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1 Q. No, you're not answering my question.  
2 MR. PIKE: He's only said three words, so you  
3 don't know whether he's answering your question or  
4 not.  
5 MR. SCAROLA: I didn't ask him anything about  
6 newspapers. I asked him about his contention. I  
7 don't know he's not answering my question.  
8 BY MR. SCAROLA:  
9 Q. But you can go ahead, Mr. Epstein, and you can  
10 make your silly speech one more time.  
11 MR. PIKE: I'm going to move to strike.  
12 THE WITNESS: You want to repeat the question?  
13 BY MR. SCAROLA:  
14 Q. Yes, sir. I would like to know whether it is  
15 your contention that one or more lawsuits have been  
16 fabricated against you.  
17 A. My contention, sir, is that the firm of  
18 Edwards' partners, Scott Rothstein, fabricated many  
19 cases, reported by the press and the U.S. Attorney,  
20 amongst people like me and others of a sexually charged  
21 nature in order to fleece investors of South Florida out  
22 of millions of dollars.  
23 Do I have a -- with respect to my individual  
24 cases that Mr. Edwards has filed in these three cases,  
25 I'm unfortunately today, and only today at least, on

1 potential defendants could be, in essence, blackmailed.  
2 MR. PIKE: Would you identify for me,  
3 Mr. Scarola, what page?  
4 MR. SCAROLA: Page 8, paragraph 19.  
5 BY MR. SCAROLA:  
6 Q. Did anyone ever sift through your garbage  
7 looking for damaging evidence?  
8 MR. PIKE: One second.  
9 In light of clarity, Mr. Scarola, would you  
10 please read the entire paragraph so Mr. Epstein  
11 understands the tenor of the paragraph?  
12 MR. SCAROLA: No. I want to know whether  
13 anyone ever sifted through Mr. Edwards' garbage --  
14 through Mr. Epstein's garbage. That's the pending  
15 question.  
16 MR. PIKE: To the extent you understand the  
17 question, you can answer.  
18 THE WITNESS: I think the question is poorly  
19 phrased. Did anyone ever sift through my garbage?  
20 What does that mean?  
21 BY MR. SCAROLA:  
22 Q. You don't know what sifting through garbage  
23 means?  
24 A. Does that mean the garbage man? Does that  
25 include the garbage man? I'm sure he sifted through my

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1 advice of Counsel I'm going to have to assert my Fifth,  
2 Sixth and 14th Amendment, sir.  
3 Q. Okay. Well, I'm not limiting my question to  
4 the three cases referenced in your Complaint. I want to  
5 know whether you contend that any claim against you has  
6 been fabricated?  
7 MR. PIKE: Form. Overbroad and confusing and  
8 it's compound.  
9 THE WITNESS: The question makes no sense to  
10 me. I'm sure you could do better.  
11 BY MR. SCAROLA:  
12 Q. Is there any pending claim against you which  
13 you contend is fabricated?  
14 A. At least today, sir, I'm going to have to  
15 respond by asserting my Fifth, Sixth and 14th Amendment  
16 Right.  
17 MR. PIKE: Form, also.  
18 BY MR. SCAROLA:  
19 Q. Is it your contention that Bradley Edwards was  
20 ever personally involved in manufacturing false and/or  
21 fraudulent Court Opinions or Orders?  
22 A. Attorney/client privilege.  
23 Q. Your Complaint makes reference to someone  
24 sifting through a potential defendant's garbage looking  
25 for damaging evidence to use with investors to show how

1 garbage.  
2 Q. Which garbage man sifted through your garbage?  
3 A. I'm sure people who go through garbage sift  
4 through the garbage. I have no idea.  
5 Q. Did anyone ever sift through your garbage  
6 looking for damaging evidence?  
7 A. It's been widely reported in the newspapers,  
8 sir, that the Rothstein firm engaged in sifting through  
9 many people's garbage in order -- in an attempt to  
10 blackmail them.  
11 Q. Yes. But I didn't ask you what some newspaper  
12 is alleged to have reported.  
13 What I did ask you is whether anyone ever  
14 sifted through your garbage looking for damaging  
15 evidence.  
16 And the answer to that question, I think, can  
17 be either yes, no, or I don't know.  
18 MR. PIKE: Move to strike.  
19 BY MR. SCAROLA:  
20 Q. Or you could refuse to answer it on the  
21 grounds that it may tend to incriminate you.  
22 A. I think you might --  
23 MR. PIKE: Move to strike.  
24 THE WITNESS: I would like to answer my own  
25 questions. If you'd like to answer all my

19 (Pages 70 to 73)

1 questions, Mr. Scarola, I'm more than happy to sit  
2 here and answer them. Would you like to continue?

3 BY MR. SCAROLA:

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

7 MR. PIKE: Form.

8 THE WITNESS: I don't know.

9 BY MR. SCAROLA:

10 Q. Did you ever have damaging evidence in your  
11 garbage?

12 A. What's damaging evidence, sir?

13 Q. Evidence tending to implicate you in criminal  
14 conduct.

15 MR. PIKE: Form.

16 THE WITNESS: At least today, Mr. Scarola,  
17 with these -- with your questions and your claims  
18 and your defense of Mr. Edwards and his firm, the  
19 Rothstein firm, while his partner sits in jail,  
20 today I'm going to have to assert my Fifth, Sixth  
21 and 14th Amendment Right, sir.

22 BY MR. SCAROLA:

23 Q. Did you ever have any evidence in your garbage  
24 that would subject you to blackmail?

25 MR. PIKE: Form. Same -- same objection.

1 THE WITNESS: Again, I'll respectfully answer  
2 the question by asserting my Fifth, Sixth and 14th  
3 Amendment Right.

4 BY MR. SCAROLA:

5 Q. Your Complaint in paragraph 21, page 9, says  
6 that: "Upon information and belief, Rothstein, David  
7 Boden, Debbie Villegas, Andrew Barnett, Michael Fisten  
8 and Kenneth Jenne, all employees of RRA, through brokers  
9 or middle men would stage regular meetings during which  
10 false statements were made about the number of  
11 cases/clients that existed or RRA had against Epstein  
12 and the value thereof."

13 Do you have any knowledge that Mr. Edwards  
14 ever knew about such meetings being conducted?

15 MR. PIKE: Form.

16 To the extent you understand the question and  
17 it will not violate any attorney/client or work  
18 product privilege information, you can answer that  
19 question.

20 MR. SCAROLA: Mr. Pike, it has become evident  
21 that that speaking instruction to your witness is  
22 an instruction for him to assert an attorney/client  
23 privilege, regardless of whether it is or is not  
24 valid and I object to it.

25 MR. PIKE: Let me make the record clear.

1 You've been interchanging knowledge with personal  
2 knowledge. And many of the objections to which I  
3 am asserting an attorney/client and work product  
4 privilege are based upon your malphrased question  
5 and use of personal knowledge and knowledge  
6 interchangeably with those questions.

7 So if you want to rephrase your question to  
8 attempt to elicit a response -- let me finish --  
9 then I have no objection to that. However, I'm not  
10 going to sit here and allow my client to waive  
11 attorney/client and work product.

12 Now, to the extent you're saying I'm coaching  
13 the witness, I object to that because I am  
14 certainly not. The witness is here to answer your  
15 questions and I believe has been answering your  
16 questions today to the best of his ability.

17 MR. SCAROLA: I am saying you're coaching the  
18 witness.

19 BY MR. SCAROLA:

20 Q. Could you answer the question?

21 MR. PIKE: Same objection.

22 THE WITNESS: You'll have to repeat it.

23 BY MR. SCAROLA:

24 Q. Do you have any information indicating that  
25 Bradley Edwards ever had any knowledge of anyone

1 associated with the Rothstein firm holding meetings  
2 during which, quote, "false statements were made about  
3 the number of cases/clients that existed or RRA had  
4 against Epstein and the value thereof," unquote?

5 MR. PIKE: Form. Same objection.

6 THE WITNESS: My best recollection is the U.S.  
7 Attorney has accused the Rothstein firm of just  
8 those types of meetings where the partners got  
9 together, schemed to defraud local investors of  
10 millions of dollars by fabricating cases of a  
11 sexually charged nature. And whether Mr. Edwards  
12 personally participated, I'm going to at least  
13 today, sir, have to assert the attorney/client  
14 privilege, but look forward to one day disclosing  
15 it.

16 MR. SCAROLA: Move to strike all unresponsive  
17 portions of the answer.

18 BY MR. SCAROLA:

19 Q. Paragraph 23 of your Complaint says that:  
20 "RRA, Rothstein and Edwards, claiming the need for  
21 anonymity with regard to existing or fabricated clients,  
22 they were able to effectively use initials," et cetera.

23 Do you have any knowledge that Bradley Edwards  
24 fabricated a client to bring a claim against you?

25 MR. PIKE: Form.

1 THE WITNESS: I believe Mr. Scherer's  
2 Complaint --  
3 BY MR. SCAROLA:  
4 Q. I'm not asking about Mr. Scherer's Complaint.  
5 I'm asking about any evidence that you have.

6 MR. PIKE: The witness is basically been five  
7 words into his sentence and you're not allowing him  
8 to finish, once again.

9 So if you recall the question, then please  
10 respond.

11 THE WITNESS: Please repeat it back, please?

12 MR. PIKE: Madame Court Reporter, if you  
13 would.

14 (Pending question was read.)

15 MR. PIKE: Form.

16 THE WITNESS: The pleadings of Mr. Scherer and  
17 his claim against the Rothstein firm for a massive  
18 fraud, as well as Mr. Sakowitz's claims to -- at  
19 least in the -- described in the public press,  
20 because he went to the FBI, for fabricating cases  
21 that included initials.

22 With respect to anything specific with  
23 Mr. Edwards, I'm going to have to claim the  
24 attorney/client privilege today, sir.

25 BY MR. SCAROLA:

1 MR. PIKE: -- then, please, --  
2 THE WITNESS: Yes.  
3 MR. PIKE: -- answer Mr. Scarola's question.  
4 THE WITNESS: Separate from --

5 MR. SCAROLA: Objection. Coaching the  
6 witness.

7 THE WITNESS: Separate from the communication  
8 I've had with my attorneys, I can't answer that  
9 question.

10 MR. PIKE: Mr. Scarola, I'm confused. I  
11 started objecting to form in the beginning of this  
12 deposition. You then instructed me, which is  
13 against the rules, Mr. Pike, I don't know what's  
14 wrong with the form. I object to you objecting to  
15 form.

16 Then I assert the attorney/client, work  
17 product, and now you're telling me I'm coaching the  
18 witness.

19 So tell me, Mr. Scarola, what is the -- what  
20 is the way that you would like me to object in this  
21 deposition, and maybe I can conform that way for  
22 you, which may or may not be consistent with the  
23 Florida Rules of Civil Procedure.

24 MR. SCAROLA: Mr. Pike, --

25 MR. PIKE: Yes, sir.

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

5 MR. PIKE: Form.

6 THE WITNESS: That's attorney/client  
7 privilege.

8 BY MR. SCAROLA:

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

13 MR. PIKE: Form.

14 THE WITNESS: At least today --

15 MR. PIKE: Wait.

16 THE WITNESS: Sorry.

17 MR. PIKE: Form. Same objections. Same  
18 attorney/client, work product as to the last  
19 question. Same objections here, attorney/client  
20 work product.

21 THE WITNESS: And today I'm going to have to  
22 assert the attorney/client privilege.

23 MR. PIKE: To the extent you can answer that  
24 question --

25 THE WITNESS: I understand.

1 MR. SCAROLA: -- if you don't know the  
2 difference between a form objection and a privilege  
3 objection --

4 MR. PIKE: Right.

5 MR. SCAROLA: -- then this deposition is not  
6 the proper context in which for you to learn the  
7 difference between a form objection and a privilege  
8 action.

9 MR. PIKE: I'm pretty clear on what a form  
10 objection is and what a privilege objection is and  
11 I'm pretty knowledgeable on that. The problem --  
12 MR. SCAROLA: Then we don't need to engage in  
13 any further discussion.

14 MR. PIKE: -- I want to try to make the record  
15 clear, because initially you didn't want me to  
16 object to form. You wanted me to speak. So I'm  
17 thinking you're conceding to that point.

18 What my question is, is: What's wrong with my  
19 objecting to attorney/client, work product? So I  
20 guess I'm asking you what you were asking me  
21 earlier on. What's wrong with the form?

22 We can just move forward.

23 BY MR. SCAROLA:

24 Q. In your Complaint you identify the RRA law  
25 firm, Rothstein and Edwards, as the, quote, "litigation

1 team," unquote.

2 You then go on to say in paragraph 31 of your  
3 Complaint at page 12 that: "Rothstein and the  
4 litigation team" --

5 MR. PIKE: Wait a minute. Put that down for a  
6 second. Hold on.

7 THE WITNESS: You can read it.

8 BY MR. SCAROLA:

9 Q. "Individually and in a concerted effort may  
10 have unethically and illegally engaged in certain  
11 specified conduct."

12 May we correctly conclude from that statement  
13 that you don't have any knowledge as to whether the,  
14 quote, "litigation team," including Mr. Edwards, engaged  
15 in any unethical and illegal conduct?

16 MR. PIKE: For now, while I'm reviewing the  
17 document itself, I'm just going to just tell you to  
18 hold off --

19 THE WITNESS: Sure.

20 MR. PIKE: -- on answering that question.

21 You may want to go off the record, so we don't  
22 have a lag in --

23 MR. SCAROLA: No, I'd like it on the record.  
24 Thank you.

25 MR. PIKE: Mr. Scarola, did you bring an extra

1 copy of the Complaint that you're questioning  
2 Mr. Epstein on for Mr. Epstein to look at?

3 MR. SCAROLA: No.

4 MR. PIKE: Okay. I'm going to have to go get  
5 him a copy so he can -- the paragraphs of this  
6 Complaint are very long and the Complaint itself is  
7 in excess of -- it was approximately 35 pages,  
8 so...

9 MR. SCAROLA: I'll withdraw the question.

10 BY MR. SCAROLA:

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

14 MR. PIKE: Form.

15 THE WITNESS: The newspapers have widely  
16 reported that the Rothstein firm engaged in illegal  
17 structured settlements of cases of a sexual nature,  
18 including specifically, me. We have subpoenaed the  
19 documents from Mr. Edwards and his firm and we have  
20 not been able to get them as of yet.

21 I am confident that once we do, I will be able  
22 to answer your questions with more specificity.

23 BY MR. SCAROLA:

24 Q. As you sit here today, do you have any  
25 evidence whatsoever to support an assertion that Bradley

1 Edwards, individually and personally, sold, allowed to  
2 be sold and/or assisted with the sale of an interest in  
3 non-settled personal injury lawsuits?

4 MR. PIKE: Before you answer that question,  
5 Madame Court Reporter, will you please read that  
6 question back to me?

7 (Pending question was read.)

8 MR. PIKE: To the extent you can answer that  
9 question without divulging attorney/client or work  
10 product information, you may answer that question.

11 MR. SCAROLA: Objection. Coaching.

12 THE WITNESS: You said, allowed to be sold.  
13 I'm going to assert attorney/client privilege to  
14 the answer, I'm afraid, but I'd like to answer that  
15 question.

16 BY MR. SCAROLA:

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

20 MR. PIKE: I'm sorry. Mr. Scarola, can you  
21 tell me what page of the Complaint you're referring  
22 to, if you are?

23 MR. SCAROLA: I'm not referring to any page of  
24 the Complaint, although I will tell you that that  
25 precise allegation is made in the Complaint.

1 THE WITNESS: In fact, Mr. Scarola, we have  
2 subpoenaed Mr. Edwards' documents and documents  
3 from his firm that I believe will, in fact, give me  
4 more specificity with the answers to that question.

5 I'm looking forward to getting the -- that  
6 specific evidence. With respect to what we  
7 currently know, sitting here today, I'm  
8 unfortunately going to have to claim my  
9 attorney/client privilege.

10 BY MR. SCAROLA:

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

15 MR. PIKE: Same instruction.

16 THE WITNESS: You'll have to get -- I need to  
17 hear the first part of the question. Do I have any  
18 evidence? Do I have knowledge of evidence? I'm  
19 sorry. What was the --

20 BY MR. SCAROLA:

21 Q. Do you have knowledge of any evidence to  
22 support that assertion?

23 MR. PIKE: To the extent you can answer that  
24 question without violating attorney/client, work  
25 product, please do so.

1 MR. SCAROLA: Objection. Coaching.

2 THE WITNESS: I'm going to have to assert the  
3 attorney/client privilege, I'm afraid, though I'd  
4 like to answer that question as well, sir.

5 BY MR. SCAROLA:

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

10 A. Your question, once again, asked did Mr. --  
11 was Mr. Edwards personally involved in the  
12 eavesdropping? Did he walk to someone's house and sort  
13 of put a bug in their house? Did he, personally, stand  
14 outside?

15 The question is, did Mr. Edwards' firm engage  
16 in this behavior in an attempt to defraud local  
17 investors out of millions of dollars? The U.S. attorney  
18 has filed a Complaint saying that they did. The  
19 Complaints filed by Scherer saying that his firm did.

20 The Scherer Complaint says my name and the  
21 boxes of files that we've subpoenaed used my name, sir.

22 We have requested information, but up until  
23 today have not received any.

24 To give you a more specific answer, I'm afraid  
25 I cannot.

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

5 MR. PIKE: Same instruction.

6 THE WITNESS: The newspapers and the U.S.  
7 Attorney's Complaint widely reported that  
8 Mr. Edwards' firm and people hired by his firm,  
9 investigators hired by his firm fraudulently  
10 representing themselves as FBI agents engaged in  
11 just those activities, sir.

12 BY MR. SCAROLA:

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

15 A. I'm going to have to --

16 MR. PIKE: Same objection.

17 THE WITNESS: -- assert the attorney/client  
18 privilege to that, sir.

19 BY MR. SCAROLA:

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

25 MR. PIKE: Same objection.

1 To the extent you can answer the question  
2 without disclosing attorney/client or work product  
3 information, do so.

4 THE WITNESS: The pleadings of Mr. Scherer  
5 with respect to the largest Ponzi scheme in South  
6 Florida's history engaged in by Mr. Edwards' firm  
7 and Scott Rothstein, who currently sits in jail,  
8 probably for the rest of his life for engaging in,  
9 not only illegal wire taps and eavesdropping, but  
10 an abuse of the entire legal system, I believe  
11 speaks for itself.

12 Unfortunately, with respect to Mr. Edwards  
13 today, I'm going to have to assert the  
14 attorney/client, work privilege, sir.

15 BY MR. SCAROLA:

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

18 A. I don't recall, sir.

19 Q. Did sexual assaults ever take place on a  
20 private airplane on which you were a passenger?

21 MR. PIKE: Form. Relevance.

22 THE WITNESS: At least -- I would like to  
23 answer each and every one of your questions here  
24 today, Mr. Scarola. But at least today, I'm going  
25 do have to assert my Fifth, Sixth and 14th

1 Amendment Rights as provided by the U.S.  
2 Constitution.

3 BY MR. SCAROLA:

4 Q. Does a flight log kept for a private jet used  
5 by you contain the names of celebrities, dignitaries or  
6 International figures?

7 A. At least today, sir, I'm going to have to  
8 respectfully decline to answer based on my Fifth, Sixth  
9 and 14th Amendment Right, though I'd like to answer that  
10 question.

11 Q. Have you ever had a personal relationship with  
12 Donald Trump?

13 A. What do you mean by "personal relationship,"  
14 sir?

15 Q. Have you socialized with him?

16 A. Yes, sir.

17 Q. Yes?

18 A. Yes, sir.

19 Q. Have you ever socialized with Donald Trump in  
20 the presence of females under the age of 18?

21 A. Though I'd like to answer that question, at  
22 least today I'm going to have to assert my Fifth, Sixth  
23 and 14th Amendment Right, sir.

24 Q. Have you socialized with Alan Dershowitz?

25 A. Yes, sir. He's my attorney, as well as a

1 friend.

2 Q. Have you ever socialized with Alan Dershowitz  
3 in the presence of females under the age of 18?

4 MR. PIKE: Form.

5 THE WITNESS: Sir, at least here today, I'm  
6 going to have to assert my Fifth Amendment, Sixth  
7 Amendment and 14th Amendment Rights.

8 BY MR. SCAROLA:

9 Q. Have you ever socialized with Tommy Mottola?

10 A. This is the type of questions where people who  
11 have nothing to do with this case whatsoever have been  
12 brought into the case by Mr. Edwards in an attempt to  
13 simply imperil my relationships with social friends and  
14 serves as an example of why this case has been brought  
15 against Mr. Edwards and his firm, sir.

16 MR. PIKE: Form as well.

17 BY MR. SCAROLA:

18 Q. Well, do you know who brought those persons'  
19 names into this lawsuit?

20 MR. PIKE: Form.

21 And just to be clear, what Mr. Scarola, I  
22 believe, talking about this lawsuit, Epstein versus  
23 RRA?

24 BY MR. SCAROLA:

25 Q. Yes, sir, that's the lawsuit I'm talking

1 about. The one in which your deposition is being taken  
2 today.

3 Do you know who brought those persons' names  
4 into this lawsuit?

5 A. As a reaction, and only as a reaction to total  
6 misbehavior on Mr. Edwards' part, and the Complaint was  
7 obviously written by my attorneys, sir.

8 Q. So you know that those names are in your  
9 Complaint, right?

10 A. Yes, sir.

11 Q. Okay. So because those names are in your  
12 Complaint, I'm asking you about the people you named.

13 Have you had a social relationship with Tommy  
14 Mottola?

15 A. The names in my Complaint are strictly as a  
16 reaction to the abusive discovery process by  
17 Mr. Edwards, his partners, Scott Rothstein, who sits in  
18 jail, in an attempt to imperil my friendships.

19 But, yes, I have socialized with Mr. Mottola.

20 Q. Have you ever socialized with Mr. Mottola in  
21 the presence of females under the age of 18?

22 MR. PIKE: Form.

23 THE WITNESS: At least today, the typical to  
24 the Edwards contention of bringing cases of a  
25 malicious nature where his partner sits in jail for

1 this -- just this type of behavior, the answer is,  
2 today, at least, I must assert my Fifth, Sixth and  
3 14th Amendment Right, though I'd like to answer  
4 each and every one of your questions, Mr. Scarola.

5 BY MR. SCAROLA:

6 Q. Have you had a social relationship with David  
7 Copperfield?

8 A. As a reaction to, once again, the abusive  
9 discovery process of bringing in names of people that  
10 have absolutely nothing to do with any of Mr. Edwards',  
11 Mr. Rothstein's or their clients' claims, by bringing in  
12 the names of friends of mine strictly in an attempt to  
13 stress my relationships, imperil my business  
14 relationships, I'm going to say, yes, I do know  
15 Mr. Copperfield.

16 Q. Have you ever socialized with David  
17 Copperfield?

18 A. Again, as --

19 MR. PIKE: Form.

20 THE WITNESS: Sorry.

21 It's a typical Edwards/Rothstein strategy of  
22 trying to involve well-known people in maliciously  
23 fabricated cases in order to fleece investors out  
24 of millions of dollars. They brought up names in  
25 attempts at abuse of discovery process to try and

1 take discovery of people who have nothing to do  
2 with this case.

3 Did I socialize with David Copperfield? The  
4 answer is, yes.

5 BY MR. SCAROLA:

6 Q. Did you ever socialize with David Copperfield  
7 in the presence of females under the age of 18?

8 A. I'm sure, again, this question is a typical  
9 question of Mr. Edwards/Rothstein scheme to defraud  
10 investors, asking questions knowing it serves no purpose  
11 or relationship relevance to their case whatsoever.

12 At least today, though I'd like to answer that  
13 question, on advice of my Counsel, and only on advice of  
14 my Counsel, I'm going to have to assert my Fifth, Sixth  
15 and 14th Amendment Right.

16 MR. PIKE: Form as well.

17 BY MR. SCAROLA:

18 Q. Have you ever had a social relationship with  
19 Bill Richardson, Governor of New Mexico and formerly  
20 U.S. Representative and Ambassador to the United  
21 Nations?

22 MR. PIKE: Form.

23 THE WITNESS: As is typical of the Edwards  
24 scheme, along with his partner, Scott Rothstein,  
25 who sits in jail, what they attempted to do was

bring in any celebrity I might have known, well-known people, in an attempt to strictly imperil my relationships with these people where these people have no bearing whatsoever on any of their claims or cases.

Yes, I do have a social relationship.

BY MR. SCAROLA:

Q. Have you ever socialized with Mr. Richardson in the presence of females under the age of 18?

MR. PIKE: Form.

THE WITNESS: Again, typical of the Edwards/Rothstein scheme of bringing in well-known people, asking them ridiculous questions, ridiculous questions in an attempt strictly to imperil my relationships with these people where they have absolutely nothing to do with anything to do with Edwards, Rothstein or any of their alleged victims, the answer to your question is, yes, I have socialized.

BY MR. SCAROLA:

Q. Yes, but that wasn't my question.

My question was: Have you ever socialized with Mr. Richards in the presence of females under the age of 18?

MR. PIKE: Form.

THE WITNESS: In response to your question, again, my full answer was, typical of the Edwards/Rothstein scheme to ask questions of a sexual charged nature, crafted cases, the U.S. Attorney has called his firm the largest fraud in U.S. history, fleecing investors out of millions of dollars by engaging in just these types of questions. Though I would like to answer each and every question about every one of these people, on advice of my Counsel today, I must take -- assert my Fifth Amendment, Sixth Amendment and 14th Amendment Right. Though I'd prefer to answer the question, I was told that if I choose to do so, I risk losing their representation, sir.

BY MR. SCAROLA:

Q. Have you ever sexually abused children?

MR. PIKE: Form.

THE WITNESS: On advice of Counsel, and only upon advice of Counsel, though I'd like to answer that question, as well as every other one of your claims brought by Mr. Edwards and his partner, who currently sits in jail, sir, I would like to answer those questions. But today at least, I have to assert my Sixth Amendment, 14th Amendment and Fifth Amendment Right. Though I'd prefer to answer the

question, I'm told by my Counsel that if I choose to do so, which is my preference, I risk losing their representation.

BY MR. SCAROLA:

Q. How many children have you sexually abused?

MR. PIKE: Form.

And I just want to be clear on the record.

These types of questions are argumentative and harassing. And, moreover, it's my contention that these types of questions are not related to this lawsuit by any stretch of the imagination. In this deposition, while I've been liberal in allowing these questions, are being utilized in an attempt to provoke a waiver of the Fifth Amendment Right.

There has been an Order entered by, I believe, Judge Hafele regarding these types of questions.

So with that caution, Mr. Scarola, I would ask you that you refrain from asking abusive and harassing questions that are not relevant to this case.

MR. SCAROLA: Well, it's very interesting that you claim they're not relevant when they are directly taken from the allegations in your Complaint.

And I agree with you that they are not

relevant because there is no basis whatsoever for this claim against Mr. Edwards. But since you've made these baseless allegations, I am obliged to pursue the allegations by asking these questions.

So we'll move on from there. And whenever you think it's appropriate to terminate this deposition because you believe that I've acted inappropriately, be my guest.

MR. PIKE: I appreciate your invitation, Mr. Scarola.

I'm going to move to strike.

The fact is, Mr. Scarola, is that, these types of questions have already been ruled upon as being argumentative and harassing.

If you want to direct some questions relevant to your lawsuit, I invite you to do so. But attempting to use this deposition process as a mechanism to provoke a waiver of the Fifth Amendment and to obtain information that is more or potentially more relevant to Mr. Edwards' cases in which he is lead Counsel on, I think is improper.

BY MR. SCAROLA:

Q. Did you have staff members that assisted you in scheduling appointments with underage females; that is, females under the age of 18?

1 A. So along with many of the other claims that  
2 the Rothstein firm crafted with malicious claims against  
3 people like me and others of a sexually charged nature  
4 in order to simply fleece investors out of millions of  
5 dollars in South Florida, these types of questions,  
6 though I'd like to answer today, at least this specific  
7 question, I'm going to have to assert, unfortunately, my  
8 Fifth, Sixth and 14th Amendment Right, though I'd prefer  
9 to answer the question.

10 BY MR. SCAROLA:

11 Q. Who are the others referred to in that  
12 response?

13 A. Again, sir?

14 Q. You said you and others. Who are the others  
15 that you were referring to?

16 A. You'll have to read my answer back.

17 MR. PIKE: I'm sorry. Madame Court Reporter,  
18 would you please read the witness' answer back?

19 THE WITNESS: You'll have to -- I have to take  
20 a bathroom break.

21 MR. PIKE: Actually I don't -- one second.

22 For the record, we're going on 12:30 now. Is  
23 there -- do you have a time frame as to when you --

24 MR. SCAROLA: About a half hour.

25 MR. PIKE: You have a half hour left?

1 MR. SCAROLA: Uh-huh.

2 MR. PIKE: Okay. Do you have an objection to  
3 us taking a quick bathroom break and --

4 THE WITNESS: I'll just walk out and back in.

5 MR. SCAROLA: If Mr. Epstein needs to go to  
6 the bathroom, Mr. Epstein needs to go to the  
7 bathroom.

8 THE WITNESS: Thank you, sir.

9 MR. PIKE: Then we're off the record?

10 VIDEOGRAPHER: We're off the record.

11 (Brief recess.)

12 VIDEOGRAPHER: We are back on video record at  
13 12:43 p.m.

14 BY MR. SCAROLA:

15 Q. I think when we went off the record you had  
16 requested that the last answer that you gave and the  
17 question asked of you based on that answer be read back,  
18 so we'll start there.

19 MR. PIKE: Madame Court Reporter.

20 (Previous question and answer were read.)

21 THE WITNESS: Sounds like a complete answer to  
22 me.

23 BY MR. SCAROLA:

24 Q. No, sir. My question to you following that  
25 answer was: Who are the others to whom you made

1 reference in that response? You said, "me and others."  
2 Who are the others?

3 A. Can you repeat where it says me and others?  
4 I'm sorry.

5 MR. SCAROLA: Read it back again, please,  
6 Sandy.

7 (Answer was read.)

8 THE WITNESS: The others are people reported  
9 in the press to be many people in South Florida who  
10 were the victims of the Rothstein scam.

11 I'm glad -- I'm happy to answer the others.

12 I'd like to know the others. In fact, we've  
13 subpoenaed documents from the bankruptcy trustee of  
14 Brad Edwards' firm in an attempt to find out more  
15 details of the others that you've just asked about.

16 People -- I believe the Attorney Scherer has  
17 filed a Complaint for some of the others who have  
18 been defrauded, as well as some of the investors  
19 who were told about many others, sir.

20 BY MR. SCAROLA:

21 Q. So you don't know any names; is that correct?

22 MR. PIKE: Form. Move to strike.

23 Mischaracterizes the witness' testimony.

24 THE WITNESS: I'm sure that's an -- it's an  
25 easy way of saying that as a response to the

1 questions and subpoenas we've asked Mr. Edwards to  
2 produce so we can find out the specific names of  
3 the others who have been -- the U.S. Attorney has  
4 claimed have been blackmailed and victims of the  
5 Rothstein firm.

6 I'd be happy, and hopefully at the end of this  
7 trial everyone will know some of the names of the  
8 others, sir.

9 BY MR. SCAROLA:

10 Q. Do you know the names of any of the others?

11 A. No, sir, I do not. However, the U.S.

12 Attorney, we believe, is going to file more charges  
13 against Mr. Roth -- Mr. Edwards' partners. And  
14 Mr. Scherer and us have subpoenaed the bankruptcy  
15 trustee for the names of the others.

16 So sitting here today, I do not. Hopefully  
17 sometime before trial we will have names of the others,  
18 sir.

19 Q. Have you ever pled guilty to any criminal  
20 wrongdoing?

21 A. Yes, sir.

22 Q. What criminal wrongdoing did you plead guilty  
23 to?

24 A. A solicitation of prostitution and procuring a  
25 minor for prostitution, sir.



1 Q. On how many occasions did you solicit  
2 prostitution?

3 A. Under -- excuse me? Again?

4 Q. On how many occasions did you solicit  
5 prostitution?

6 A. At least sitting here today, I'm going to have  
7 to, on advice of Counsel, assert my Fifth Amendment,  
8 16th Amendment (sic) and Fourth (sic) Amendment Right.

9 Q. On how many occasions did you plead guilty to  
10 soliciting prostitution?

11 A. Once, sir.

12 Q. How many acts of solicitation of prostitution  
13 did you plead guilty to?

14 A. Three.

15 Q. What are the names of the individuals who you  
16 pled guilty to soliciting as prostitutes?

17 A. I do not know.

18 Q. When did those acts occur?

19 A. I do not know.

20 Q. How many prostitutes have you solicited?

21 MR. PIKE: Form.

22 THE WITNESS: On advice of Counsel, at least  
23 sitting here today, sir, I'd like to answer each  
24 one of those questions. However, today I'm going  
25 to have to assert my Fifth, Sixth and 14th

1 MR. PIKE: Form. And relevance.

2 BY MR. SCAROLA:

3 Q. How many minors have you procured for  
4 prostitution?

5 MR. PIKE: Form.

6 THE WITNESS: On advice of Counsel, sir, I'm  
7 going to have to assert my Fifth, Sixth and 14th  
8 Amendment Right, though I pled guilty to procuring  
9 a single minor.

10 BY MR. SCAROLA:

11 Q. Yes, but my question wasn't about what you  
12 pled guilty to. I just want to know how many minors you  
13 have procured for prostitution.

14 MR. PIKE: Asked and answered.

15 THE WITNESS: Again, at least with respect to  
16 what I've pled guilty to, I pled guilty to  
17 procuring a single minor.

18 With respect to the rest of your question, I'm  
19 going to have to assert my Fifth, Sixth and 14th  
20 Amendment Rights as provided by my Counsel.

21 BY MR. SCAROLA:

22 Q. When did you procure the minor for  
23 prostitution as to which procurement you pled guilty?

24 MR. PIKE: Form.

25 THE WITNESS: I don't know.

1 Amendment Right.

2 BY MR. SCAROLA:

3 Q. Who are the minors who you solicited for  
4 prostitution?

5 MR. PIKE: Form.

6 THE WITNESS: Who are the -- I pled guilty to  
7 soliciting prostitution. There was no soliciting  
8 minors charge, sir.

9 MR. SCAROLA: Could you read back the response  
10 to the question about what Mr. Epstein pled guilty  
11 to, please?

12 MR. PIKE: About four questions back.

13 (Previous question and answer were read.)

14 MR. PIKE: And his answer?

15 MR. SCAROLA: That was his answer.

16 BY MR. SCAROLA:

17 Q. Who are the minors who you procured for  
18 prostitution?

19 MR. PIKE: Form.

20 THE WITNESS: I believe if you -- my answer  
21 was procuring a minor, sir, not minors.

22 BY MR. SCAROLA:

23 Q. Who is the minor that you procured for  
24 prostitution?

25 A. I do not know.

1 BY MR. SCAROLA:

2 Q. Was there a time before you entered your  
3 guilty plea when you knew the identity of the  
4 prostitutes that you solicited?

5 MR. PIKE: Form.

6 THE WITNESS: Again?

7 BY MR. SCAROLA:

8 Q. Was there a time before the entry of your  
9 guilty plea when you knew the identity of the  
10 prostitutes you solicited?

11 MR. PIKE: Form.

12 THE WITNESS: I don't recall.

13 BY MR. SCAROLA:

14 Q. Was there a time before the entry of your  
15 guilty plea when you knew the identity of the minor that  
16 you pled guilty to procuring for prostitution?

17 MR. PIKE: Form.

18 THE WITNESS: I don't know.

19 BY MR. SCAROLA:

20 Q. Did you plead guilty because you were, in  
21 fact, guilty?

22 MR. PIKE: Form.

23 That's attorney/client, work product.

24 Attorney/client.

25 MR. SCAROLA: I haven't asked anything about

any communication.

MR. PIKE: It definitely could get into a communication with Mr. Epstein's lawyers at the time of the criminal proceeding.

MR. SCAROLA: No, sir, it can't.

BY MR. SCAROLA:

Q. I want to know whether you pled guilty because you were, in fact, guilty.

A. I'm going to have to assert my Fifth, Sixth and 14th Amendment, sir.

Q. Do you understand the term John to be a slang reference to the customer of a prostitute?

MR. PIKE: Form.

THE WITNESS: Yes, sir.

BY MR. SCAROLA:

Q. How many times were you one of L.M.'s customers?

MR. PIKE: Form.

THE WITNESS: L.M.'s customers.

You'll have to rephrase the question, sir.

BY MR. SCAROLA:

Q. Your Complaint says --

MR. PIKE: What page were you reading from?

MR. SCAROLA: Page 22.

MR. PIKE: Thank you.

BY MR. SCAROLA:

Q. Paragraph 46(a), last sentence: "Under the circumstances, her claim for damages against Epstein, one of L.M.'s many Johns during that same period," et cetera.

You have identified yourself in this Complaint as one of L.M.'s many Johns, which you acknowledge to be a reference to a customer of a prostitute.

How many times were you one of L.M.'s customers for purposes of prostitution?

A. Well, now that you've now put on the record that L.M., I believe, in her deposition is an admitted prostitute, I would like to answer that question, but on advice of Counsel, sir, I'm going to have to respectfully decline. But I am happy to hear you finally admit it in your own questions that your L.M. is an admitted prostitute.

MR. SCAROLA: Move to strike. Unresponsive.

BY MR. SCAROLA:

Q. Have you ever coerced, induced or enticed any minor to engage in any sexual act with you?

MR. PIKE: Form.

THE WITNESS: A typical question from Mr. Scarola representing Mr. Edwards and the firm of Rothstein, who Scott Rothstein sits in jail for

crafting cases of a sexual nature against people in South Florida, me and others, the others yet to be determined. However, today, though I'd like to answer every one of his questions, on advice of Counsel, at least today, I'm going to have to assert my Fifth, Sixth and 14th Amendment Right.

BY MR. SCAROLA:

Q. How many times have you engaged in fondling underage females?

MR. PIKE: Form.

THE WITNESS: This is relevance here at some point?

MR. PIKE: To the extent you can answer the question.

THE WITNESS: Again, as another one of the irrelevant questions asked of this lawsuit with respect as a client how I was abused by the Rothstein firm for his -- the practices, the abuse of the legal system, the -- hopefully, the ladies and gentlemen of the jury will be able to see through some of these ridiculous questions with respect to questions that today, at least, I must take the Fifth, Sixth and 14th Amendment, but I believe are obvious to the ladies and gentlemen of the jury what you're trying to do here,

Mr. Scarola.

MR. SCAROLA: Move to strike. Unresponsive.

MR. PIKE: No. That's fine.

BY MR. SCAROLA:

Q. How many times have you engaged in illegal sexual touching of minors?

MR. PIKE: Form. Relevance.

THE WITNESS: Again, an irrelevant question to this lawsuit, strictly as a continued attempt to bring in irrelevant facts to the fact of what the Rothstein firm has done to both me and others in South Florida, defrauding investors of millions of dollars, knowing that at least today I'm going to have to with respect to that particular question assert my Fourth -- excuse me -- Fifth, Sixth and 14th Amendment Rights.

MR. SCAROLA: Move to strike as unresponsive.

MR. PIKE: Mr. Scarola, he's answering your question. You're asking abusive and harassing questions that are unrelated to this lawsuit.

If you can direct me to anywhere in the Complaint that even remotely addresses your two questions that you've just posed to Mr. Epstein, I'd be happy to look at the section in the Complaint. But moving to strike the witness'

1 answer when he's answering your abusive and  
2 harassing questions is improper.

3 BY MR. SCAROLA:

4 Q. How many times have you engaged in oral sex  
5 with females under the age of 18?

6 MR. PIKE: Objection. Relevance. Abusive and  
7 harassing. Not reasonably calculated to lead to  
8 discovery of admissible evidence in this case.

9 THE WITNESS: A typical question posed by  
10 Mr. Scarola in an attempt to divert the attention  
11 away from the wrongdoing of Bradley Edwards, his  
12 partner, Scott Rothstein, who sits in jail for  
13 defrauding investors of South Florida of millions  
14 of dollars, by crafting malicious cases of a sexual  
15 nature just in order to fleece investors, called by  
16 the U.S. Attorney one of the largest frauds in  
17 South Florida's history.

18 Mr. Scarola, as I would like to respond to the  
19 questions regarding of your underage girls, the  
20 fondling or the other questions you've asked me  
21 here today, unfortunately, I cannot on advice of  
22 Counsel answer those questions, so I must assert my  
23 Fifth, Sixth and 14th Amendment Rights, though  
24 these questions are totally irrelevant to this  
25 lawsuit.

1 MR. SCAROLA: Move to strike as unresponsive.

2 BY MR. SCAROLA:

3 Q. Do you have a personal sexual preference for  
4 children?

5 MR. PIKE: Form. Relevance. Abusive.  
6 Harassing. Not reasonably calculated to lead to  
7 the discovery of admissible evidence in this case.

8 THE WITNESS: Another totally irrelevant  
9 question to this lawsuit, Mr. Edwards' behavior, in  
10 an attempt to strictly divert attention from the  
11 wrongdoing of the Rothstein firm in this matter by  
12 asking sexually charged questions in a case where  
13 the Rothstein firm has been charged by the U.S.  
14 Attorney of fabricating claims of a malicious  
15 nature, hiding behind attorney/client privilege,  
16 forging documents -- excuse me -- but as with  
17 respect to these questions designed for nothing  
18 more than to harass me, Mr. Scarola, I'm going to  
19 have to, unfortunately, take the Fifth, Sixth and  
20 14th Amendment.

21 MR. SCAROLA: Move to strike as unresponsive.

22 BY MR. SCAROLA:

23 Q. Have you ever acted on a sexual preference for  
24 children?

25 MR. PIKE: Form. Irrelevant. Abusive.

1 Harassing. And not reasonably calculated to lead  
2 to admissible evidence in this case.

3 THE WITNESS: One more of Mr. Scarola's  
4 irrelevant questions designed nothing more to try  
5 to harass me, to divert attention from the fact  
6 that Mr. Edwards and his firm perpetrated one of  
7 the largest frauds in South Florida's history by  
8 using people like me and others in an attempt to  
9 fleece South Florida investors out of millions of  
10 dollars, where the U.S. Attorney has accused his  
11 firm of being the largest criminal enterprise in  
12 South Florida's history, where Mr. Edwards' partner  
13 sits in prison, potentially for the rest of his  
14 life.

15 I'd like to answer all of your questions here  
16 today, Mr. Scarola, even though they're irrelevant;  
17 however, on advice of Counsel, at least today, I'm  
18 going to have to assert my Fifth, Sixth and 14th  
19 Amendment Right.

20 MR. SCAROLA: Move to strike as unresponsive.

21 BY MR. SCAROLA:

22 Q. Your Complaint at page 27, paragraph 49, says  
23 that: "RRA and the litigation team took an emotionally  
24 driven set of facts involving alleged innocent,  
25 unsuspecting, underage females and a Palm Beach

1 billionaire, and sought to turn it into a gold mine,"  
2 end of quote.

3 Who is the Palm Beach billionaire referred to  
4 in that sentence?

5 A. On advice of Counsel today, Mr. Scarola,  
6 though I would like to answer each one of your  
7 questions, I'm going to have to assert my Fifth, Sixth  
8 and 14th Amendment Right.

9 Q. What is the emotionally driven set of facts to  
10 which you make reference in that sentence?

11 A. It's the same set of facts that were used by  
12 the Rothstein firm to fleece unsuspecting investors out  
13 of millions of dollars, crafting, fabricating malicious  
14 cases of a sexually charged nature with no fundamental  
15 basis whatsoever, reported wildly by the press. The  
16 U.S. Attorney has accused Mr. Edwards' partner of not --  
17 excuse me -- Mr. Edwards' partner sits currently in  
18 jail, pled guilty to some of these charges. There are  
19 other members of his firm under investigation for just  
20 these types of questions and fabrications.

21 But, however, today, though I'd like to answer  
22 every one of your questions with specificity, on advice  
23 of Counsel I'm not going to be able to, Mr. Scarola, and  
24 respectfully decline based on my Fifth, Sixth and 14th  
25 Amendment Right.

1 Q. What day are you prepared to answer all these  
2 questions?

3 MR. PIKE: Form. Attorney/client and work  
4 product.

5 THE WITNESS: That's attorney -- I wish I  
6 could answer that question as well, but it's  
7 attorney/client privilege, sir.

8 BY MR. SCAROLA:

9 Q. Your Complaint says that: "Rather than  
10 evaluating and resolving the cases based on the merits,"  
11 open parens, "i.e., facts," close parens, "which  
12 included knowledgeable, voluntary and consensual actions  
13 by each of the claimants," et cetera.

14 Who are the claimants that are referenced  
15 there?

16 A. It's -- I'm sorry. You have to repeat the  
17 question.

18 Q. Yes, sir. Your Complaint says: --

19 MR. PIKE: Page?

20 Q. -- "rather than evaluating" --

21 MR. PIKE: Can you give me a page, sir?

22 MR. SCAROLA: Page 27, paragraph 49, second  
23 sentence.

24 BY MR. SCAROLA:

25 Q. Quote, "rather than evaluating and resolving

1 and 14th Amendment.

2 Q. What are the voluntary and consensual actions  
3 by L.M. that you are referencing there?

4 A. Sir, though I'd like to answer each one of  
5 your questions here today, I'm going to have to  
6 respectfully decline based on advice of my Counsel, and  
7 have to assert my Fifth, Sixth and 14th Amendment Right.

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

11 MR. PIKE: Form.

12 THE WITNESS: The cost of ridiculous  
13 litigation, of having my attorneys prepare  
14 responses to wildly irrelevant discovery in various  
15 locations at a minimum, sir.

16 BY MR. SCAROLA:

17 Q. Which lawyers?

18 A. Burman Critton, Jack Goldberger, and a bunch  
19 of the others, sir.

20 Q. Which ones? Name them for me, please.

21 A. Specifically -- I have so many lawyers  
22 defending me here against Mr. Edwards, I can't sit  
23 here -- at the moment I can't recall it with  
24 specificity.

25 Q. You don't remember any of your lawyers' names?

1 the cases based on the merits, that is, facts which  
2 included knowledgeable, voluntary and consensual actions  
3 by each of the claimants."

4 A. Yes.

5 Q. Who are the claimants that you're referencing  
6 there?

7 A. They're the prostitutes you referred to in the  
8 past, sir.

9 Q. What are their names?

10 A. I think the prostitutes' names were -- the  
11 prostitute that you described before was L.M.

12 With respect to the others, I'm going to have  
13 to claim the Fifth, Sixth and 14th Amendment, sir.

14 Q. So one of the individuals that you're  
15 referencing there is L.M.; is that correct?

16 A. It's -- the individual I've referenced is a  
17 person who filed a claim against me.

18 Q. Is it L.M.?

19 A. It is L.M., as far as I know from the claim,  
20 sir.

21 Q. Okay. So one of the people that you're  
22 referring to is L.M., who you've identified as L.M.; is  
23 that correct?

24 A. With respect to that question, sir, on advice  
25 of Counsel, I'm going to have to assert my Fifth, Sixth

1 A. Oh, I do.

2 Q. Besides Mr. -- besides the Burman Critton firm  
3 and Mr. Goldberger?

4 A. Are you asking me for the firm, sir, or are  
5 you asking me for the names?

6 Q. I want as much information as you can give me  
7 about this element of damage which you claim; and, that  
8 is, the cost of legal services that you claim to be  
9 damages in this case.

10 A. Okay.

11 MR. PIKE: Form. And move to strike.

12 THE WITNESS: Mr. Roy Black.

13 BY MR. SCAROLA:

14 Q. Okay. Who else?

15 A. Mr. Marty Weinberger. Mr. Alan Dershowitz.  
16 Mr. Jay Lefkowitz. The firm of Burman Critton Luttier.  
17 That's it for the moment.

18 Q. How much have you paid the law firm of Burman  
19 Critton and Luttier which you claim is damages?

20 A. Hundreds of thousands of dollars, sir.

21 Q. How much?

22 A. I don't have that figure offhand.

23 Q. Can you give us any better figure than  
24 hundreds of thousands of dollars?

25 A. No, not sitting here today.

1 Q. Are you paying them on an hourly basis?  
 2 A. Yes, sir.  
 3 Q. What is the hourly rate at which you are  
 4 compensating members of the law firm?  
 5 A. They're ordinary rates.  
 6 Q. What are they?  
 7 A. I don't know.  
 8 Q. How much have you paid Mr. Goldberger?  
 9 A. I'm not aware total amount, sir.  
 10 Q. What is the hourly rate at which you're paying  
 11 Mr. Goldberger?  
 12 A. His normal hourly rate.  
 13 Q. How much is that?  
 14 A. I don't know.  
 15 Q. How much have you paid Mr. Black which you  
 16 claim as damages in this case?  
 17 A. Hundreds of thousands of dollars.  
 18 Q. Are you paying him on an hourly basis?  
 19 A. I believe so.  
 20 Q. What is the hourly rate?  
 21 A. I'm not -- I do not know, sir.  
 22 Q. How much have you paid Marty Weinberger?  
 23 A. I don't know the exact amount, sir.  
 24 Q. What's your best estimate?  
 25 A. More than a hundred thousand dollars.

1 Q. Are you paying him on an hourly basis?  
 2 A. I believe so.  
 3 Q. What's the hourly rate?  
 4 A. I don't know, sir.  
 5 Q. How much have you paid Alan Dershowitz?  
 6 A. Hundreds of thousands of dollars.  
 7 Q. Are you paying him on an hourly basis?  
 8 A. I believe so.  
 9 Q. At what hourly rate?  
 10 A. I don't know, sir.  
 11 Q. How much are you paying Jay -- how much have  
 12 you paid Jay Lefkowitz?  
 13 A. I'm not sure, sir.  
 14 Q. Do you have any idea at all?  
 15 A. More than a hundred thousand dollars.  
 16 Q. Are you paying him on an hourly basis?  
 17 A. Yes, sir.  
 18 Q. What's the hourly rate?  
 19 A. I don't know.  
 20 Q. What is the form of payment to your lawyers?  
 21 How do you transfer money to them?  
 22 A. I don't know, sir.  
 23 MR. PIKE: Form.  
 24 BY MR. SCAROLA:  
 25 Q. Pardon me?

1 A. I don't know.  
 2 Q. Does someone do that on your behalf?  
 3 A. I would guess so.  
 4 Q. Who?  
 5 A. I don't know.  
 6 MR. PIKE: Form.  
 7 BY MR. SCAROLA:  
 8 Q. Who are the people who are authorized to make  
 9 payment on your behalf?  
 10 A. With respect to that question, I'm going to  
 11 have to assert the Fifth, Sixth and 14th Amendment, sir.  
 12 Q. Are there any other elements of damage, apart  
 13 from the money paid to lawyers?  
 14 A. Yes, sir.  
 15 Q. What?  
 16 A. The stress and emotional damage of imperiling  
 17 my friendships and business relationships with no  
 18 relevance whatsoever to these cases, brought by a firm  
 19 that whose partner sits in a Federal prison, who engaged  
 20 in discovery to harass my friends and social contacts  
 21 with no consideration or relevance to this case  
 22 whatsoever, in an attempt to simply fleece -- partly  
 23 fleece investors in South Florida out of millions of  
 24 dollars, sir.  
 25 Q. What is the value of those losses?

1 MR. PIKE: Form.  
 2 THE WITNESS: I'm not sure yet, sir.  
 3 BY MR. SCAROLA:  
 4 Q. Do you have any idea at all?  
 5 A. Not sitting here today.  
 6 Q. More or less than \$10?  
 7 MR. PIKE: Form.  
 8 THE WITNESS: I would guess it's more than  
 9 \$10, sir.  
 10 BY MR. SCAROLA:  
 11 Q. More or less than a hundred?  
 12 A. I would guess it's quite an amount of money.  
 13 Q. Is it more or less than a hundred?  
 14 A. Yes, sir.  
 15 Q. More or less than a thousand?  
 16 A. I would say it's more than 150,000.  
 17 Q. More or less than a million?  
 18 A. I don't know, sir.  
 19 Q. So somewhere between 150,000 and a million?  
 20 A. No, sir. It's not --  
 21 MR. PIKE: Form. Mischaracterizes the  
 22 witness' testimony.  
 23 THE WITNESS: No, sir. That's not what I  
 24 said. I said, I did not know.  
 25 BY MR. SCAROLA:

1 Q. Maybe more than a million?  
 2 A. Maybe.  
 3 Q. More or less than a billion?  
 4 MR. PIKE: Form.  
 5 THE WITNESS: I don't know.  
 6 BY MR. SCAROLA:  
 7 Q. Maybe more than a billion?  
 8 A. Maybe more.  
 9 Q. How are you going to go about finding out what  
 10 the value of that loss is?  
 11 MR. PIKE: Attorney/client, work product.  
 12 To the extent you can answer without  
 13 disclosing our conversations or the conversations  
 14 with your other attorneys that you've delineated,  
 15 you can do so.  
 16 BY MR. SCAROLA:  
 17 Q. Or you can just take the signal and say, I  
 18 refuse to answer because it's attorney/client privilege.  
 19 A. I resent that.  
 20 MR. PIKE: Move to strike.  
 21 THE WITNESS: But it's okay. You can continue  
 22 to try to harass me, sir. It doesn't work. The  
 23 ladies and gentlemen of the jury, hopefully when  
 24 they see the deposition will recognize and see  
 25 these pile of tricks. The answer -

1 MR. SCAROLA: Hopefully they will.  
 2 THE WITNESS: Yes.  
 3 MR. PIKE: Move to strike.  
 4 THE WITNESS: I will respectfully decline to  
 5 answer that.  
 6 BY MR. SCAROLA:  
 7 Q. On what basis?  
 8 A. Attorney/client privilege.  
 9 MR. PIKE: And work product.  
 10 BY MR. SCAROLA:  
 11 Q. Any other elements of damage?  
 12 A. Not -- there might be, but sitting here today,  
 13 I can't think of them.  
 14 Q. Do you have written contracts with any of your  
 15 lawyers?  
 16 A. I don't know.  
 17 Q. Who does?  
 18 A. I don't know.  
 19 MR. SCAROLA: Let's take a short break. We  
 20 may be finished.  
 21 VIDEOGRAPHER: We are now off the record at  
 22 1:12 p.m.  
 23 (Brief recess.)  
 24 VIDEOGRAPHER: We are back on video record at  
 25 1:18 p.m.

1 BY MR. SCAROLA:  
 2 Q. Do you attribute all of the damages that you  
 3 have described to Mr. Edwards' conduct?  
 4 MR. PIKE: Form.  
 5 THE WITNESS: As a participant -- I don't know  
 6 how to proportion the conduct as opposed to  
 7 Mr. Edwards and his partner who sits in jail. I  
 8 guess the U.S. Attorney will also make a decision  
 9 to how much the conduct and proportion is relevant  
 10 to both damages and anything else he's done in this  
 11 case, sir.  
 12 BY MR. SCAROLA:  
 13 Q. But I'm not asking you about what the U.S.  
 14 Attorney's opinion is.  
 15 I want to know whether you hold Mr. Edwards  
 16 responsible for all of those elements of damage that you  
 17 have described to us.  
 18 A. It's a difficult question to answer,  
 19 Mr. Scarola.  
 20 Q. No, it's easy. Yes, no, or I don't know.  
 21 MR. PIKE: Mr. Scarola, you know as well as I  
 22 do, the witness is attempting to answer your  
 23 question.  
 24 MR. SCAROLA: I don't think so. I think he's  
 25 attempting to evade all of my questions.

1 MR. PIKE: And I understand your contention.  
 2 However, if you would, allow Mr. Epstein to finish  
 3 his response.  
 4 THE WITNESS: Could you repeat your question?  
 5 BY MR. SCAROLA:  
 6 Q. Do you hold Mr. Edwards responsible for all of  
 7 the damages that you have described?  
 8 MR. PIKE: Form.  
 9 THE WITNESS: It's difficult for me to  
 10 proportion the damages that I have described  
 11 between Mr. Edwards, his partner, who is currently  
 12 in jail, his -- the other people named in the  
 13 Complaint. Hopefully a jury will do that.  
 14 BY MR. SCAROLA:  
 15 Q. Do you hold L.M. responsible for all of the  
 16 damages you have described?  
 17 MR. PIKE: Form.  
 18 THE WITNESS: Again, these questions, these  
 19 ambiguous questions, as opposed to who  
 20 participated, I would let Mr. Edwards and his  
 21 clients and his partners decide whose proportionate  
 22 responsibility it is, sir.  
 23 BY MR. SCAROLA:  
 24 Q. So you defer to them?  
 25 MR. PIKE: Form.

1 THE WITNESS: As proportionate to the amount  
2 of damages, I think Mr. Edwards played a vital  
3 role. I believe his partners potentially played a  
4 role. I've only had any contact with Mr. Edwards,  
5 sir.

6 BY MR. SCAROLA:

7 Q. Which partners?

8 A. Beg your pardon?

9 Q. Which partners, besides Mr. Edwards and  
10 Mr. Rothstein, do you claim engaged in conduct that  
11 renders them liable to you?

12 A. I believe it's in the Complaint, sir. And I  
13 believe it's Mr. Adler, Mr. Berger. There's Mr. Jenne,  
14 Mr. Fisten, but those are not partners.

15 So Mr. Berger, Mr. Adler -- and I forgot the  
16 names of the others at the moment, sir, but it's in the  
17 Complaint.

18 Q. Why didn't you sue them?

19 MR. PIKE: Form.

20 THE WITNESS: Attorney/client privilege, sir.

21 MR. PIKE: Work product.

22 MR. SCAROLA: I have no further questions.

23 MR. EDWARDS: I have three or four questions.  
24 That's it.

25 MR. PIKE: Okay. I just want to be clear for

1 the record. Mr. Scarola represents Mr. Edwards in  
2 this case; is that correct, Mr. Scarola?

3 MR. EDWARDS: That's correct.

4 MR. SCAROLA: Yes.

5 MR. PIKE: And in this particular case,  
6 Epstein versus Rothstein, et al, Mr. Edwards, who  
7 do you specifically represent?

8 MR. EDWARDS: L.M.

9 MR. PIKE: Okay. I believe that if you follow  
10 through with questioning, you have an  
11 irreconcilable conflict with regard to the other  
12 case in which you represent L.M. and L.M.

13 I cannot stop you from asking any questions;  
14 however, if you do move forward with asking  
15 questions, I will take the appropriate action.

16 MR. SCAROLA: And on behalf -- on behalf of my  
17 client --

18 MR. PIKE: Yes, sir.

19 MR. SCAROLA: -- we do not accept your  
20 assessment of Mr. Edwards' ethical  
21 responsibilities.

22 MR. PIKE: That is absolutely fine for you to  
23 do that. I just wanted to put it on the record  
24 that I am, by no means, going to prevent you from  
25 questioning today. However, I wanted to put my

1 contention on the record.

2 Okay.

### 3 CROSS EXAMINATION

4 BY MR. EDWARDS:

5 Q. Mr. Epstein, is your sole basis for your claim  
6 against L.M. that she changed her testimony from the  
7 time she testified to the FBI in 2007?

8 MR. PIKE: Form. To the extent you can answer  
9 that question without invading attorney/client,  
10 work product, you can do so.

11 THE WITNESS: Unfortunately, I'd like to  
12 answer that question, but I can't do so without  
13 invading attorney/client privilege.

14 BY MR. EDWARDS:

15 Q. Is there anything in L.M.'s Complaint that was  
16 filed against you in September of 2008 which you contend  
17 to be false?

18 MR. PIKE: Asked and answered.

19 THE WITNESS: I recognize, Mr. Edwards, again,  
20 the concept of attempting me to get to waive my  
21 Fifth Amendment privilege; however, in this lawsuit  
22 I've answered questions with respect to your  
23 lawsuit. And with regard to the question you just  
24 asked, I'm going to have to, unfortunately, assert  
25 my Fifth Amendment, Sixth Amendment and 14th

1 Amendment Right.

2 But I'm willing to listen to any other  
3 questions you may have.

4 MR. EDWARDS: Finished.

5 MR. PIKE: I have a couple questions.

### 6 CROSS EXAMINATION

7 BY MR. PIKE:

8 Q. Mr. Epstein, earlier in the deposition  
9 Mr. Scarola was reading from page 2 of the Complaint  
10 filed in the Epstein versus Rothstein, Rosenfeldt and  
11 Adler, et al. Do you recall that?

12 A. Yes, sir.

13 Q. And then I showed you page 2 of a Complaint  
14 that I had my notes on, correct?

15 A. Yes.

16 Q. Did you read the black type or did you read  
17 the handwritten notes in the corners of the Complaint,  
18 that particular page that I showed you?

19 A. Unfortunately, my eyesight is not good enough  
20 to read the notes. I only read the black letter.

21 Q. And it was that one sentence, correct?

22 A. It was two sentences, I believe, but, yes.

23 MR. PIKE: Thank you.

24 We'll read.

### 25 REDIRECT EXAMINATION

1 BY MR. SCAROLA:

2 Q. What is your eyesight?

3 A. Sorry?

4 Q. What is your eyesight?

5 A. My eyesight?

6 Q. Yes, sir. You said that your eyesight was not  
7 good enough to be able to read the handwritten  
8 notations. What is your eyesight?

9 A. Are we on the record or off?

10 Q. We're on the record.

11 MR. PIKE: We're on the record.

12 THE WITNESS: I need 3.5 glasses.

13 BY MR. SCAROLA:

14 Q. And you had those on when you were reading the  
15 Complaint, didn't you?

16 A. But these aren't my 3.5s, sir.

17 Q. What are they?

18 A. I don't know.

19 Q. Let's hand them over, if you would. Let's  
20 take a look at them.

21 A. Sure.

22 Do you see anything?

23 Q. No.

24 Is it your contention that those glasses were  
25 inadequate to enable you to read the handwritten

1 notations on the Complaint?

2 MR. PIKE: Form. Mischaracterizes testimony.

3 THE WITNESS: My testimony was, I only read  
4 the black letter and partially because I cannot see  
5 thoroughly through these glasses, sir.

6 BY MR. SCAROLA:

7 Q. Is it your contention that those glasses did  
8 not sufficiently correct your vision to be able to read  
9 the handwritten notations on the papers that were handed  
10 to you?

11 MR. PIKE: Form.

12 THE WITNESS: Again, we can play this game  
13 back and forth. What I just said, and I think I  
14 was very clear, that I did not read the notes. I  
15 said —

16 BY MR. SCAROLA:

17 Q. What you said was, you couldn't read the  
18 notes?

19 MR. PIKE: Allow the witness to finish.

20 THE WITNESS: Let me finish. And what I said  
21 was, with these glasses it would be almost  
22 impossible for me to read the notes on the page.

23 BY MR. SCAROLA:

24 Q. Yes, sir. So your contention is, that those  
25 glasses do not adequately correct your vision to be able

1 to read the handwritten notations; is that correct?

2 MR. PIKE: Form.

3 THE WITNESS: In this particular instance,  
4 sir, these glasses did not. I'm not saying they  
5 cannot, but did not allow me to read the notes,  
6 that's correct.

7 MR. SCAROLA: I would like those glasses  
8 marked as an Exhibit to this deposition.

9 MR. PIKE: I don't think so.

10 MR. SCAROLA: You're refusing to allow that to  
11 happen?

12 MR. PIKE: I don't see how you can mark a set  
13 of glasses as an Exhibit to a deposition.

14 The witness has already said that he did not  
15 read the handwritten notes in the corner or the  
16 corners of page 2 of the Complaint.

17 MR. SCAROLA: The witness is a liar. The  
18 witness' testimony is totally incredible. The  
19 witness made up a response and I want to be able to  
20 demonstrate to the Court and jury that the witness  
21 lied when he said that those glasses did not  
22 correct his vision sufficiently to be able to read  
23 the handwritten notes.

24 I want the glasses marked as an Exhibit.

25 If you refuse to mark them, I am placing you

1 on notice that they are relevant and material to  
2 issues involved in this lawsuit and need to be  
3 preserved.

4 MR. PIKE: All right. We'll mark the glasses.  
5 We'll mark the glasses as an Exhibit. Okay? And I  
6 will keep them here in my office.

7 MR. SCAROLA: Thank you.

8 MR. PIKE: That's fine.

9 VIDEOGRAPHER: This concludes today's  
10 videotaped deposition of Jeffrey Epstein. The time  
11 is 1:27.

12 (Exhibit number 1 was marked for  
13 identification purposes and retained by Counsel for  
14 Plaintiff.)

15 (Witness excused.)

16 (Deposition was concluded.)  
17  
18  
19  
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22  
23  
24  
25



CERTIFICATE OF OATH  
STATE OF FLORIDA  
COUNTY OF PALM BEACH

I, the undersigned authority, certify that  
JEFFREY EPSTEIN personally appeared before me and was  
duly sworn on the 17th day of March, 2010.

Dated this 26th day of March, 2010.

*Sandra Townsend*



Sandra W. Townsend, Court Reporter  
Notary Public - State of Florida  
My Commission Expires: 6/26/12  
My Commission No.: DD 793913  
Job #1358

DATE: March 26, 2010  
TO: JEFFREY EPSTEIN Job #1358  
c/o Michael Piko, Esquire  
303 Banyan Boulevard, Suite 400  
West Palm Beach, Florida 33401

IN RE: Epstein vs. Edwards, et al

CASE NO.: 502009CA040800XXXXMBAG

Please take notice that on Wednesday, the 17th  
of March, 2010, you gave your deposition in the  
above-referred matter. At that time, you did not waive  
signature. It is now necessary that you sign your  
deposition.

Please call our office at the below-listed  
number to schedule an appointment between the hours of  
9:00 a.m. and 4:30 p.m., Monday through Friday, at the  
Esquire office located nearest you.

If you do not read and sign the deposition  
within a reasonable time, the original, which has  
already been forwarded to the ordering attorney, may be  
filed with the Clerk of the Court. If you wish to waive  
your signature, sign your name in the blank at the  
bottom of this letter and return it to us.

Very truly yours,

Sandra W. Townsend, FPR  
PROSE COURT REPORTING AGENCY  
230 Australian Avenue, Suite 1500  
West Palm Beach, Florida 33401  
Phone: 561.832.7500

I do hereby waive my signature.

JEFFREY EPSTEIN

I do hereby waive my signature:

cc: Via transcript: All Counsel of Record; file copy

CERTIFICATE  
STATE OF FLORIDA  
COUNTY OF PALM BEACH

I, Sandra W. Townsend, Court Reporter and  
Notary Public in and for the State of Florida at Large,  
do hereby certify that the aforementioned witness was by  
me first duly sworn to testify the whole truth; that I  
was authorized to and did report said deposition in  
stenoform; and that the foregoing pages numbered -  
to - inclusive, are a true and correct transcription of  
my shorthand notes of said deposition.

I further certify that said deposition was  
taken at the time and place hereinabove set forth and  
that the taking of said deposition was commenced and  
completed as hereinabove set out.

I further certify that I am not attorney or  
counsel of any of the parties, nor am I a relative or  
employee of any attorney or counsel of party connected  
with the action, nor am I financially interested in the  
action.

The foregoing certification of this transcript  
does not apply to any reproduction of the same by any  
means unless under the direct control and/or direction  
of the certifying reporter.

Dated this 26th day of March, 2010.

*Sandra Townsend*

Sandra W. Townsend, Court Reporter  
Job #1358

CERTIFICATE

THE STATE OF FLORIDA  
COUNTY OF PALM BEACH

I hereby certify that I have read the  
foregoing deposition by me given, and that the  
statements contained herein are true and correct to the  
best of my knowledge and belief, with the exception of  
any corrections or notations made on the errata sheet,  
if one was executed.

Dated this \_\_\_\_ day of \_\_\_\_\_,  
2010.

JEFFREY EPSTEIN  
Job #1358

ERRATA SHEET  
IN RE: EPSTEIN VS. EDWARDS, ET AL CR: S. TOWNSEND  
DEPOSITION OF: JEFFREY EPSTEIN  
TAKEN: 3/17/10 JOB NO.: 1358

DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE  
PAGE # LINE # CHANGE REASON

Please forward the original signed errata sheet to this office so that copies may be distributed to all parties.

Under penalty of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

DATE: \_\_\_\_\_

SIGNATURE OF DEPONENT: \_\_\_\_\_

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IN THE CIRCUIT COURT OF THE  
17TH JUDICIAL CIRCUIT IN AND  
FOR BROWARD COUNTY, FLORIDA

CASE NO.: 09-062943 (19)

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, DAVID VON  
ALLMEN, as Trustee of the DAVID  
VON ALLMEN LIVING TRUST, ANN  
VON ALLMEN, as Trustee of the ANN  
VON ALLMEN LIVING TRUST, and  
DEAN KRETSCHMAR,

Plaintiffs,

v.

SCOTT W. ROTHSTEIN, DAVID  
BODEN, DEBRA VILLEGAS, ANDREW  
BARNETT, IRENE STAY, TD BANK,  
N.A., FRANK SPINOSA, JENNIFER  
KERSTETTER, ROSANNE CARETSKY,  
BANYON INCOME FUND, L.P.,  
BANYON USVI, LLC, GEORGE G.  
LEVIN, FRANK PREVE, MICHAEL  
SZAFRANSKI, ONYX OPTIONS  
CONSULTANTS CORPORATION, and  
BERENFELD SPRITZER SHECHTER  
SHEER, LLP,

Defendants.

AMENDED COMPLAINT

Plaintiffs, 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; DAVID VON ALLMEN, as Trustee of the DAVID VON  
ALLMEN LIVING TRUST; ANN VON ALLMEN, as Trustee of the ANN VON ALLMEN  
LIVING TRUST; and DEAN KRETSCHMAR (collectively referred to herein as "Plaintiffs")

hereby sue the Defendants, SCOTT W. ROTHSTEIN; DAVID BODEN; DEBRA VILLEGAS; ANDREW BARNETT; IRENE STAY; TD BANK, N.A.; FRANK SPINOSA; JENNIFER KERSTETTER; ROSANNE CARETSKY; BANYON INCOME FUND, L.P.; BANYON USVI, LLC; GEORGE G. LEVIN; FRANK PREVE; MICHAEL SZAFRANSKI; ONYX OPTIONS CONSULTANTS CORPORATION; and BERENFELD SPRITZER SHECHTER SHEER, LLP

(collectively referred to herein as "Defendants"), and allege as follows:

**Plaintiffs' Claims**

1. The Plaintiffs sue the Defendants and seek the following:
  - a. Compensatory damages in excess of \$100,000,000.00, pre-judgment interest, and other amounts to be particularized at trial as a direct and proximate result of Defendants' commission of the following:
    - i. conversion;
    - ii. fraudulent misrepresentation;
    - iii. negligent misrepresentation;
    - iv. negligent supervision;
    - v. breach of fiduciary duty;
    - vi. civil conspiracy; and
    - vii. aiding and abetting fraud, conversion and breach of fiduciary duty;
  - b. punitive damages upon obtaining leave of court;
  - c. taxable costs and attorney's fees; and

- d. any such further relief this court deems equitable ~~and~~ just under the circumstances.

### Overview

2. This action arises out of a fraudulent scheme orchestrated by Scott W. Rothstein, who bilked investors out of hundreds of millions of dollars. Mr. Rothstein, through the use of his law firm Rothstein Rosenfeldt Adler, P.A. (collectively referred to herein as the "Principal Conspirators" and more fully described, *infra*), 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 used 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.<sup>1</sup>

3. However, the Principal Conspirators did not act alone. Defendant, TD BANK, N.A. (hereinafter, "TD Bank"), a subsidiary of Toronto Dominion Bank, was complicit in this scheme, serving as a critical lynchpin "legitimizing" the Principal Conspirators' plot and facilitating crucial inducements to investor action. Specifically, investors were duped by TD Bank employees conspiring with the Principal Conspirators to manipulate TD Bank's trust account statements and deceiving investors with false senses of security predicated on written assurances that settlement funds existed and would only be released directly to them. It is these bank

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<sup>1</sup> A Ponzi scheme is generally recognized as a fraudulent investment operation that pays returns to separate investors from their own money or from monies paid by subsequent investors, rather than from any actual profit earned. The scheme is named after Charles Ponzi who became notorious for using the technique in early 1920.

declarations, tantamount to a guaranty, which gravely impacted investor risk-evaluation analysis and unduly influenced investors to close their deals.

4. Moreover, demonstrative of TD Bank's participation or alternatively, evidence of their gross negligence and wanton disregard, is the bank's reckless disregard of numerous "red flags." Irrefutably, TD Bank knew that Rothstein Rosendfeldt Adler, P.A. (hereinafter, "RRA") was moving hundreds of millions of dollars through its TD Bank trust accounts. In fact, in October 2009 alone, almost a half of a billion dollars moved in and out of RRA's Fort Lauderdale based trust accounts--more money than most bank branches would likely see in a decade. Yet, despite the massive amount of funds being moved by one client, TD Bank never sought independent verification of the source of monies, choosing instead to stand idly by. The Ponzi scheme simply could not have gained traction without TD Bank's involvement in sanctioning or, otherwise, willfully failing to authenticate the origin of the enormous amounts of money coming through its doors.

5. Unfortunately, this is not the only pending case which alleges a TD Bank affiliate as a complicit actor involved in a Ponzi scheme. On August 29, 2009, TD Bank's parent, Toronto Dominion Bank, was sued for "knowing assistance and/or dishonest assistance" in a Ponzi scheme based upon, *inter alia*, holding over \$20,000,000.00 in fraudulent proceeds and transferring hundreds of millions of dollars through the alleged perpetrator's accounts. See a copy of the Dynasty Furniture Manufacturing, Ltd., *et al.*, v. Toronto Dominion Bank, Statement of Claim attached hereto for reference as Exhibit "A."

6. Based on the allegations set forth herein, Plaintiffs aver that, at all materials times, TD Bank had actual knowledge of its complicit involvement in a highly-organized Ponzi scheme

and/or was recklessly or willfully blind to its role in materially supporting the scheme. TD Bank's acts and/or omissions in assisting, facilitating, and actively participating in the Ponzi scheme, renders TD Bank as a direct and proximate cause of Plaintiffs' losses and, therefore, is liable for the damages Plaintiffs incurred.

7. Furthermore, as alleged in detail *infra*, the Principal Conspirators' inner-circle of facilitators (Villegas, Boden, Barnett, Stay and Berenfeld) and promoters (Levin, Preve, Banyon, Szafranski and Onyx) were essential to the perpetration of this systemic fraud and their actions equally as culpable. Indeed, Rothstein in a November 23, 2009 interview with the Sun-Sentinel 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."

#### The Plaintiffs

8. LINDA VON ALLMEN is Trustee of the VON ALLMEN DYNASTY TRUST (hereinafter, "Dynasty Trust"), an irrevocable trust with its principal place of administration in Broward County, Florida. In or around the summer of 2009, the Dynasty Trust invested \$2,000,000.00 into the Ponzi scheme through Banyon Income Fund.

9. Plaintiff, D&L PARTNERS, LP (hereinafter, "D&L Partners"), is a Missouri limited partnership with its principal place of business in Broward County, Florida. In or around the summer of 2009, D&L Partners invested approximately \$45,000,000.00 into the Ponzi scheme through Banyon Income Fund. Doug Von Allmen is the general partner of D&L Partners.

10. DAVID VON ALLMEN, is Trustee of the DAVID VON ALLMEN LIVING TRUST (hereinafter, "DVA Trust"), a revocable trust with its principal place of administration in

Saint Louis County, Missouri. On or about August 26, 2009, the DVA Trust invested \$275,000.00 into the Ponzi scheme through Banyon Income Fund.

11. ANN VON ALLMEN, is Trustee of the ANN VON ALLMEN LIVING TRUST (hereinafter, "AVA Trust"), a revocable trust with its principal place of administration in Saint Louis County, Missouri. On or about August 28, 2009, the AVA Trust invested \$275,000.00 into the Ponzi scheme through Banyon Income Fund.

12. Plaintiff, DEAN KRETSCHMAR (hereinafter, "Kretschmar"), is an individual residing in Broward County, Florida. On or about June 3, 2009, Kretschmar invested \$8,000,000.00 into the Ponzi scheme through Banyon Income Fund.

13. RAZORBACK FUNDING, LLC, (hereinafter, "Razorback"), is a Delaware limited liability company with its principal place of business in Broward County, Florida. Razorback invested \$32,000,000.00 into the Ponzi scheme through Banyon USVI, LLC. Dynasty Trust, D&L Partners and Kretschmar were also major investors in Razorback.

14. Plaintiff, D3 CAPITAL CLUB, LLC (hereinafter, "D3"), is a Delaware limited liability company with its principal place of business in Broward County, Florida. D3 invested \$13,500,000.00 into the Ponzi scheme. Dynasty Trust, D&L Partners and Kretschmar were major investors in D3 as well.

15. Plaintiff, BFMC INVESTMENT, LLC (hereinafter, "BFMC"), is a Florida limited liability company with its principal place of business in Broward County, Florida. On or about October 2009, BFMC invested \$2,400,000.00 into the Ponzi scheme.



**The Defendants - Principal Conspirators**

16. Scott W. Rothstein, Esq. (hereinafter, "Rothstein") is an individual residing in Broward County, Florida and, at all times relevant hereto, was one of Rothstein, Rosenfeldt Adler, P.A.'s founders, its managing partner and CEO. Rothstein is the principal organizer of the Ponzi scheme.

17. Non-party RRA is a Florida professional association with its principal place of business in Broward County, Florida. RRA was used as the front to this elaborate Ponzi scheme, serving as the purported law firm representing putative plaintiffs in connection with their pre-suit, confidential settlements. RRA's trust accounts were allegedly used to receive the putative defendants' settlement funds and used to receive investor payments. Rothstein and RRA are collectively referred to as the "Principal Conspirators".

**The Defendants - Co-Conspirators**

***TD Bank Defendants***

18. TD Bank is a foreign national banking association registered to do business in Florida. TD Bank maintains substantial contact with Florida through its multiple branches throughout the state. TD Bank was the financial epicenter of the Ponzi scheme. Among other things, TD Bank conspired, induced, and facilitated the Principal Conspirators' deceptive practices, allowing Principal Conspirators to divert hundreds of millions of investor dollars through TD Bank accounts.

19. FRANK SPINOSA (hereinafter, "Spinosa"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was a senior vice-president of operations for TD Bank. Spinosa participated in the scheme by, among other things, meeting with investors, verifying

account statements and providing investors with purported irrevocable "lock letters" securing investor funds.

20. JENNIFER KERSTETTER (hereinafter, "Kerstetter"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was an assistant manager for TD Bank. Kerstetter participated in the scheme by, among other things, meeting with investors, verifying account statements, and providing investors with purported irrevocable "lock letters" securing investor funds.

21. ROSEANNE CARETSKY (hereinafter, "Caretsky"), is an individual residing in Broward County, Florida, and, at all times relevant hereto, was an assistant vice president and branch manager for TD Bank. Caretsky participated in the scheme by, among other things, meeting with investors, verifying account statements, and providing investors with purported irrevocable "lock letters" securing investor funds.

***RRA Defendants***

22. DAVID BODEN (hereinafter, "Boden"), is an individual residing in Fort Lauderdale, Florida and, at all times relevant hereto, was a partner and general counsel for RRA. Boden was Rothstein's "right-hand man" and an essential participant in the scheme by, among other things, recruiting and soliciting investors and drafting documents to induce investors into funding the settlement while having actual and/or constructive knowledge that the investments were part of a Ponzi scheme.

23. DEBRA E. VILLEGAS (hereinafter, "Villegas"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was the chief operating officer at RRA. Villegas, Rothstein's number two at RRA, participated in the scheme by, among other things,

furnishing false bank account statements and wire transfers to investors for the purpose of inducing investor funding despite having actual or constructive knowledge that the investments were a Ponzi scheme.

24. ANDREW BARNETT (hereinafter, "Barnett"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was the Director of Corporate Development for RRA. Barnett, participated in the scheme by, among other things, recruiting, soliciting and inducing investor funding despite having actual or constructive knowledge that the investments were a Ponzi scheme.

25. IRENE STAY (hereinafter, "Stay"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was the chief financial officer of RRA. Stay participated in the scheme by furnishing investors with falsified bank account statements and wire transfer confirmations used to induce investor funding despite having actual or constructive knowledge that the investments were a Ponzi scheme.

***Banyon Defendants***

26. GEORGE G. LEVIN (hereinafter, "Levin"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was the chief executive officer of Banyon USVI, LLC and Banyon Income Fund. Levin who previously owned and operated GGL Industries, Inc. d/b/a Classic Motor Carriages, a company convicted of federal fraud charges, actively participated in the scheme by, among other things, recruiting, inducing and securing investor funding despite having actual or constructive knowledge that the investments were a Ponzi scheme.

27. FRANK J. PREVE (hereinafter, "Preve"), is an individual residing in Broward County, Florida and, at all times relevant hereto, was the chief operating officer or agent of Banyon

USVI, LLC and Banyon Income Fund who maintained an office at RRA. Preve, a convicted bank fraud and embezzlement felon<sup>2</sup> participated in the scheme by, among other things, recruiting, inducing and securing investor funding despite having actual or constructive knowledge that the investments were a Ponzi scheme.

28. BANYON INCOME FUND, L.P. (hereinafter, "BIF"), is a Delaware limited partnership which Levin and Preve operated as a putative investment entity to purchase the Ponzi scheme settlements with investor funds.

29. BANYON USVI, LLC (hereinafter, "Banyon USVI"), is a Delaware limited liability company which Levin and Preve operated as a putative investment entity to purchase the Ponzi scheme settlements with investor funds.

**Onyx Defendants**

30. MICHAEL SZAFRANSKI (hereinafter, "Szafranski"), is an individual residing in Miami-Dade County, Florida and, at all times relevant hereto, was the president of Onyx Options Consultants Corporation and who maintained an office inside RRA. Szafranski was hired as an "independent" third-party on behalf of BIF, Banyon USVI, Razorback and D3 tasked with verifying critical aspects of the purported investment deals. Specifically, Szafranski was the only person authorized to analyze unredacted settlement documents, to confirm the Principal Conspirators' finances through TD Bank and to offer an opinion as to the authenticity of the settlement deals. Szafranski participated in the scheme by, among other things, making material misrepresentations.

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<sup>2</sup> Frank Preve plead guilty to bank embezzlement charges in 1985 and received ten (10) years probation and a \$10,000.00 fine for falsifying loan documents in connection with a scheme that resulted in losses exceeding \$2,300,000.00.

false verifications and actively inducing investor funding despite having actual or constructive knowledge that the investments were a Ponzi scheme.

31. ONYX OPTIONS CONSULTANTS CORPORATION d/b/a/ ONYX CAPITAL MANAGEMENT (hereinafter, "Onyx"), is a Florida limited liability company which Szafranski owns and operates as a third-party verifier and putative investment entity employed to facilitate and induce investor funding into the Ponzi scheme.

**CPA Defendant**

32. BERENFELD SPRITZER SHECHTER SHEER, CPA'S LLP (hereinafter, "Berenfeld"), is a Florida limited liability partnership who, at all times relevant hereto, served as the auditing firm for BIF and Banyon USVI and as the accounting firm for RRA. Berenfeld participated in the scheme by, among other things conspiring, inducing, and facilitating the Principal Conspirators' deceptive practices, by providing audited financial statements which purported to authenticate hundreds of millions of dollars of false receivables, allowing Principal Conspirators to perpetrate a fraud.

### **The Ponzi Scheme**

#### ***The Rothstein Facade***

33. From humble beginnings in 2003, Rothstein built RRA into one of the fastest growing Florida-based law firms. Under Rothstein's stewardship, RRA grew from seven attorneys to over seventy and amassed over two hundred and fifty in staff. Along with its dramatic growth in size, RRA rapidly emerged as a legal, political and philanthropic powerhouse.

34. Not surprisingly, Rothstein amassed an enormous portfolio of assets including more than sixteen real estate properties, twenty-five cars, an eighty-seven foot yacht, and various interests in a myriad of businesses ranging from watches to restaurants to vodka. See a list of Rothstein's assets seized by the federal government along with estimates of their value attached hereto as Exhibit "A-1."

35. Rothstein lived lavishly and spent prolifically--critical components necessary to set his scheme in motion.

36. With RRA's tireless marketing efforts and meteoric rise into prominence, Rothstein quickly made forays into preeminent social circles, rubbing elbows with high net-worth individuals and political luminaries, the perfect breeding grounds to lure wealthy investors. His plot was up and running.

#### ***The Plan***

37. Rothstein seized upon his new found stature to entice investors into what would eventually become a Ponzi scheme using his budding employment and labor practice at RRA as his conduit.