasonably confirmed (and please help out here with adds in the comments if I miss anybody):

- Banyon Funding of Las Vegas, associated with Fort Lauderdale businessman George Levin.
- Fort Lauderdale businessmen and venture capitalist Doug Von Allmen, family members, and at least one friend: Nearly \$100 million.
- Ballamor Capital Management, run by Barry Bekkadam. Amount unknown, but is suspected to be in the many millions.
- Bonnie Barnett, the mother of Andrew Barnett, \$500,000.
- Robert Kagan, Bonnie Barnett's husband, amount suspected to be in high six figures.
- Car dealer Ed Morse, \$57 million. This was, of course, a legal fraud that apparently didn't involve the actual Ponzi scheme. It's not known if Morse or his son and close Rothstein friend Ted lost more in the investment scheme.
- Rothstein friend Ovi Levy
- Several hedge funds, including Centurion Credit, Clockwork Capital, and Platinum Management

More coming.