

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

Case No. 50-2009CA040800XXXXMBAG

JEFFREY EPSTEIN,

Plaintiff/Counter-Defendant,

v.

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

Defendants/Counter-Plaintiff.

**PLAINTIFF/COUNTER-DEFENDANT JEFFREY EPSTEIN'S APPENDIX IN
SUPPORT OF HIS REVISED OMNIBUS MOTION IN LIMINE**

Plaintiff/Counter-Defendant Jeffrey Epstein ("Epstein") files this Appendix in support of his revised Omnibus Motion in Limine. Epstein will supplement this Appendix to attach the actual documents and testimony cited herein and in his revised Motion:

I. DOCUMENTS AND INFORMATION CITED OR REFERRED TO IN EPSTEIN'S COMPLAINT

A. RRA Dissolution Proceeding

On November 2, 2009, Stuart Rosenfeldt and Edwards' firm, Rothstein Rosenfeldt Adler, P.A. ("RRA"), sued Scott Rothstein for dissolution and for an emergency transfer of corporate powers to Rosenfeldt. The plaintiffs filed an amended complaint on November 3, 2009. In their amended complaint, the plaintiffs said 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." (15th Jud. Cir. Case No. 50-2009-

CA-040800-XXXX-MB DE-5 Ex. 2 at 1.) The complaint asserted that the firm’s “innocent attorneys and staff of the firm [we]re not implicated in this controversy[.]” (*Id.* at 2.) The complaint alleged that “some [firm] investors allege that Defendant Rothstein may have been fabricating non-existent structured legal settlements for sale to investors.” (*Id.* at 4.) The complaint also alleged that 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.” (*Id.*)

B. Cited News Coverage: November 3–6, 2009

On November 3, 2009, the *South Florida Sun-Sentinel* printed an article entitled “Scott Rothstein’s investment deals seemed too good to be true.” Sally Kestin, Jon Burstein & Brittany Wallman, *Scott Rothstein’s investment deals seemed too good to be true*, S. Fla. Sun-Sentinel, Nov. 3, 2009.¹ The *Sun-Sentinel* reported that “Rothstein attracted investors by promising huge returns and selling settlements he said he’d reached in sex discrimination and whistle-blower cases, documents he gave prospective clients show.” *Id.* The *Sun-Sentinel* quoted Alan Sakowitz, “a Miami lawyer and developer[] [who] told the Sun Sentinel he had met with Rothstein as a potential investor three times, but quickly became suspicious. ‘I was convinced it was all a Ponzi scheme and I notified the FBI in detail how Scotty was hiding behind a legitimate law firm to peddle fake settlements,’ Sakowitz said.” *Id.* According to the *Sun-Sentinel*, a “spokesman for Banyan Income Fund, an investment group that collected \$65 million and invested an undisclosed amount with Rothstein, said it contacted federal prosecutors in recent days with concerns about ‘suspicious activity.’” *Id.* The *Sun-Sentinel* interviewed Rosenfeldt, who told the newspaper that “several of

¹ Available at http://articles.sun-sentinel.com/2009-11-03/news/sfl-rothstein-investment-plan-11sbnov03_1_scott-rothstein-stuart-rosenfeldt-firm.

[his] co-workers may have done work for [Rothstein's] investment business without realizing its scope or nature." *Id.* The *Sun-Sentinel* reported that it had obtained "Rothstein's confidential offerings," which "describe[d] extremely high-paying but largely unregulated investment opportunities," one of which "offered investors a 36 percent return in three months, far more than the troubled stock and bond markets." *Id.* Sakowitz told the *Sun-Sentinel* that "Rothstein boasted of having sophisticated eavesdropping equipment and that former cops would sift through potential defendants' garbage," that "Rothstein claimed to have a 'huge volume of cases, an employer sleeping with the secretary or receptionist,'" and that Rothstein claimed he "offered his clients a way to avoid waiting for the [settlement] money by giving them a lesser amount, but in a lump sum up front[.]" *Id.* The *Sun-Sentinel* said that, according to Rothstein's offering documents, RRA "sought out sexual discrimination and whistle-blower cases and used former cops to dig up incriminating evidence," "the firm urged the targets of the claims to pay a settlement without a public lawsuit," "[t]hese types of cases are highly confidential and thus, quite lucrative, because the defendants place a high premium on keeping the details of the case confidential," and investors "would receive the full settlement amount in three to 12 months, with a guaranteed minimum 20 percent return[.]"

On November 6, 2009, the *New Times Broward-Palm Beach* printed an article entitled "Scott Rothstein: The Jeffrey Epstein and Bill Clinton Ploy." Bob Norman, *Scott Rothstein: The Jeffrey Epstein and Bill Clinton Ploy*, *New Times Broward-Palm Beach*, Nov. 6, 2009.² According to the *New Times*, "[o]ne way" that Rothstein enticed investors "was by tricking [them] into believing that his firm was representing numerous underaged girls who had sex with Palm Beach

² Available at <http://www.browardpalmbeach.com/news/scott-rothstein-the-jeffrey-epstein-and-bill-clinton-ploy-6471700>.

billionaire and convicted child sex offender Jeffrey Epstein.” *Id.* The *New Times* reported that “Rothstein claimed that he had flight logs showing that Epstein flew extremely prominent people, including former President Bill Clinton, on his private jet with some of the plaintiffs” and that Rothstein “told investors that Epstein, Clinton, and other celebrities involved basically had no choice but to settle these cases and that it was a veritable treasure-trove.” *Id.* The *New Times* said that investors “then ponied up millions to invest in the settlements, pay out a portion of those settlements to the victims, and pocket the rest,” but Rothstein was “fabricating the story” and there was “no indication that the former president, who was at one time a real friend of Epstein’s, and other celebrity names bandied about by Rothstein were involved in any way.” *Id.*

The *New Times* quoted “Fort Lauderdale attorney Bill Scherer, who [wa]s representing multiple Rothstein investors. . . . ‘He used the [Epstein case] as a showpiece, as bait,’ said Scherer. ‘That’s the way he raised all the money. He would use legitimate 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.’” *Id.* The *New Times* mentioned “one legitimate case involving Epstein and an underaged girl” involving RRA; identified William Berger, not Edwards, as the attorney handling the matter; and reported that “[s]ources sa[id] they believe[d] Berger wasn’t involved in Rothstein’s scam.” *Id.* A source described the Epstein fabrications as “one of Rothstein’s more profitable creations,” and told the *New Times* to “[t]hink of the legitimate Epstein civil case as a car on the road, . . . [t]hen think of that car driving off the road onto heavy terrain and kicking into four-wheel drive. That’s what happened here, and Rothstein was at the wheel.” *Id.*

C. The Government’s Civil Asset Forfeiture Complaint

On November 9, 2009, the United States Attorney’s Office for the Southern District of Florida filed a civil forfeiture action against certain property of Rothstein. The complaint said Rothstein “and others” had been operating a Ponzi scheme since 2005. (S.D. Fla. Case No. 0:09-

cv-61780-WJZ DE-1 ¶ 13.) The Government alleged that Rothstein had told potential investors that his firm had negotiated settlements between its clients and would-be defendants and that, under the terms of these settlements, the firm's clients would receive substantial payments in exchange for not filing "civil claims in sexual harassment and other labor-related cases." (*Id.* ¶ 14.) Rothstein offered investors an opportunity to purchase these settlements at a discount. (*Id.*) The firm's clients would receive less money, but they would be paid immediately in a lump sum. (*Id.*) Over time, the investors would receive the full value of the clients' settlements. (*Id.*) The problem, the Government alleged, was that the settlements were not real. (*Id.* ¶ 15.) Rothstein used new investors' money to pay older investors the money they were supposed to receive from the phony settlements they thought they had purchased. (*Id.*)

D. Referenced News Coverage: November 12, 2009

On November 12, 2009, the *South Florida Sun-Sentinel* printed an article entitled "FBI doubts Rothstein ran a Ponzi scheme alone." Sally Kestin and Peter Franceschina, *FBI doubts Rothstein ran a Ponzi scheme alone*, S. Fla. Sun-Sentinel, Nov. 12, 2009.³ The *Sun-Sentinel* reported that "[t]he FBI confirmed Thursday what many have speculated since the Scott Rothstein scandal broke: The flashy lawyer could not have defrauded investors of hundreds of millions without help. 'I do not believe that this was a one-man show,' said John Gillies, head of the FBI in South Florida." *Id.*

E. The Investors' Complaint

On November 20, 2009, William Scherer, the attorney quoted in the *New Times* article on November 6, 2009, sued Rothstein, David Boden, Debra Villegas, Andrew Barnett, TD Bank,

³ Available at http://articles.sun-sentinel.com/2009-11-12/live/fl-rothstein-associates-20091112_1_rothstein-rosenfeldt-adler-scott-rothstein-alan-sakowitz.

N.A., Frank Spinosa, Jennifer Kerstetter, Rosanne Caretsky, and Frank Preve on behalf of investors Razorback Funding, LLC, D3 Capital Club, LLC, BFMC Investment, LLC, Linda Von Allmen (as trustee of the Von Allmen Dynasty Trust), D&L Partners, LP, and Dean Kretschmar. (17th Jud. Cir. Case No. 062009CA062943AXXXCE DE-3.) The plaintiffs alleged Rothstein had “devised an elaborate plan to assign putative plaintiffs’ confidential settlements with structured payments to investors at a lump sum discounted rate. In reality, while some of the cases relied upon to induce investor funding were real, all of the confidential settlements were purely fabricated. Indeed, returns to earlier investors were not made *via* structured payments, but instead were made with the principal obtained from later investors—a classic Ponzi scheme.” (*Id.* ¶ 2.) The plaintiffs further alleged that “[i]nvestors were told that the Principal Conspirators had an extensive in-house private investigative team, including former F.B.I. and C.I.A. agents, whose singular task was to obtain compromising evidence against high-profile putative defendants. Rothstein’s story was that the evidence and surveillance acquired, often supporting civil causes of action ranging from sexual harassment to mass tort cover-ups to whistle-blower claims, was presented to the putative defendant who was then offered an opportunity to avoid litigation and the negative publicity associated therewith by agreeing to resolve the matter voluntarily by and through a confidential settlement with the putative plaintiff.” (*Id.* ¶ 28.) The investors alleged that “Rothstein would show investors the purported settlement agreement in an attempt to substantiate the deal; however, because the settlements were pre-suit and confidential, the names of the putative plaintiffs and putative defendants were redacted.” (*Id.* ¶ 34.)

The investors further alleged “the purported settlements, *albeit* fraudulent, were based on actual cases being handled by RRA”—including one of Edwards’ cases against Epstein:

One of the settlements involved herein was based upon facts surrounding Jeffrey Epstein, the infamous billionaire financier. In fact, RRA did have inside

information due to its representation of one of Epstein's alleged victims in a civil case styled *Jane Doe v. Jeffrey Epstein*, pending in the Southern District of Florida. Representatives of D3 were offered "the opportunity" to invest in a pre-suit \$30,000,000.00, court settlement against Epstein arising from the same set of operative facts as the *Jane Doe* case, but involving a different underage female plaintiff. . . . To augment his concocted story Rothstein invited D3 to his office to view the thirteen banker's boxes of actual case files in *Jane Doe* in order to demonstrate that the claims against Epstein were legitimate and that the evidence against Epstein was real. In particular, Rothstein claimed that his investigative team discovered that there were high-profile witnesses onboard Epstein's private jet where some of the alleged sexual assaults took place and showed D3 copies of a flight log purportedly containing names of celebrities, dignitaries and international figures. Because of these potentially explosive facts, putative defendant Epstein had allegedly offered \$200,000,000.00 for settlement of the claims held by various young women who were his victims. Adding fuel to the fire, the investigative team representative privately told a D3 representative that they found three additional claimants which Rothstein did not yet know about. . . .

Additionally, Rothstein used RRA's representation in the Epstein case to pursue issues and evidence unrelated to the underlying litigation, but potentially beneficial to lure investors into the Ponzi scheme. For instance, RRA relentlessly pursued flight data and passenger manifests regarding flights Epstein took with other famous individuals knowing full well that no under age women were on board and no illicit activities took place. RRA also inappropriately attempted to take the depositions of these celebrities in a deliberate effort to bolster Rothstein's lies.

(*Id.* ¶¶ 40–41.)

The investors also alleged that, "even after Rothstein's October 27, 2009 departure to Morocco, millions of dollars continued to flow out of RRA accounts from the Fort Lauderdale TD Bank accounts, indicative of an insider(s) maintaining operations of the Ponzi scheme." (*Id.* ¶ 102c.) The investors further alleged that "[a] Ponzi scheme cannot be operated without insider help. Plaintiffs believe that additional members of RRA, including its non-lawyer investigators, were used by Rothstein to perpetuate, promote and facilitate the Ponzi scheme. The details of these individuals['] or entities['] involvement¶ and participation is presently unknown but further allegations and counts will be added as discovery is conducted and information concerning the complicity of these individuals or entities is confirmed." (*Id.* ¶ 103.)

F. Cited News Coverage: November 24, 2009

On November 24, 2009, *The Miami Herald* printed an article entitled “Feds: Scott Rothstein Ponzi scheme paid salaries at law firm.” Jay Weaver & Scott Hiaasen, *Feds: Scott Rothstein Ponzi scheme paid salaries at law firm*, *The Miami Herald*, Nov. 24, 2009. According to the article, “Rothstein’s law firm generated revenue of \$8 million in one recent year, yet his 70-lawyer firm had a payroll of \$18 million, prosecutors said. Rothstein, who owned half of Rothstein Rosenfeldt Adler, used investors’ money from his Ponzi scheme to make up the shortfall, they said.” *Id.* The article further reported that “[t]he civil forfeiture is based on money-laundering allegations that Rothstein amassed his fortune by defrauding investors, prosecutors said. Investors bought shares in his fabricated confidential settlements from employment-discrimination and other civil cases during the past four years – investments that promised returns of up to 40 percent.” *Id.*

G. Amended Complaints Filed By The Government & Investors

On November 23, 2009, and November 27, 2009, the United States Attorney’s Office for the Southern District of Florida filed amended civil forfeiture complaints against Rothstein’s property. (S.D. Fla. Case No. 0:09-cv-61780-WJZ DE-14, DE-19.) The Government again alleged that Rothstein “and others” had been running a Ponzi scheme. *See id.*

Scherer filed an amended complaint on behalf of the investor plaintiffs on November 25, 2009. (*See* 17th Jud. Cir. Case No. 062009CA062943AXXXCE DE-12.) The amended complaint quoted a November 23, 2009, interview of Rothstein by the Sun-Sentinel: “Rothstein . . . stated that ‘karma has caught up with him, but it will catch up with others too . . . You’re in a town full of thieves, and at the end of the day, everyone will see. I’ll leave it at that.’”⁴ (*Id.* ¶ 7.) The

⁴ The amended complaint misquotes the article slightly. “‘You’re hurting my daughter, you’re hurting my son,’ [Rothstein] said. (Rothstein has a biological daughter who is 16, and the son he’s talking about is someone he took on as a sort of mentor, he said this summer.) ‘Haven’t I already hurt them enough?’ he asked, before delivering a final ‘message’ and hanging up. He called back

plaintiffs did not amend their allegations concerning the cases against Epstein. (*See generally* 17th Jud. Cir. Case No. 062009CA062943AXXXCE DE-12.)

H. Rothstein Arrested; Criminal Information

On December 1, 2009, the FBI arrested Rothstein and the United States Attorney's Office for the Southern District of Florida filed a criminal information against him. The information identified RRA as a criminal enterprise. (S.D. Fla. Case No. 0:09-cr-60331-JIC DE-1 ¶ 2.) The government alleged that, from 2005 until November 2009, Rothstein and others had engaged in a pattern of racketeering activity that included mail fraud, wire fraud, money laundering, and conspiracy to launder money. (*Id.* ¶¶ 3–4.) According to the Government, Rothstein and his unidentified co-conspirators had operated a Ponzi scheme and obtained \$1.2 billion from investors by fraud. (*Id.* ¶ 6.) The Government repeated its allegations that Rothstein had lied to investors, had told them that his firm had settled certain sexual harassment and whistleblower cases on behalf of its clients and obtained sizeable payouts, and had offered investors the opportunity to purchase these phony settlements at a discount. (*Id.* ¶¶ 10–11.) The Government alleged that Rothstein and his co-conspirators had “created false and fictitious documents, including confidential settlement agreements,” and “made false statements to current investors in order to convince them to re-invest in additional purported confidential settlement agreements.” (*Id.* ¶¶ 21, 23.)

II. EPSTEIN'S DEPOSITION TESTIMONY AND AFFIDAVIT REGARDING PROBABLE CAUSE

A. Epstein Deposition—March 17, 2010

Epstein testified as follows:

this evening, responding to a text message. He said karma is going to get him, but it's going to get other people, too. ‘You're in a town full of thieves, and at the end of the day, everyone will see. I'll leave it at that.’” Brittany Wallman, *Scott Rothstein: “You're in a town full of thieves”*, S. Fla. Sun-Sentinel, Nov. 23, 2009. Available at http://www.sun-sentinel.com/sfl-mtblog-2009-11-scott_rothstein_havent_i_hurt-story.html.

Q. Why are you suing L.M.?

A. L.M. is part of a conspiracy with Scott Rothstein, Bradley Edwards, creating -- excuse me -
- creating fraudulent cases of a sexually charged nature in which the U.S. Attorney has
already charged the firm of Rothstein, a firm of which Bradley Edwards is a partner, was
a partner, with creating, fabricating malicious cases of a sexual nature, including cases with
respect to me, specifically, in order to fleece unsuspecting investors in South Florida out
of millions of dollars.

Q. What role do you contend L.M. played in that conspiracy to create fraudulent cases?

A. L.M.'s testimony before she met Mr. Edwards was dramatically -- sworn testimony to the
FBI was dramatically different after she came in contact with Mr. Bradley Edwards, where
her testimony then changed to sort of a hostile and had claims of -- claims never made
before, never made to anyone before, and allegations that I've read in her Complaint that
that had been dramatically different from the ones she had spoken to the FBI about, sir.

(Tr. at 13:9-14:8.)

Q. Your Complaint in this action alleges that L.M. made claims for damages out of proportion
to her alleged damages. What does that mean?

...

A. I believe that as part of the scheme to defraud investors in South Florida out of millions of
dollars, claims of outrageous sums of money were made on behalf of alleged victims across
the board. And the only way -- in fact, Scott Rothstein sits in jail. And what I've read in
the paper, claims that I've settled cases for \$200-million, which is totally not true. She has
made claims of serious sum of money, which is outrageous.

(Tr. at 19:7-20:1.)

Q. Did Brad Edwards do anything that he shouldn't have done that forms the basis of your
lawsuit against him?

...

A. Yes, many things.

Q. List them for me, please.

A. He has -- he has gone to the media out of, I believe, in an attempt to gin up these allegations.
He has contacted the media. He has used the media for his own purposes. He has brought
discovery -- he has engaged in discovery proceedings that bear no relationship to any case
filed against me by any of his clients. His firm, which he's the partner of, has been accused
of forging a Federal Judge's signature.

(Tr. at 23:4-19.)

Q. Besides having gone to the media in an attempt to, quote, gin up, unquote, these allegations and engaged in what you contend to be irrelevant discovery proceedings, what else did Mr. Edwards, personally, do that forms the basis for this lawsuit?

A. Mr. Edwards, personally, engaged with his partners, Scott Rothstein, who sits in a Federal jail cell, potentially for the rest of his life, he shared information, what I've been told and -- excuse me -- what I've read in the newspapers, 13 boxes of information that had my name on it, with other attorneys at his firm. He counseled his clients to maintain a position alleging multi-million dollar damages in order for them to scam local investors out of millions of dollars. He and his -- many of his other partners already under investigation by the FBI and the U.S. Attorney have been accused by the U.S. Attorney of running a criminal enterprise.

Q. Anything else?

...

A. Not [that] I can think of at the moment?

Q. Okay. What media did Mr. Edwards go to?

A. I am aware of at least the Daily News in New York City. I have been told by other people that there were other media, local media. I've been told that the -- his investigator was sent to California to harass people representing his -- Brad Edwards' investigator -- representing fictitiously, fraudulently that he was a FBI agent to try to gather information for Mr. Edwards' claims.

(Tr. at 25:6-26:15.)

Q. What does an investigator going to California have to do with Mr. Edwards allegedly going to the media in an attempt to, quote, gin up, unquote, these allegations?

...

A. ... It's part of Mr. Edwards' scheme to involve people who have nothing to do with any of his cases in order to, in fact, go back to the media and gin up his stories and make false allegations of people that have sexually charged nature cases in order to attempt to fleece investors, local investors out of millions of dollars. His firm has been accused by the U.S. Attorney of manipulating the media, by hiring investigators, by illegal wire taps, by illegal methods of eavesdropping in order to go to the media and generate cases.

Q. When did Mr. Edwards go to the Daily News?

A. I don't know.

Q. How did he go to the Daily News?

A. I don't know.

- Q. What did he say to the Daily News?
- A. I believe Mr. Edwards knows that. I don't know exactly what he said.
- Q. What is the source of your information that he went to the Daily News at all, ever?
- ...
- A. It's attorney/client.
- Q. You said you were told by other people that he went to other media representatives?
- A. Yes, sir.
- Q. Who are the other people that told you that?
- A. I don't recall at the moment.
- Q. What did these other people who you don't remember tell you Mr. Edwards did with respect to other media representatives besides the Daily News?
- A. Again, the question again?
- Q. What did these other people tell you Mr. Edwards did with respect to going to other media?
- ...
- A. Mr. Edwards went to the media to gin up his cases in order that the Rothstein firm could generate profits, falsely taking in investors, creating false stories to the local medias and making statements to local press regarding false claims made by his clients in order that Scott Rothstein, who currently sits in jail, could defraud, along with his other partners of his firm, local Florida investors, Mr. Scarola, out of millions of dollars.
- Q. When did these other people whose identity you can't remember tell you these things that Brad Edwards did.
- A. Sometime in the past year.
- Q. How many other people were there who told you these things about Mr. Edwards?
- A. I don't recall with specificity.
- Q. Well, do you recall in any degree how many there were?
- A. I would say, probably five to ten.
- Q. Where were you when these conversations took place that you can't -- the identity of those participants you can't remember?

Mr. Pike: So we're clear, within the last year -- correct? -- timewise?

Mr. Scarola: Well, that's what your client said. I don't believe a word he says, but that's what he said.

...

A. Again, sir?

Q. Yes, sir. Where did these conversations with these five to ten people take place whose identity you can't remember?

...

A. On the telephone.

Q. Who initiated the phone calls?

A. Sir, these questions, I have no -- I don't have any recollection.

Q. Did the people who were on the phone identify themselves or were these anonymous callers?

A. Sitting here today, Mr. Scarola, I don't recall with specificity.

Q. What specifically did Mr. Edwards allegedly communicate to the Daily News to quote, gin up these allegations, unquote?

A. The newspapers have quoted Mr. Edwards -- not quoted Mr. -- newspapers have made allegations referred to as Mr. Edwards' statements.

Q. Would you read the question back, please, Sandy?

...

A. He alleged that third parties had already been involved in some allegations to do with sexual misconduct.

Q. Which third parties?

A. I don't recall sitting here today.

Q. Involved how?

...

A. If I recall with specificity, if I had the articles in front of me, I would be able to recall. Maybe next time.

Q. What does “gin up these allegations” mean?

...

A. It means craft allegations of multi-million dollar cases; in fact, alleging in L.M.’s case damages of \$50-million, settlements in order for Scott Rothstein and the rest of Mr. Edwards’ partners to fleece unsuspecting investors out of millions and millions of dollars based on cases that didn’t exist or alleged cases that I had settled.

(Tr. at 28:14–33:21.)

Q. Was your reference to, quote, gin up these allegations, unquote, a reference to allegations made against you?

...

A. As part of the vast conspiracy of the Rothstein firm and Mr. Edwards’ participation in it, it has been alleged that many cases were fraudulently brought -- alleged that have been brought; ginned up, meaning, crafted, multi-million dollar numbers put on cases in order to fleece investors, where his partner, Scott Rothstein, currently sits in jail for just those purposes, Mr. Scarola.

Q. My question to you is: Did the reference to, quote, gin up these allegations refer to allegations against you?

A. Reported in the newspaper the answer is, yes. And others, but specifically me, yes, by the newspaper reports.

(Tr. at 34:3–22.)

Q. What specific discovery proceedings did Mr. Edwards engage in which you contend form the basis for your lawsuit?

A. The discovery proceedings of bringing my attorneys to various people that had nothing to do with any of his clients or these lawsuits.

Q. Which various people? Who?

...

A. For example, he tried to depose Bill Clinton, strictly as a means of getting publicity so that he and his firm could fraudulently steal, craft money from unsuspecting investors in South Florida out of millions of dollars.

(Tr. at 36:10–23.)

Q. You said something about Mr. Edwards sharing 13 boxes of information with somebody --

A. Yes.

Q. -- as forming part of the basis for your lawsuit against Mr. Edwards, correct?

A. Correct.

Q. All right. With whom did Mr. Edwards share these 13 boxes of information?

A. It has been reported in the Scherer Complaint that he shared those boxes with the partners of his firm that was then formally accused by the U.S. Attorney, sir, of being a criminal enterprise.

...

Q. Do you remember my question?

A. You asked me who he shared it with?

Q. Yes.

A. The partners of his firm, sir.

Q. Okay. So part of the basis of your lawsuit is that Mr. Edwards allowed members of his own law firm to see 13 boxes of information; is that correct?

A. No, that's not correct. My claim is that the 13 boxes of information that were shown to investors by Mr. Edwards' partners, 13 boxes that we've been told by the press contain multiple cases, fraudulently -- and if you like the word -- fabricated in order to fleece investors out of money. The 13 boxes were shared with investors, Mr. Edwards, Mr. Edwards' partners and some of those partners currently under indi[ct]ment, the others already sitting in jail.

(Tr. at 37:18–38:22.)

Q. Which newspaper said which case was fabricated?

A. Bob Norman's blog said most of the cases were fabricated, to my best recollection. The Scherer complaint alleged many fabricated cases, sir.

(Tr. at 39:7–12.)

Q. Among the allegations of wrongdoing against Mr. Edwards which you contend form the basis of this lawsuit is something having to do with sending an investigator to California. Would you tell me, please, more specifically what it is that Mr. Edwards did with regard to sending an investigator to California which you contend justifies a legal claim against Mr. Edwards[?]

...

A. Reported widely in the newspapers is the use of illegal activities, wire taps, and methods by the Rothstein firm while Mr. Edwards had basically been bringing these cases. The

investigator, Mr. Fisten, who's mentioned in the Complaint, represented himself as an FBI agent, falsely represented himself as an FBI agent.

Q. Do you have any personal knowledge of anything that Mr. Fisten did while Mr. Fisten was in California?

...

A. I'm sorry. Based on attorney/client privilege, I can't answer.

(Tr. at 48:9-49:11.)

Q. Is it your contention that Mr. Edwards was involved in an illegal wire tap?

A. It was widely reported in the newspaper --

Q. I'm not asking [if] it was reported --

A. Excuse me.

Q. -- in the newspaper.

A. Excuse me.

Q. I want to know whether your contention is that Mr. Edwards was involved in an illegal wire tap.

...

A. It's been widely reported in the newspaper that his firm and his partners were involved in illegal wire taps, eavesdropping, hired former FBI and law enforcement officials in order to fabricate cases of a sexually charged nature against me and others.

Q. Do you have any personal knowledge of Mr. Edwards ever having engaged in any illegal wire tap?

A. I have no personal knowledge; however, what I read in the newspapers and is widely reported is that his firm, and I believe Mr. Sakowitz went to the FBI after he was told that the firm was engaged in illegal wire taps and his partners were engaged in illegal wire taps. The FBI, the U.S. Attorney has accused his firm of RICO, being the largest criminal fraud enterprise in South Florida's history and engaged in illegal wire taps. But the answer specifically to your question about personal knowledge, sir, no.

Q. Do you have any personal knowledge of Mr. Edwards ever having been involved in any illegal or improper eavesdropping?

A. It's been widely reported in the newspapers in South Florida that Mr. Edwards' firm, his partners were involved in illegal wire taps, illegal fact gathering, using what the newspapers quoted as sophisticated methods. Mr. Sakowitz, who was approached as an

investor, and Mr. Scherer, who's filed a Complaint, alleges similar activities. But personal knowledge, myself, sir, no.

Q. Do you have any personal knowledge that Bradley Edwards was ever involved in obstructions of justice?

...

A. It's attorney/client privilege, I'm afraid.

Q. Do you have any personal knowledge that Bradley Edwards was ever involved in any actionable frauds?

...

A. ... Outside of the newspapers, which have accused his firm of a monstrous fraud, purported to be the largest fraud in South Florida's history, accused by the U.S. Attorney, where his partner sits in jail -- excuse me -- reported in the newspapers of boxes of material on Jeffrey Epstein, separate and apart from the allegations of fraud by his partners, I cannot answer that question because of attorney/client privilege.

Q. Do you have any personal knowledge that Bradley Edwards ever forged Federal Court Orders and/or Opinions?

A. It's attorney/client privilege.

Q. Do you have any personal knowledge that Bradley Edwards was ever involved in the marketing of non-existent Epstein settlements?

...

A. I'm sorry. I would like to answer that question, but on attorney/client privilege I cannot today.

Q. It is alleged in your Complaint that you were subject to, quote, abusive investigatory tactics. Other than those matters previously referred to in earlier questions, is it your contention that Bradley Edwards had any personal involvement in any other, quote, abusive investigatory tactics?

...

A. It's been widely reported in the newspapers that Mr. Edwards' firm was engaged in widely -- wildly abusive practices throughout the State of Florida in order to fleece unsuspecting investors out of millions of dollars. The U.S. Attorney's Complaint alleges his firm engaged in a corrupt criminal enterprise. Mr. Scherer's Complaint alleges monstrous amounts of fraud and discovery abuse. I have no personal knowledge, separate from the attorney/client privileged information, regarding Mr. Edwards.

Q. Do you have any personal knowledge that Bradley Edwards ever filed legal papers that were unsupportable?

...

A. I'm afraid it's attorney/client privilege.

Q. Do you have any personal knowledge that Mr. Edwards was ever involved in any conduct that, quote, compromised the core values of both State and Federal justice systems in South Florida?

...

A. Can you just ask -- can you define for me what you mean by "personal knowledge," sir?

Q. Yes. Did you ever see, hear, smell, taste, or touch anything that communicated to you directly and not through the report of some third person or newspaper that Bradley Edwards was personally involved in compromising the core values of both State and Federal justice systems in South Florida.

Mr. Pike: Form. Same instruction with regard to attorney/client.

A. Yes. Are you suggesting that anyone who told me specifically or things that I might have read that specifically relate to him, is not what you've been asking me for?

Q. Yes, sir, that's exactly right.

A. You told me if I hear something, that's not personal knowledge.

Q. Not if you hear it from somebody else.

A. Who else would I hear it from, besides somebody else, sir?

Q. Well, if you heard it directly yourself.

A. From who?

Q. Maybe Mr. Edwards.

A. Uh-huh. Is that the only person, sir?

Q. That's the only person, that's correct.

A. Well, if it's the only person, separate from attorney/client privilege, I cannot answer that.

(Tr. at 49:13-55:22.)

Q. Your Complaint makes reference to a purpose in filing this lawsuit --

A. Yes.

Q. -- to vindicate the hardworking and honest lawyers and their clients who were adversely affected by the misconduct that is the subject of this Complaint.

A. Yes, sir.

Q. Who are those hardworking and honest lawyers on whose behalf you are bringing this Complaint?

...

A. Yes. The U.S. Attorney, sir, has accused the Rothstein firm of misusing the entire legal system, a level of abuse never seen before in the United States history, of forging documents, an affront to any decent lawyer, signing Judge's Orders, sending false statements to other lawyers. The people who have been -- excuse me -- the Complaint by the U.S. Attorney, in fact, describes the behavior of the law firm, as well as Mr. -- my Complaint says, Mr. Edwards being a part of that.

(Tr. at 57:2-57:25.)

Q. I want to know who the, quote, "hardworking and honest lawyers" are that are referred to in that section of your Complaint.

A. My attorneys, at least, are honest.

Q. Which ones?

A. All of them.

Q. And you say that you want to vindicate the hardworking and honest lawyers and their clients?

A. That's correct.

Q. Which clients?

A. Me, some of the other clients, in fact, abused by the Rothstein firm. I don't know the full extent. Hopefully when we get to trial, we're going to find out the extent of the people, the lawyers, the clients that were abused by Mr. Edwards and the Rothstein firm. We have asked for Scott Rothstein's deposition. We hopefully will get it. Maybe he will give us some insight on how other lawyers have, in fact, been handled and the abuses they've undergone, including forging a Federal Judge's signature, sir.

(Tr. at 59:11-25.)

Q. And did you mean to say what this sentence says, "the Rothstein racketeering enterprise endeavored to vindicate the hardworking and honest lawyers and their clients, who were adversely affected by the misconduct that is the subject of this Complaint?"

Mr. Pike: Okay. I'm going to move to strike. Mischaracterizes the language of the document. The document reads as follows, for purposes of the record: "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."

Q. Is that what you meant to say?

A. What I meant to say, it is -- seems to me somewhat unclear -- is that the Rothstein firm, along with Mr. Edwards, is part of a criminal enterprise, the largest -- excuse me -- the largest criminal enterprise in South Florida's history, forging Judges' signatures, engaging in illegal wire taps, illegal behaviors. And part of this lawsuit should vindicate, which means, I believe should set right. And if it's not clear, the Rothstein firm compromised the core values of our legal justice system. It abused every -- many of the precepts, the most basic values of the American justice system. And, in fact, I believe this lawsuit, part of the reason for filing this lawsuit, it will disclose the various techniques of attorney/client privilege, abuse of technique, abuse of discovery, illegal wire taps, forging signatures engaged in by both Mr. Edwards and his firm.

Q. So it is your contention that Mr. Edwards was part of a criminal enterprise?

A. Yes, it is.

Q. Knowingly part of a criminal enterprise?

...

A. Attorney/client privilege.

(Tr. at 62:13-64:3.)

Q. What knowledge do you have of Brad Edwards ever having personally engaged in mail fraud?

A. It's been widely reported in the press.

Q. I'm going to withdraw my question. What person knowledge do you have of Bradley Edwards ever having been engaged in any mail fraud?

A. Will you describe what you mean by "personal knowledge," sir?

Q. I mean direct observation through your senses on your part.

A. So are you asking me whether or not I've witnessed him sending something directly, putting physically in the mail, sir?

- Q. I'm asking whether you have ever personally witnessed Bradley Edwards ever having engaged in mail fraud.
- A. I'm not sure how that's possible for anybody to witness a mail fraud, so would you inform me how it's done?
- Q. So the answer to my question is, you don't know; is that correct?
- A. My answer to your question is -- . . . I've asked for a clarification.
- Q. Have you ever personally witnessed Bradley Edwards engaging in mail fraud?
- ...
- A. No, sir.
- Q. Have you ever personally witnessed Bradley Edward -- Edwards engaged in wire fraud?
- A. How would one -- I'm not sure how anyone would personal -- have personal knowledge, witness someone engaging in wire fraud, unless they were simply sitting over their computer looking at their bank accounts. So, unfortunately, I would have to say, no, sir.
- Q. Have you ever personally witnessed Bradley Edwards engaged in money laundering?
- ...
- A. Again, sir, the U.S. Attorney's Complaint of the Rothstein firm alleges money laundering, wire fraud, mail fraud, RICO claims of Mr. Edwards' partners and his firm, calling the firm the largest criminal enterprise in South Florida's history, accused of fabricating malicious cases, sir, of a sexually charged nature in order to fleece unsuspecting South Floridians out of millions of dollars.
- Q. And I'm trying to find out, Mr. Epstein, whether you have any evidence whatsoever that Mr. Edwards ever personally participated in any of that wrongdoing?
- ...
- A. I'm afraid it will be attorney/client privilege, sir.
- Q. Do you have any evidence -- knowledge of any evidence whatsoever that Mr. Edwards ever participated in any effort to market any kind of investment in anything?
- A. I would have to claim attorney/client privilege on that, sir.
- Q. Do you have knowledge of any evidence whatsoever that Mr. Edwards was ever a participant in devising a plan through which were sold purported confidential assignments of a structured payout settlement?

A. The newspapers and blogs have widely reported that Mr. Edwards' firm crafted -- would you repeat the question for me, again, sir? I'm sorry.

Q. Yes, sir. I want to know whether you have any knowledge of evidence that Bradley Edwards personally ever participated in devising a plan through which were sold purported confidential assignments of a structured payout settlement?

...

A. I'd like to answer that question by saying that the newspapers have reported that his firm was engaged in fraudulent structured settlements in order to fleece unsuspecting Florida investors. With respect to my personal knowledge, I'm unfortunately going to, today, but I look forward to at some point being able to disclose it, today I'm going to have to assert the attorney/client privilege.

Q. Your Complaint alleges that Rothstein and others in RRA were using RRA to market investments. Who are the others referred to in the Complaint?

A. From my understanding of the U.S. Attorney's Complaint, from Mr. Scherer's Complaint, it is the partners and people who held themselves out to be partners of the Roth -- Scott Rothstein, including Mr. Berger, Mr. Adler, Mr. Edwards and other people associated with the firm like Mr. Fisten, Diane Villegas, if that's how you pronounce her name, Russell Adler, and many of the other partners of his firm currently under investigation by either the Florida Bar or the U.S. Attorney or FBI or all of the above, sir.

Q. Which -- which source of information referenced in that answer specifically made reference to Mr. Edwards?

A. I don't recall, sir.

Q. But you do have a recollection that one or more of them did; is that correct?

A. I don't recall, sir.

(Tr. at 64:20-69:6.)

Q. Did anyone ever sift through your garbage looking for damaging evidence?

A. It's been widely reported in the newspapers, sir, that the Rothstein firm engaged in sifting through many people's garbage in order -- in an attempt to blackmail them.

(Tr. at 74:5-10.)

Q. Yes. I'd like to know what the answer to that question is. Did anyone ever sift through your garbage looking for damaging evidence?

...

A. I don't know.

(Tr. at 74:4–8.)

Q. Do you have any information indicating that Bradley Edwards ever had any knowledge of anyone associated with the Rothstein firm holding meetings during which, quote, “false statements were made about the number of cases/clients that existed or RRA had against Epstein and the value thereof,” unquote?

...

A. My best recollection is the U.S. Attorney has accused the Rothstein firm of just those types of meetings where the partners got together, schemed to defraud local investors of millions of dollars by fabricating cases of a sexually charged nature. And whether Mr. Edwards personally participated, I’m going to at least today, sir, have to assert the attorney/client privilege, but look forward to one day disclosing it.

(Tr. at 76:24–77:15.)

Q. Paragraph 23 of your Complaint says that: “RRA, Rothstein and Edwards, claiming the need for anonymity with regard to existing or fabricated clients, they were able to effectively use initials,” et cetera. Do you have any knowledge that Bradley Edwards fabricated a client to bring a claim against you?

...

A. I believe Mr. Scherer’s Complaint --

Q. I’m not asking about Mr. Scherer’s Complaint. I’m not asking about any evidence that you have.

...

A. The pleadings of Mr. Scherer and his claim against the Rothstein firm for a massive fraud, as well as Mr. Sakowitz’s claims to -- at least in the -- described in the public press, because he went to the FBI, for fabricating cases that included initials. With respect to anything specific with Mr. Edwards, I’m going to have to claim the attorney/client privilege today, sir.

Q. Do you have any -- do you have knowledge of the existence of any evidence that Bradley Edwards knew that Rothstein was utilizing RRA as a front for a Ponzi scheme?

...

A. That’s attorney/client privilege.

Q. Do you have any knowledge of any evidence that would indicate Bradley Edwards should have known that Rothstein was utilizing RRA as a front for a Ponzi scheme?

...

A. And today I'm going to have to assert the attorney/client privilege. . . . Separate from the communication I've had with my attorneys, I can't answer that question.

(Tr. at 77:19–80:6.)

Q. Do you have any evidence that Brad Edwards sold, allowed to be sold and/or assisted with the sale of an interest in non-settled personal injury lawsuits?

...

A. The newspapers have widely reported that the Rothstein firm engaged in illegal structured settlements of cases of a sexual nature, including specifically, me. We have subpoenaed the documents from Mr. Edwards and his firm and we have not been able to get them as of yet. I am confident that once we do, I will be able to answer your questions with more specificity.

Q. As you sit here today, do you have any evidence whatsoever to support an assertion that Bradley Edwards, individually and personally, sold, allowed to be sold and/or assisted with the sale of an interest in non-settled personal injury lawsuits?

...

A. You said, allowed to be sold. I'm going to assert attorney/client privilege to the answer, I'm afraid, but I'd like to answer that question.

Q. Do you have knowledge of any evidence indicating that Bradley Edwards ever reached agreements to share attorney's fees with non-lawyers?

...

A. In fact, Mr. Scarola, we have subpoenaed Mr. Edwards' documents and documents from his firm that I believe will, in fact, give me more specificity with the answers to that question. I'm looking forward to getting the -- that specific evidence. With respect to what we currently know, sitting here today, I'm unfortunately going to have to claim my attorney/client privilege.

Q. Do you today have any evidence to support an assertion that Bradley Edwards ever used investor money to pay L.M., E.W., and/or Jane Doe up-front money, such that they would refuse to settle civil actions?

...

A. I'm going to have to assert the attorney/client privilege, I'm afraid, though I'd like to answer that question as well, sir.

Q. Do you have any evidence to support the assertion that Bradley Edwards conducted searches, wire taps or intercepted conversations in violation of State or Federal laws and Bar rules?

A. Your question, once again asked did Mr. -- was Mr. Edwards personally involved in the eavesdropping? Did he walk to someone's house and sort of put a bug in their house? Did he, personally, stand outside? The question is, did Mr. Edwards' firm engage in this behavior in an attempt to defraud local investors out of millions of dollars? The U.S. attorney has filed a Complaint saying that they did. The Complaints filed by Scherer saying that his firm did. The Scherer Complaint says my name and the boxes of files that we've subpoenaed used my name, sir. We have requested information, but up until today have not received any. To give you a more specific answer, I'm afraid I cannot.

Q. Do you have knowledge of any evidence that Bradley Edwards ever conducted searches, wire taps or intercepted conversations in violation of State or Federal laws and Bar rules?

...

A. The newspapers and the U.S. Attorney's Complaint widely reported that Mr. Edwards' firm and people hired by his firm, investigators hired by his firm fraudulently representing themselves as FBI agents engaged in just those activities, sir.

Q. Do you have any knowledge of any evidence that Bradley Edwards was ever aware of any such activities.

A. I'm going to have to -- . . . assert the attorney/client privilege to that, sir.

Q. Do you have any knowledge that Bradley Edwards ever participated in or was aware of actions that utilized the judicial process, including, but not limited to, unreasonable and unnecessary discovery for the sole purpose of furthering a Ponzi scheme?

...

A. The pleadings of Mr. Scherer with respect to the largest Ponzi scheme in South Florida's history engaged in by Mr. Edwards' firm and Scott Rothstein, who currently sits in jail, probably for the rest of his life for engaging in, not only illegal wire taps and eavesdropping, but an abuse of the entire legal system, I believe speaks for itself. Unfortunately, with respect to Mr. Edwards today, I'm going to have to assert the attorney/client, work privilege, sir.

Q. Is it your contention that Mr. Scherer's Complaint even contains the name Bradley Edwards?

A. I don't recall, sir.

(Tr. at 83:11-88:18.)

Q. What are the damages that you claim to have suffered as a consequence of any wrongdoing on the part of Bradley Edwards?

A. The cost of ridiculous litigation, of having my attorneys prepare responses to wildly irrelevant discovery in various locations at a minimum, sir.

- Q. Which lawyers?
- A. Burman Critton, Jack Goldberger, and a bunch of the others, sir.
- Q. Which ones? Name them for me, please.
- A. Specifically -- I have so many lawyers defending me here against Mr. Edwards, I can't sit here -- at the moment I can't recall it with specificity.
- Q. You don't remember any of your lawyers' names?
- A. Uh, I do.
- Q. Besides Mr. -- besides the Burman Critton firm and Mr. Goldberger?
- A. Are you asking me for the firm, sir, or are you asking me for the names?
- Q. I want as much information as you can give me about this element of damage which you claim; and, that is, the cost of legal services that you claim to be damages in this case.
- A. Okay. . . . Mr. Roy Black.
- Q. Okay. Who else?
- A. Mr. Marty Weinberger. Mr. Alan Dershowitz. Mr. Jay Lefkowitz. The firm of Burman Critton Luttier. That's it for the moment.
- Q. How much have you paid the law firm of Burman Critton and Luttier which you claim is damages?
- A. Hundreds of thousands of dollars, sir.
- Q. How much?
- A. I don't have that figure offhand.
- Q. Can you give us any better figure than hundreds of thousands of dollars?
- A. No, not sitting here today.
- Q. Are you paying them on an hourly basis?
- A. Yes, sir.
- Q. What is the hourly rate at which you are compensating members of the law firm?
- A. They're ordinary rates.
- Q. What are they?

- A. I don't know.
- Q. How much have you paid Mr. Goldberger?
- A. I'm not aware total amount, sir.
- Q. What is the hourly rate at which you're paying Mr. Goldberger?
- A. His normal hourly rate.
- Q. How much is that?
- A. I don't know.
- Q. How much have you paid Mr. Black which you claim as damages in this case?
- A. Hundreds of thousands of dollars.
- Q. Are you paying him on an hourly basis?
- A. I believe so.
- Q. What is the hourly rate?
- A. I'm not -- I do not know, sir.
- Q. How much have you paid Marty Weinberger?
- A. I don't know the exact amount, sir.
- Q. What's your best estimate?
- A. More than a hundred thousand dollars.
- Q. Are you paying him on an hourly basis?
- A. I believe so.
- Q. What's the hourly rate?
- A. I don't know, sir.
- Q. How much have you paid Alan Dershowitz?
- A. Hundreds of thousands of dollars.
- Q. Are you paying him on an hourly basis?
- A. I believe so.

Q. At what hourly rate?

A. I don't know, sir.

Q. How much are you paying Jay -- how much have you paid Jay Lefkowitz?

A. I'm not sure, sir.

Q. Do you have any idea at all?

A. More than a hundred thousand dollars.

Q. Are you paying him on an hourly basis?

A. Yes, sir.

Q. What's the hourly rate?

A. I don't know.

Q. What is the form of payment to your lawyers? How do you transfer money to them?

A. I don't know, sir.

...

Q. Pardon me?

A. I don't know.

Q. Does someone do that on your behalf?

A. I would guess so.

Q. Who?

A. I don't know.

...

Q. Are there any other elements of damage, apart from the money paid to lawyers?

A. Yes, sir.

Q. What?

A. The stress and emotional damage of imperiling my friendships and business relationships with no relevance whatsoever to these cases, brought by a firm that whose partner sits in a Federal prison, who engaged in discovery to harass my friends and social contacts with no

consideration or relevance to this case whatsoever, in an attempt to simply fleece -- partly fleece investors in South Florida out of millions of dollars, sir.

Q. What is the value of those losses?

...

A. I'm not sure yet, sir.

Q. Do you have any idea at all?

A. Not sitting here today.

Q. More or less than \$10?

...

A. I would guess it's more than \$10, sir.

Q. More or less than a hundred?

A. I would guess it's quite an amount of money.

Q. Is it more or less than a hundred?

A. Yes, sir.

Q. More or less than a thousand.

A. I would say it's more than 150,000.

Q. More or less than a million?

A. I don't know, sir.

Q. So somewhere between 150,000 and a million?

A. No, sir. It's not -- . . . No, sir. That's not what I said. I said, I did not know.

Q. Maybe more than a million?

A. Maybe.

Q. More or less than a billion?

...

A. I don't know.

Q. Maybe more than a billion?

A. Maybe more.

Q. How are you going to go about finding out what the value of that loss is?

...

A. I will respectfully decline to answer that.

Q. On what basis?

A. Attorney/client privilege.

Mr. Pike: And work product.

Q. Any other elements of damage?

A. Not -- there might be, but sitting here today, I can't think of them.

Q. Do you have written contracts with any of your lawyers?

A. I don't know.

Q. Who does?

A. I don't know.

(Tr. at 116:8–123:18.)

B. Epstein Deposition—January 25, 2012

Epstein testified as follows:

Q. Yes, sir. Is it your contention that Bradley Edwards abusively prosecuted the federal court action on behalf of LM?

A. Yes, sir.

Q. How?

A. Bradley Edwards filed a 234-count federal complaint in conjunction with his partner Scott Rothstein to enable his partners at RRA to defraud south Florida investors of millions of dollars. His partner Scott Rothstein and his partner Mr. Adler have -- excuse me, Mr. Rothstein has now in deposition admitted that they needed to file a complaint to show investors that there was real action, in Mr. Rothstein's words, going on in federal court. The investors had not been able to find a filed complaint and had complained to Mr. Rothstein that there was no filed complaints two days, excuse me, before Mr. Edwards filed the federal complaint for 234.

Q. Were you ever served with that complaint?

- A. Not to the best of my recollection.
- Q. So one contention is that Mr. Edwards abusively prosecuted a federal court action on behalf of LM with which you were never served, correct?
- A. I had -- I was notified that the case was, in fact, filed.
- Q. But you were never served with the case, correct?
- A. I was notified that the case was filed.
- Q. But you were never served with the case, correct?
- A. Not to the best of my recollection.
- Q. Okay. What damage did you incur as a consequence of the filing of a complaint with which you were never served?
- A. I incurred many legal -- much legal fees, many legal fees, in fact, to try to figure out why - - what was going on and, in fact, getting prepared to defend the case though I had not yet been served.
- Q. Were the allegations in the federal complaint on behalf of LM any different than the allegations in the state court case on behalf of LM?
- A. I don't recall.

(Tr. at 19:16–21:9.)

C. Epstein Affidavit—June 30, 2017

Epstein set forth the following “good faith basis” for commencing his action against

Rothstein and Edwards:

5. I filed the Action against Rothstein and Edwards because, based on the facts described below and in the Summary Judgment Motion, I believed at the time of filing my original Complaint that these two individuals, and other unknown partners of theirs at Rothstein, Rosenfeldt, Adler (“RRA”), engaged in serious misconduct involving a widely publicized illegal Ponzi scheme operated through their law firm (the “Ponzi Scheme”) that featured the very civil cases litigated against me by Edwards, which were being used to defraud potential investors in the Ponzi Scheme.
6. In early November 2009, stories in the press, on the news, and on the internet were legion about the implosion of RRA, the Ponzi Scheme perpetrated at that firm, and the misuse in the Ponzi Scheme of certain civil cases then being litigated against me by RRA partner, Edwards. The cases Edwards was litigating against me, which are described in the

Summary Judgment Motion (the “Epstein Cases”), were being used to defraud investors out of millions of dollars and to fund the RRA Ponzi Scheme.

7. In November 2009, I also became aware of news stories that as a result of the Ponzi scheme at RRA, the Florida Bar had commenced investigations into over one-half of the attorneys employed by RRA.
8. At or about the same time in November 2009, I also became aware that the law firm of Conrad Scherer filed a Complaint against Scott Rothstein and others, *Razorback Funding, LLC, et al. v. Scott W. Rothstein, et al.*, Case No. 09-062943(19) (hereinafter referenced as the “Razorback Complaint”), on behalf of some of the Ponzi Scheme investors.
9. Upon reviewing the Razorback Complaint, I learned that the Razorback Complaint detailed the use of the Epstein Cases (i.e., the cases being litigated against me by Edwards) to defraud investors in the Ponzi Scheme; including, but not limited to, improper discovery practices and other methods to bolster the cases.
10. Prior to my filing the initial Complaint in the Action, I also became aware that the Federal government filed an Information against Scott Rothstein, which included allegations of RRA as an “Enterprise” in which Rothstein and his yet unidentified co-conspirators engaged in a racketeering conspiracy, money laundering conspiracy, mail and wire fraud conspiracy, and wire fraud, and specifically alleged that (a) potential investors were defrauded by Rothstein and other co-conspirators who falsely advised that confidential settlement agreements were available for purchase, when the settlement agreements offered were fabricated; (b) the fabricated settlements agreements 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; (c) Rothstein and other co-conspirators utilized the offices of RRA and the offices of other co-conspirators to convince potential investors of the legitimacy of the and success of the law firm, which enhanced the credibility of the purported investment opportunity in these fictitious settlements; (d) 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 RRA Enterprise.
11. Prior to filing the initial Complaint in the Action, consistent with the allegations made by the press, in the Razorback Complaint, and in the Rothstein Information, it was clear that the activity in the Epstein Cases being litigated by Edwards intensified substantially during the short six (6) months during which Edwards was a partner at RRA from April 2009 through the end of October 2009. Furthermore, during that six (6)-month period, questionable discovery like that detailed in the Razorback Complaint had taken place in the Epstein Cases being litigated against me by Edwards, including Edwards noticing the depositions of famous dignitaries and celebrities such as Bill Clinton and David Copperfield. However, the plaintiffs in the Epstein Cases had made no allegations of improper conduct against them implicating any celebrities or dignitaries.

12. Equally consistent with the allegations in the press and in the Razorback Complaint that the Epstein Cases were being deliberately misused for purposes unrelated to the litigation in order to lure investors into the Ponzi Scheme is the fact that on July 24, 2009, Edwards filed a two hundred thirty-four (234) page, one fifty-six (156) count federal complaint against me on behalf of a plaintiff, LM, for whom Edwards was already prosecuting a case against me in state court involving the same matters alleged in the federal complaint. The complaint was filed in federal court, but was never served on me or prosecuted, leading me to conclude that the only reason it was filed was to enhance the case files shown at the offices of RRA to potential investors in the Ponzi Scheme.
13. Also while a partner at RRA, Edwards filed a motion in Federal court in which he requested that the court order me to post a fifteen million dollar bond in the *Jane Doe* case. This case, according to the Razorback Complaint, was being touted at that same time to investors in the Ponzi Scheme. In connection with that motion, Edwards filed papers discussing my net worth and filed supplemental papers purporting to list in great detail my vehicles, planes and other items of substantial value, all at a time when, according to the accounts in the press, the Information and the Razorback Complaint, the Ponzi Scheme was unraveling and the need for new investors in the Ponzi Scheme was becoming urgent. The court rejected the Motion, calling it “devoid of evidence.”

(15th Jud. Cir. Case No. 50-2009-CA-040800-XXXX-MB DE-931 ¶¶ 5–13.)

III. EDWARDS’ DEPOSITION TESTIMONY

A. Edwards Deposition—March 23, 2010

Edwards testified as follows:

Q: Did he ever call you to communicate with you, call you either by phone, video conference, in any fashion to discuss any aspect of the cases that you had against Jeffrey Epstein?

...

A: He has communicated about various, about legal issues related to the case as well as commented about the case to me on very few occasions but I would say less than three times.

(Tr. at 112:7–16.)

Q: All right. Do you remember a third occasion that he spoke to you regarding Epstein related occasion, cases?

A: Anything else that he ever spoke with me about related to Epstein related issues is attorney-client and work-product privileged information that I am not going to divulge.

(Tr. at 116:21–117:3.)

Q: All right. And when you got into the office, Mr. Rothstein was there?

A: Yes.

Q: Mr. Adler?

A: Yes.

Q: There was someone on the telephone who you don't recall?

A: Yes.

Q: Okay. Was there anyone else present?

A: Not that I remember.

Q: Okay. Was, were there any investigators, was Mr. Jenne or Mr. Fisten present?

A: No.

Q: So, it was, you, Rothstein, Adler, and someone on the phone; that's it?

A: From what I remember.

Q: How long did the meeting last?

A: I don't know how long the meeting lasted.

Q: Five minutes or was it a substantially long meeting?

A: Do you want how long I was in the meeting, I can give you an answer. How long the meeting lasted, I have no idea.

Q: How long did the meeting last while you were present?

A: Less than five minutes.

Q: Was the value of any of the three cases discussed at all?

A: No.

Q: Did Mr. Rothstein, did Mr. Rothstein appear to be knowledgeable about your cases?

A: No.

Q: Mr. Adler, was Mr. Adler someone that you had discussed the cases with on a somewhat regular basis . . . not content. Was Mr. Adler someone that you had discussed these Epstein cases with prior to that meeting?

A: Yes.

(Edwards March 23, 2010, Tr. at 123:15–125:5.)

Q: What lawyers, other than yourself, were involved in the Epstein cases during the time you were associated with RRA?

A: What do you mean by “were involved?” I guess all.

Q: What, what lawyers actually worked on the file? I know Mr. Berger worked on the Epstein cases, correct?

A: In some limited capacity, correct.

Q: Okay. Mr. Adler I know attended Mr. Epstein’s deposition, correct?

A: Correct.

(Edwards March 23, 2010, Tr. at 230:15–231:1.)

B. Edwards Deposition—October 10, 2013

Edwards testified as follows:

Q: Okay. At the meetings that you -- at the meetings that occurred with these various lawyers, Berger, Adler, Stone, Rob Buschel were present and Epstein was discussed, was the discovery that -- discovery and/or investigation regarding Mr. Epstein ever discussed?

A: I -- I would assume so.

Q: Well, I --

A: In meetings, that we were talking about, was Epstein discussed?

Q: Yeah, I -- I -- I assume, based upon the -- what we saw in the e-mails today, that is exactly the purpose of the meeting, correct?

A: Exactly, that was the purpose of the meeting.

(Edwards Oct. 10, 2013, Tr. at 205:9–22.)

C. Edwards’ Deposition—November 10, 2017

Edwards testified as follows:

Q: So there is some truth that Rothstein is weaving in, based on documents, the flight log that was obtained by you as the lead trial lawyer in the pending lawsuits?

A: There is some truth in the pending lawsuits?

Q: No. I’m saying that what Rothstein was doing -- we all --

A: He used actual evidence to support a fabricated story.

Q: And the actual evidence that was referred to here are these flight logs that you as the lead lawyer obtained and brought back to the Rothstein firm, right?

A: I maintain the evidence for all of my cases at the Rothstein firm where I worked, yes.

Q: That's all I was confirming.

A: Does it appear that Rothstein gained access to it and used it to support his fairytale? It does.

(Edwards' Nov. 10, 2017, Tr. at 163:20–164:14.)

Q: Were you reporting to Mr. Adler in how to represent the three Rothstein clients -- the three ladies -- on how to prosecute the Epstein matters?

A: Well, this email is dated April 8th, 2009, so I had just started at the firm. I had just got there. Russ Adler was one of the only lawyers that I had known for years before I got to the firm. And Russ Adler handled sexual abuse cases. So, especially in the beginning, I talked to Russ about how to kind of navigate through the complications with Jeffrey Epstein and with the type of defense that was going on. So this just appears that Wayne Black and Russ Adler -- Wayne was the investigator -- that they were talking also about how to -- what we needed to do in the investigation. Yeah, Russ was definitely involved then. He didn't do much in the day-to-day, so I don't want to say anything to that.

Q: I understand. But I'm talking about on April 8th, 2009, it looks to me like he's giving you instructions on what to do. Do you agree?

A: Not giving me instructions on what to do. I mean, he's telling me bring Marc Nurik the non-prosecution agreement, is the instruction.

(Edwards' Nov. 10, 2017, Tr. at 259:22–260:22)

Q: Did you become aware of the fact that your Epstein-related files at some point in time had been requested by Scott Rothstein?

A: Yes.

Q: How did you become aware of that?

A: I think Mike told me -- Fisten.

Q: Was there any explanation offered as to why Scott Rothstein wanted to see the Epstein-related files?

A: That if these cases went to trial, he wanted to try the cases with me.

Q: He who?

A: He, Scott Rothstein, wanted to try the case with me. That's the explanation that I was given.
(Edwards Nov. 10, 2017, Tr. at 321:14–322:2.)

Q: You were an employee, in your mind, and he was the lawyer ultimately at the firm responsible for the three clients, true?

A: There's seventy lawyers at the firm. They all work for him. Hundreds of files. He's still the equity partner of the firm, so they are the firm's files. They are not --

Q: I understand. You told me earlier. And I didn't realize that, that the interest that Bradley Edwards, PA had in three files, you gave up to Mr. Rothstein and became a salary employee, essentially.

A: Gave up to RRA.

Q: Mr. Rothstein's firm, correct?

A: Right. We've established this.

Q: And so that Mr. Rothstein was the lawyer at that firm as the -- one of two equity shareholders who was ultimately responsible for the three Epstein matters?

A: For every case in the entire firm, including those --

Q Including the three Epstein matters?

A: Every case, yeah.

(Edwards' Nov. 10, 2017, Tr. at 338:10–339:7.)

IV. ROTHSTEIN'S DEPOSITION TESTIMONY

Rothstein testified as follows in this case:

Q: You never spoke to Brad about this case?

A: I didn't say that, but I had a lot more interaction . . . If you talk to the people in the firm, if they are honest with you, they'll tell you my interaction was far more significant with Russ Adler, probably more so because he was a co-conspirator of mine. My interaction with Russ was far greater by many, many percents over my interaction with Brad, and then you go down the line. I had more interaction with Mr. Farmer than I did with Mr. Fistos, more interaction with Jaffe than I did with Mr. Edwards, and so on.

(Rothstein June 14, 2012, Tr. at 23:24–24:13.)

Q: Right. How did you know at the time when you said these investors wanted to investigate and you said you were going to create a fake settlement, how did you know that this case was the case that you could use?

A: From talking to all the people that I just said, Adler, Fistos, Jaffe, Farmer, Mr. Edwards, to the extent that I spoke to him about it.

Q: Did you speak with Mr. Edwards about the case?

A: I don't have a specific recollection one way or the other. I remember speaking to him at least briefly the day or the day of or the day before the actual investor's due diligence was going on as to what was going on. And I may have spoke to him, I know I spoke to Russ, but I may have spoke to him as well within a couple of days just prior to this due diligence because I was trying to at least get some information in my head that I could use when I was creating this story for the investors.

(Rothstein June 14, 2012, Tr. at 25:12–26:6.)

Q: Well, then explain to me. You testified earlier that what was important to the investors to see is that there was a real case, correct?

A: Yes.

Q: What did you look at or show them -- what did you look at, first of all, to see if it was, in fact, a real case?

A: I knew it was a real case.

Q: How did you know?

A: Because my lawyers told me it was a real case. I believed them.

Q: What lawyers told you that?

A: I already told you it was a mixture of Russ and Jaffe and Fistos and Farmer and Mr. Edwards. I mean, I knew it was a real case. We had all these boxes, we had people really working on the file --

Q: How do you know --

A: --or they were pulling a hell of a scam on me. Not that I didn't deserve it but [--]

Q: How did you know, you just said you knew people were working really hard on this case. Who do you know was working on the case?

A: The only people that I knew for certain were working on the case was Brad Edwards and Russ Adler was doing his supervisory schtick, whatever that was. But other than that, I don't know which other lawyers were assisting Mr. Edwards. I didn't get involved at that level.

(Rothstein June 14, 2012, Tr. at 52:5–53:7.)

Rothstein testified as follows in *Razorback Funding, LLC v. Rothstein*, 17th Jud. Cir. Case

No. 062009CA062943AXXXCE:

Q: You pulled out some kind of a flight manifest; do you recall that?

A: Yeah. At some point in time I believe it was either Brad Edwards or Russ Adler pointed out to me that one of the pieces of evidence they were using in the actual case was the flight manifest. And I actually used that to make a fairly big show. I found that those most of the time in these cases the more significant our underlying investigation was and the more tantalizing it was, the more interested the investors got. We had that real piece of evidence and we used it to our advantage to attempt to secure the investor.

(Rothstein Dec. 12, 2011, Tr. at 59:14–25.)

Q: Didn't you add some sensational names to the manifest that weren't there to start with?

A: I did. I did.

Q: Tell us about that.

A: There were -- I said that there were additional manifests -- if I remember correctly, I said there were additional manifests that we had discovered containing Bill Clinton's name, Prince Andrew, all being shown flying with young girls on the plane.

Q: And do you know whether -- let me back up. The original manifests that were in evidence in the real case, didn't have those names on it?

A: No, but it's interesting you bring that up because the way I came up with Bill Clinton and Prince Andrew was Mr. Adler and Mr. Edwards both told me on different occasions that the reason the case -- when we were discussing the actual real case, the reason it was becoming so, quote, unquote, tasty because they had information that he had been flying Bill Clinton around and Prince Andrews around, the piece that was missing from the real case was the connection to the young girls.

Q: The young girls -- connection to the young girls was fiction, it was a lie?

A: Not as far as Mr. Epstein is concerned but as far as the other people are concerned, yes.

(Rothstein Dec. 12, 2011, Tr. at 60:10–61:9.)

Q: When you were asked -- this morning about Brad Edwards you really hesitated. I don't know if you know you did that. You were answering yes, no, maybe so. On him you really paused.

A: On the question as whether or not he would have turned us in, you mean?

Q: Whether he was a player or whether he was involved and you didn't quite answer.

A: Just because of the way I knew Brad and socialized with him, I did not know that he was at that level. There are certain people, Barry Stone, second he found out about it would have absolutely done what was appropriately – supposed to do from an ethical standpoint. And then there were people who I say would never do that. And then there are people in the middle. I believe Brad Edwards is probably in the middle.

(Rothstein Dec. 12, 2011, Tr. at 61:15–62:6.)

Q: I'm trying to understand. I'm not going to have you go through all 13 boxes, but I'm trying to get a frame of reference. You're talking about a flight manifest or flight manifests for private jets, right?

A: Yes. This is a very small document. It may have been one or two pages. And I had it specifically set aside. I'd either ask Mr. Adler or Mr. Edwards to isolate the flight manifest.

(Rothstein Dec. 19, 2011, Tr. at 2278:13–20)

CERTIFICATE OF SERVICE

I certify that the foregoing document has been furnished to the attorneys listed on the Service List below on November 17, 2017, through the Court's e-filing portal pursuant to Florida Rule of Judicial Administration 2.516(b)(1).

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