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## Scott Rothstein returning to Fort Lauderdale for more questioning

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South Florida's most notorious swindler, Scott Rothstein, should be sprung from prison to return to Fort Lauderdale, a federal judge has ruled.

But it's no break for the former high-rolling attorney, who is now serving a 50-year sentence. Rothstein will be let out only temporarily to be grilled by lawyers seeking to reclaim money from his once-powerful and now-defunct law firm, Rothstein Rosenfeldt Adler.

U.S. Bankruptcy Judge Raymond Ray ordered that Rothstein, 49, whose \$1.4 billion Ponzi scheme collapsed in 2009, can be questioned under oath by creditors who are owed money by the dissolved firm. The time and place for the questioning are as yet undetermined. As part of his decision, Ray provided a blank court order that a U.S. District Court judge in Fort Lauderdale must sign to release Rothstein from incarceration.

"The court finds that Scott W. Rothstein ... is an important witness, who should have personal knowledge of many issues in the case," Ray wrote in his eight-page order, which was made public Tuesday.

The request to question Rothstein came from bankruptcy trustee Herbert Stettin, along with creditors Gibraltar Private Bank & Trust Co. and a group of investors known as the Razorback Creditors. Other people who claim to have lost money to Rothstein may also attend the deposition.

Ray fixed the conditions by which Rothstein may be questioned, limiting the number of creditor representatives who may be present and requiring that they share the security, transportation and court reporting costs of the proceedings.

While the questioning will be closed to the public and press, they and other parties "may order a copy of the transcripts and videotapes of the examination and deposition at their own cost," Ray said.

Rothstein pleaded guilty in January 2010 to racketeering, money laundering and fraud in a case in which he defrauded investors of \$363 million so he could finance an extravagant lifestyle fraught with yachts, exotic cars and a multi-million dollar home. His Ponzi scheme amassed a total of \$1.4 billion, which authorities said was the largest ever in Florida.

Rothstein is serving his sentence at an undisclosed federal prison. Copies of the judge's order, dated June 2, were sent to the U.S. Bureau of Prisons, the U.S. Marshal's Service and U.S. Attorney's Office.

In other developments Tuesday, Howard Kusnick, one of Rothstein's former law partners, pleaded guilty to a single count of conspiring to commit wire fraud in U.S. District Court in West Palm Beach, admitting he unwittingly helped Rothstein defraud car dealer Ed Morse of \$57 million.

Kusnick faces a minimum of two years in prison, according to advisory sentencing guidelines, which range up to 2 1/2 years. The judge has a free hand to go below or above those guidelines.

That guilty plea, the first by one of Rothstein's four newly charged associates, marks a new phase in the wide-reaching investigation into the fraud, as federal prosecutors roll up more cooperating co-conspirators.

The three other Rothstein associates — a partner in a nightclub, and two of his law firm's computer specialists — are scheduled to enter guilty pleas in the coming days. All four men were charged last month in what were the first arrests in the government's Rothstein investigation in a year.

Kusnick, 59, of Tamarac, had a long relationship with Rothstein, going back to the early 1990s when the two men practiced in a small law firm in Plantation long before Rothstein embarked on his giant swindle.

Kusnick worked on a civil case in which Rothstein admitted to defrauding Morse and his wife, using fictional court orders involving a Palm Beach County lawsuit the couple had filed against an interior decorator. Rothstein convinced the Morses that in order to collect a \$20 million judgment, they had to post a \$60 million bond.

Prosecutors and Kusnick's defense attorneys told U.S. District Judge Kenneth Marra that Kusnick had no role in fabricating the court orders, which bore Marra's name. The judge had offered to recuse himself if Kusnick had a part in forging those documents, but attorneys on both sides said that was not necessary.

Once Rothstein got the Morses' money, he used some of it to repay investors in the Ponzi scheme to keep it afloat, according to prosecutors.

As his scheme was verging on collapse in the fall of 2009, Rothstein enlisted Kusnick to pose as an attorney for a subcontractor Rothstein was supposed to be suing on the Morses' behalf. Kusnick created a fake law firm in his name, Howard Kusnick and Associates, and wrote a letter to the Morses outlining that the subcontractor was willing to settle the case for \$310,000.

It was all a ruse to keep the Morses appeased, prosecutors say.

The other new defendants include two law firm technology specialists, Curtis Renie, 38, of Fort Lauderdale, and William J. Corte, 38, of Plantation, who are accused of setting up fake Web pages so Rothstein could dupe investors into believing his accounts at TD Bank were brimming with hundreds of millions of dollars.

Finally, Stephen Caputi, 53, of Lauderhill, Rothstein's partner in a nightclub, is accused of playing various roles in Rothstein's charade, impersonating bankers and law firm clients to provide a patina of legitimacy for jittery investors.

All four defendants appear to have been on the periphery of the pyramid scheme and to be cooperating now with authorities, setting the stage for prosecutors to focus on Rothstein's alleged major co-conspirators.