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## Raymond Ray nixes Rothstein reorganization plan

U.S. Bankruptcy Judge Raymond Ray denied a controversial reorganization plan for the Rothstein Rosenfeldt Adler bankruptcy estate and ordered the trustee back to the drawing board.

Julie Kay

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A U.S. bankruptcy judge torpedoed a controversial reorganization plan for the Rothstein Rosenfeldt Adler bankruptcy estate and ordered the trustee back to the drawing board.

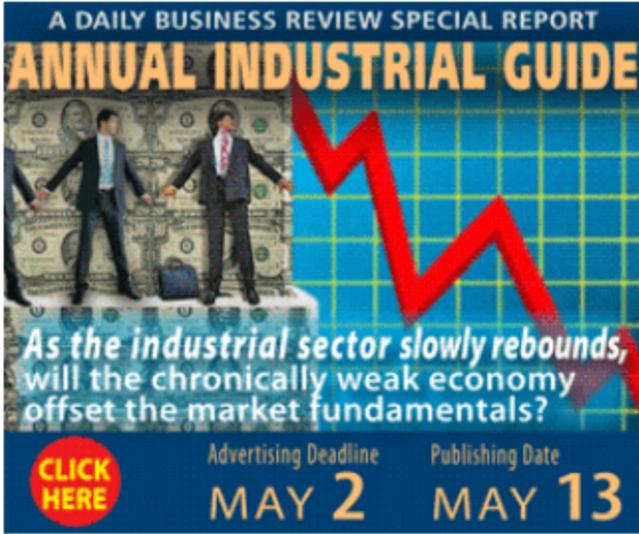
U.S. Bankruptcy Judge Raymond Ray denied the plan proposed by trustee Herbert Stettin after nearly a dozen parties blasted it at a Friday hearing.

Lawyers for dozens of victims of the \$1.2 billion Ponzi scheme perpetrated by imprisoned law firm leader Scott Rothstein took issue with the plan's proposal to grant TD Bank a bar order that would prohibit any future lawsuits against the bank. The institution provided an array of services to Rothstein and was found by a Miami federal judge and jury to have aided and abetted his scheme, a conclusion the bank denies.

Stettin's plan also called for TD Bank to help choose a liquidating trustee.

Ray ruled that any future plan proposed by Stettin's lawyers remove current language asserting the plan would pay 100 percent of victims' claims, which Ray said was impossible.

Paul Singerman of Berger Singerman, one of Stettin's attorneys, vowed to return with a new reorganization plan. But the creditors' committee and victims' lawyers say they intend to propose their own plan. They also have filed motions to convert the Chapter 11 case to a Chapter 7 and seek to have Stettin dismissed as trustee.



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