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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:

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

MR. PIKE: Form.

THE WITNESS: I don't know.

BY MR. SCAROLA:

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

A. What's damaging evidence, sir?

Q. Evidence tending to implicate you in criminal conduct.

MR. PIKE: Form.

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

BY MR. SCAROLA:

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

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

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.

BY MR. SCAROLA:

Q. Could you answer the question?

MR. PIKE: Same objection.

THE WITNESS: You'll have to repeat it.

BY MR. SCAROLA:

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

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

BY MR. SCAROLA:

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

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

MR. PIKE: Form.

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

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

MR. PIKE: Let me make the record clear.

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.

BY MR. SCAROLA:

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

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

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 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 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 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

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

6 BY MR. SCAROLA:

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

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

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

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

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

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

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 to have to assert my Fifth, Sixth and 14th

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 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 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 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 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

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

6 Yes, I do have a social relationship.

7 BY MR. SCAROLA:

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

10 MR. PIKE: Form.

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

20 BY MR. SCAROLA:

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

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

25 MR. PIKE: Form.

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

4 BY MR. SCAROLA:

5 Q. How many children have you sexually abused?

6 MR. PIKE: Form.

7 And I just want to be clear on the record.

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

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

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

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

25 And I agree with you that they are not

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

15 BY MR. SCAROLA:

16 Q. Have you ever sexually abused children?

17 MR. PIKE: Form.

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

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

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

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

11 I'm going to move to strike.

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

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

22 BY MR. SCAROLA:

23 Q. Did you have staff members that assisted you
 24 in scheduling appointments with underage females; that
 25 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 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 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 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

1 any communication.

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

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

6 BY MR. SCAROLA:

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

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

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

13 MR. PIKE: Form.

14 THE WITNESS: Yes, sir.

15 BY MR. SCAROLA:

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

18 MR. PIKE: Form.

19 THE WITNESS: L.M.'s customers.

20 You'll have to rephrase the question, sir.

21 BY MR. SCAROLA:

22 Q. Your Complaint says --

23 MR. PIKE: What page were you reading from?

24 MR. SCAROLA: Page 22.

25 MR. PIKE: Thank you.

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

7 BY MR. SCAROLA:

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

10 MR. PIKE: Form.

11 THE WITNESS: This is relevance here at some
12 point?

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

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

1 BY MR. SCAROLA:

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

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

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

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

18 MR. SCAROLA: Move to strike. Unresponsive.

19 BY MR. SCAROLA:

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

22 MR. PIKE: Form.

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

1 Mr. Scarola.

2 MR. SCAROLA: Move to strike. Unresponsive.

3 MR. PIKE: No. That's fine.

4 BY MR. SCAROLA:

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

7 MR. PIKE: Form. Relevance.

8 THE WITNESS: Again, an irrelevant question to
9 this lawsuit, strictly as a continued attempt to
10 bring in irrelevant facts to the fact of what the
11 Rothstein firm has done to both me and others in
12 South Florida, defrauding investors of millions of
13 dollars, knowing that at least today I'm going to
14 have to with respect to that particular question
15 assert my Fourth -- excuse me -- Fifth, Sixth and
16 14th Amendment Rights.

17 MR. SCAROLA: Move to strike as unresponsive.

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

21 If you can direct me to anywhere in the
22 Complaint that even remotely addresses your two
23 questions that you've just posed to Mr. Epstein,
24 I'd be happy to look at the section in the
25 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 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 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 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 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. 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 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 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 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 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 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 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 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.)

1 CERTIFICATE OF OATH
 2 STATE OF FLORIDA
 3 COUNTY OF PALM BEACH

5
 6 I, the undersigned authority, certify that
 7 JEFFREY EPSTEIN personally appeared before me and was
 8 duly sworn on the 17th day of March, 2010.

9 Dated this 26th day of March, 2010.

10 Sandra Townsend



11
 12 Sandra W. Townsend, Court Reporter
 13 Notary Public - State of Florida
 14 My Commission Expires: 6/26/12
 15 My Commission No.: DD 793913
 16 Job #1358

1 DATE: March 26, 2010
 2 TO: JEFFREY EPSTEIN Job #1358
 3 c/o Michael Pike, Esquire
 4 303 Bayou Boulevard, Suite 400
 5 West Palm Beach, Florida 33401

6 IN RE: Epstein vs. Edwards, et al

7 CASE NO.: 502009CA040800XXXXXMBAG

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

13 Please call our office at the below-listed
 14 number to schedule an appointment between the hours of
 15 9:00 a.m. and 4:30 p.m., Monday through Friday, at the
 16 Esquire office located nearest you.

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

23 Very truly yours,

24 Sandra W. Townsend, FPR
 25 PROSE COURT REPORTING AGENCY
 26 250 Australian Avenue, Suite 1500
 27 West Palm Beach, Florida 33401
 28 Phone: 561.832.7500

29 I do hereby waive my signature.

30 JEFFREY EPSTEIN

31 I do hereby waive my signature;
 32 cc: V/s transcript: All Counsel of Record; file copy

1 CERTIFICATE
 2 STATE OF FLORIDA
 3 COUNTY OF PALM BEACH

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

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

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

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

25 Dated this 26th day of March, 2010.

26 Sandra Townsend

27 Sandra W. Townsend, Court Reporter
 28 Job #1358

Page 137 CERTIFICATE

THE STATE OF FLORIDA
 COUNTY OF PALM BEACH

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

11 Dated this _____ day of _____,
 12 2010.

13
 14 JEFFREY EPSTEIN
 15 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 DEONENT:

36 (Page 138)

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PROSE COURT REPORTING AGENCY, INC.

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

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,

CASE NO.: 09-062943 (19)

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.¹

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

¹ 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, "Caretzky"), 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 felon² 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,

² 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.