

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

Case No. 09-062943 (07)

RAZORBACK FUNDING, LLC, et al.,

Plaintiffs,

vs.

SCOTT W. ROTHSTEIN, et al.,

Defendants.

DAY 9 - MORNING SESSION

DEPOSITION OF SCOTT W. ROTHSTEIN

DATE TAKEN: December 22, 2011
TIME: 8:37 a.m. - 12:00 p.m.
PLACE: James Lawrence King Federal
Justice Building
99 N.E. Fourth Street
Courtroom 11-3
Miami, Florida 33128

Examination of the witness taken before:
Michele L. Savoy, Registered Professional Reporter
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1 IN THE CIRCUIT COURT OF THE 17TH
2 JUDICIAL CIRCUIT IN AND FOR
3 BROWARD COUNTY, FLORIDA

4 _____
Case No. 10-24110 CACE(19)

5 EDWARD J. MORSE and CAROL A. MORSE,
6 and MORSE OPERATIONS, INC.

7 Plaintiffs,

8 vs.

9 SCOTT W. ROTHSTEIN, et al.,

10 Defendants.

11 _____
Case No. 11-CV-61688-JIC/LSS

12 AMY ADAMS, et. al,

13 Plaintiffs,

14 vs.

15 SCOTT W. ROTHSTEIN, TD BANK, N.A. and GIBRALTAR
16 PRIVATE BANK AND TRUST COMPANY,

17 Defendants.

18 _____
19 10-03767-RBR Stettin v. Gibraltar Private
Bank & Trust Co.

20 10-03802-RBR Stettin v. Centurion Structured
21 Growth, LLC, et al

22 11-02368-RBR Stettin v. TD Bank, N.A.

23 11-02288-RBR Stettin v. Fidelity Charitable Gift Fund

24 11-02473-RBR Stettin v. Regent Capital
Partners, LLC, et al

25 11-02604-RBR Stettin v. Maple Leaf Drilling
Partners, et al

11-02605-RBR Stettin v. Don King Productions, Inc.

1 (Counsel appearing on the foregoing appearance pages
2 reflect counsel that attended at least one day during
3 the deposition. It does not reflect their appearance
4 each and every session.)

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1 only exhibit that we have marked is 272. So
2 we have no identification for any of those
3 other emails.

4 MR. RASCO: Let me --

5 MR. NURIK: Excuse me.

6 We don't know what his answers related
7 to.

8 MR. RASCO: Well, I specifically stated
9 what the dates and subjects were of each of
10 the emails.

11 I can mark them in -- they're all in
12 chronological order.

13 (Thereupon, documents were marked as Preve's
14 Exhibits 273 and 274, respectively, for identification.)

15 DIRECT EXAMINATION

16 BY MS. BARZEE-FLORES:

17 **Q Scott Rothstein, you sure fooled a lot of**
18 **people, didn't you?**

19 A Yes.

20 **Q You conned lawyers, right?**

21 A Yes.

22 **Q Greenspoon Marder, correct?**

23 A Well, that con was actually by Mr. Preve, with
24 my assistance.

25 **Q Clifford Chance?**

1 A Yes.

2 Q Morgan Lewis?

3 A Yes.

4 Q In fact, no firm that did a due diligence
5 investigation of you, discovered what you were up to and
6 advised their clients not to invest in you?

7 A I would be guessing as to what they advised
8 their client.

9 Q Didn't you say on December 12th, in the
10 afternoon session, that no firm that did due diligence,
11 as far as you knew, discovered what you were up to and
12 advised the client not to invest in you?

13 A That's the key to your question: As far as I
14 knew, yes.

15 Q You conned innocent lawyers at your firm who
16 didn't know what you were up to?

17 A I did.

18 Q You conned innocent investors, didn't you?

19 A Some, yes, I did.

20 Q You conned politicians, as well, right?

21 MR. LAVECCHIO: You can answer the
22 question without specifics.

23 A Yes.

24 BY MS. BARZEE-FLORES:

25 Q You fooled Senator John McCain?

1 A Yes.

2 Q You fooled United States Senator Mel Martinez?

3 MR. LAVECCHIO: Objection.

4 BY MS. BARZEE-FLORES:

5 Q You fooled United States Senator Joe

6 Lieberman?

7 A Yes.

8 Q You fooled Florida Governor Charlie Crist?

9 MR. LAVECCHIO: Objection.

10 BY MS. BARZEE-FLORES:

11 Q You fooled California Governor Arnold

12 Schwarzenegger?

13 A Yes.

14 Q You fooled presidential candidate Sarah Palin?

15 A Yes.

16 Q You fooled the president, George W. Bush?

17 A Yes.

18 Q You conned the Florida Bar, didn't you?

19 A No, I never got them involved in anything. I

20 utilized the name of the Florida Bar to further my

21 fraud.

22 Q You were on the Florida Bar Grievance

23 Committee, weren't you?

24 A Oh, you mean I fooled them into thinking I was

25 an ethical lawyer?

1 Q Well, tell me: Were you on the Florida Bar
2 Grievance Committee?

3 A I certainly was. We discussed that.

4 Q And what were you supposed to be doing on that
5 committee?

6 A Hearing grievances.

7 Q And what does that mean for the jury? Explain
8 what you were supposed to be doing on that committee.

9 A Judging the ethics of other lawyers.

10 Q You conned the Broward Judicial Nominating
11 Commission, didn't you?

12 MR. LAVECCHIO: Objection.

13 BY MS. BARZEE-FLORES:

14 Q Did you corrupt that process, sir?

15 MR. LAVECCHIO: Without specifics.

16 A Yes.

17 BY MS. BARZEE-FLORES:

18 Q Did people pay you to get on the bench?

19 MR. LAVECCHIO: Objection.

20 BY MS. BARZEE-FLORES:

21 Q What were you supposed to be doing on that
22 commission, Scott Rothstein?

23 A Vetting candidates for the 4th District Court
24 of Appeal to send to the government.

25 Q Who appointed you to that position?

1 A The governor, then-governor, Charlie Crist.

2 Q You conned your own friends, didn't you?

3 A Yes.

4 Q You had a close circle of friends that you
5 often socialized with, right?

6 A Yes, ma'am.

7 Q Some of them knew you were a criminal?

8 A Some did, yes, sir -- yes, yes, ma'am.

9 Q Some of them didn't?

10 A Some didn't, many didn't.

11 Q You conned "your own girl Friday," didn't you?

12 A "Girl Friday," who?

13 Q How do you describe Debra Villegas?

14 A One of my closest friends and confidantes.

15 Q And an employee?

16 A Yes, ma'am.

17 Q Who worked right alongside you?

18 A Yes, ma'am.

19 Q Who learned that you were a criminal?

20 A Yes, ma'am.

21 Q Who participated in your criminal conduct with
22 you?

23 A Yes, ma'am.

24 Q Who you could ask to do just about anything
25 and she would, for you?

1 A Yes, ma'am.

2 Q You conned your own best friend, didn't you?

3 A To some extent.

4 Q You convinced Ted Morse that you had
5 **Judge Seltzer in your pocket?**

6 A That's true.

7 Q And by the way, when you conned Ted Morse, you
8 **were a conning a con, weren't you?**

9 ALL PRESENT: Object.

10 A If you mean to say that Ted knew I was
11 committing crimes and participated in some of those
12 crimes, that's correct; and that I also conned him as to
13 certain things, that's correct.

14 BY MS. BARZEE-FLORES:

15 Q You conned the people closest to you in the
16 **world?**

17 A That's true. I hurt a lot of very innocent,
18 good, decent people.

19 Q You conned your own mother?

20 A I certainly did.

21 I hurt my family terribly.

22 Q She worked at the firm with you, didn't she?

23 A Yes, from time to time my mom worked there.

24 My dad worked there, my sister.

25 Q And she had no idea what her son had become?

1 A No, she didn't.

2 Q **You conned your wife?**

3 A I certainly did. I hurt a very good person a
4 lot.

5 Q **You did the things you did and then crawled**
6 **into bed with that woman?**

7 A That's correct.

8 Q **At your sentencing you tried to con the judge,**
9 **didn't you?**

10 A Absolutely not.

11 Q **Sir, you wrote him a 12-page letter,**
12 **typewritten, right?**

13 A I hand wrote it and then someone else typed
14 it, yes, ma'am.

15 Q **It started off talking about the tough**
16 **financial times you had growing up, right?**

17 A You have to show me the letter, ma'am. I know
18 that I talked about difficult financial times, that kind
19 of thing, yes, ma'am.

20 Q **It ended talking about how, very, very sorry**
21 **you were for all of your crimes?**

22 A Yes, ma'am. I am. That's why I turned myself
23 in.

24 Q **That letter didn't work, did it,**
25 **Mr. Rothstein?**

1 A It wasn't meant to work. It was meant to be
2 an honest appraisal of myself and my criminality to the
3 judge.

4 Q What sentence did your lawyer ask the judge to
5 impose on you, sir?

6 A Forty years.

7 Q What sentence --

8 A I'm sorry, no, that was the government asked
9 for 40 years; my lawyer asked for 30.

10 Q And what sentence did the judge impose on you?

11 A Fifty years.

12 Q You're good at the con, aren't you?

13 A I was, yes.

14 Q You're not anymore?

15 A No, ma'am.

16 Q Why don't we let the jury be the judge of
17 that.

18 ALL PRESENT: Object to form.

19 BY MS. BARZEE-FLORES:

20 Q Let's talk about the psychological tools that
21 you used to fool people, to con them.

22 First, you're a good salesman, right?

23 A I was.

24 Q You know how to get a sense from people before
25 you do business with them?

1 A That is one of the tools I used to operate,
2 yes, ma'am.

3 Q Some people you wouldn't do business with
4 because you sensed you couldn't trust them?

5 A That's correct.

6 Q You know how to create a perception of power?

7 A That's correct.

8 Q And you know that the perception of power
9 yields actual power?

10 A It does.

11 Q You know how to convince people that you're
12 legit, right?

13 A That's one of the tools I used, yes, ma'am.

14 Q You convinced people that you were legitimate
15 by associating with politicians, right?

16 A I convinced people that I was legitimate by
17 associating with certain legitimate politicians and by
18 corrupting and engaging in corruption with some corrupt
19 politicians.

20 Q You knew how to convince people that you were
21 legit by associating with law enforcement?

22 A I utilized law enforcement to convince people
23 I was legitimate both by associating with legitimate law
24 enforcement and by engaging in corruption with corrupt
25 law enforcement.

1 Q You knew how to convince people you were
2 legitimate by associating with judges?

3 A I convinced people I was legitimate by
4 associating with good and decent legitimate members of
5 the judiciary, and I convinced people I was legitimate
6 by engaging in corruption with corrupt members of the
7 judiciary.

8 Q You knew it was crucial to the success of your
9 criminal scheme to keep an air of legitimacy around you?

10 A Yes, ma'am.

11 Q And you worked hard to make people feel secure
12 in their relationship with you, right?

13 A Yes, ma'am.

14 Q You used the trappings of wealth to give
15 people the impression of your success?

16 A I did.

17 Q And you worked to convince people that there
18 would be real returns, real returns on their
19 investments?

20 A Certain people, yes, ma'am.

21 Q You made large and very public donations to
22 worthy causes, right?

23 A I did.

24 Q And you pretended to be devout in your
25 religion?

1 A I am not going to justify that comment with a
2 response.

3 **Q In 2000 --**

4 A I was -- excuse me.

5 **Q Go ahead.**

6 A Excuse me. Excuse me.

7 MR. NURIK: Hold on. We're not going it
8 to allow any questions concerning his
9 religious beliefs, period.

10 BY MS. BARZEE-FLORES:

11 **Q You made public statements regarding your**
12 **religiosity, haven't you?**

13 A My religion has nothing to do with the fact
14 that I was a very bad person.

15 **Q You manipulated people, didn't you?**

16 A I did.

17 **Q You're good at manipulating them, aren't you?**

18 A I was.

19 **Q You were?**

20 A Yes. I don't need to do that anymore. When
21 you tell the truth, it's very, very simple.

22 **Q You're the tiger who changed his stripes?**

23 ALL PRESENT: Objection to form.

24 A If you're asking me if I am a good example of
25 a changed person and how much you can change, the answer

1 is absolutely yes.

2 BY MS. BARZEE-FLORES:

3 Q On a scale of one to ten, you're a ten at
4 manipulating people?

5 A I was.

6 I have no need manipulate anyone anymore.
7 When you're telling the truth, you don't need to worry
8 about manipulating people.

9 Q You've said that you can spend time with
10 someone and get a feel for what they might be
11 susceptible to?

12 A That's something that I was capable of doing,
13 yes, ma'am.

14 Q And that you could spend time with someone and
15 get a feel for how malleable a person he or she is?

16 A That was something I was capable of doing as
17 well, yes, ma'am.

18 Q You're not capable of getting that sense now?

19 A No, I'm not.

20 Q That --

21 A I don't care.

22 Q You lost your sense to -- to see if somebody
23 is susceptible to BS?

24 A No. I shut it down. I decided it was no
25 longer something that I wanted to be.

1 Do you not believe that people can change?

2 Q You are able to turn off like a switch your
3 ability to determine after meeting with a person how
4 malleable they are?

5 A I have no need to do it anymore. When you're
6 telling the truth, you don't need to do any of those
7 things.

8 Q If you had a need, could you do it, sir?

9 A My body, my psyche, my mind, my beliefs would
10 never allow me to do that again. Ever. That's why I
11 came back and turned myself in knowing I was going to
12 prison.

13 Q That's your pitch?

14 ALL PRESENT: Objection. Form.

15 A That's the truth.

16 BY MS. BARZEE-FLORES:

17 Q During the days of your con, when people
18 questioned you about these deals, you would give them
19 whatever information you thought you needed to give
20 them?

21 A Depending upon whether they were involved in
22 the crime or not.

23 Q All right. Sometimes you lied to them?

24 A Sometimes I lied to them and sometimes I told
25 them the truth. It just depended upon whether they were

1 involved in the crime or not.

2 **Q Sometimes you told them half-truths?**

3 A It's the same answer. Depending upon what
4 level involvement they had in the crime.

5 **Q To some people, you gave as little information**
6 **as possible?**

7 A Depending upon their level of involvement in
8 the crime.

9 **Q And to other folks, you exaggerated?**

10 A Again, it's the same answer. It depended upon
11 the level of the individual's involvement in the fraud.

12 **Q Sometimes you played the attorney-client**
13 **confidentiality card?**

14 A Yes, my co-conspirators and I used that
15 regularly to create a transparency block during the
16 course of the fraud.

17 **Q And you played the confidential settlement**
18 **card?**

19 A The same answer.

20 **Q Meaning yes?**

21 A No. Meaning that my co-conspirators and I
22 used the confidentiality -- all of those things to
23 create a transparency block so people would not be able
24 to detect the fact that we were committing a crime.

25 **Q Sometimes when you were pressed, you played**

1 offense in defense, right?

2 A I'm sorry. I don't understand your question.

3 Q Well, for example, when Ed and Carol Morse
4 would start pressing you and asking too many questions,
5 wasn't it the case that you would respond with what you
6 testified on December 12th was, quote/unquote, the
7 standard, where you rant about: How dare you, you've
8 embarrassed me, I'm making you money, I've done
9 everything right.

10 A Now I understand.

11 Yes. What I would do is, when someone was
12 pushing me on a matter of illegality, if the person
13 was -- if it suited my needs, I would play their
14 emotions to try to get them to stop.

15 Q And you also referred to this technique of
16 yours as using a person's pressure point, right?

17 A Yes.

18 Q Of course, you agreed you don't need to apply
19 pressure to people who are criminals, right?

20 A That's right. Sometimes -- well, that's not
21 true. Sometimes when you have someone who is a -- well,
22 let me give specific examples. When I had people that
23 were co-conspirators of my crime that I needed them to
24 do something outside of the criminality they were
25 currently involved in, I might use pressure points or

1 inducements. I did that frequently with the bankers.
2 It just depended upon what I required for the crime at
3 the time. Some people needed more inducement, some
4 people needed less.

5 Q So, for example, when the innocent fund
6 investors started asking too many questions about
7 payments being late, you cooked up a story about having
8 a Florida Bar grievance?

9 A Correct.

10 MR. SCHERER: Objection to form.

11 BY MS. SPEAKER?:

12 Q You used law enforcement to throw people off,
13 you said?

14 A I used legitimate law enforcement to do
15 legitimate things and I used corrupt law enforcement to
16 do corrupt things.

17 Q You've rewarded the people who were in on your
18 scheme, didn't you?

19 A Very well.

20 Q You rewarded them with houses, right? Right?

21 A Yes.

22 Q Cars?

23 A Yes.

24 Q Trips?

25 A Yes.

1 Q Women?

2 A Yes.

3 Q Cigars?

4 A Yes.

5 Q Concerts?

6 A Yes.

7 Q Sporting events?

8 A Yes.

9 Q You emailed them a lot?

10 A Some I emailed a lot. Some I emailed a
11 little.

12 Q You gave them nicknames?

13 A Both, people that were involved in the crime
14 and not involved in the crime. Everyone in my world had
15 nicknames.

16 Q And you also gave money and gifts to people
17 who were not in on your schemes?

18 A That's correct.

19 Q You told folks the gospel according Scott?

20 MR. SCHERER: Object to form.

21 A I don't know what -- I'm sorry, I don't know
22 what that means, the gospel according Scott.

23 BY MS. BARZEE-FLORES:

24 Q On December 14th, in the afternoon session,
25 page 886 of the transcript, you didn't testify that you

1 told people, quote/unquote, the gospel according Scott?

2

3 MR. NURIK: Actually, what was the
4 question before that answer?

5 BY MS. BARZEE-FLORES:

6 Q My question is --

7 MR. NURIK: No. What was the question
8 before? Why don't you say -- ask him what his
9 answer was in response to a particular
10 question so we can identify the record.

11 BY MS. BARZEE-FLORES:

12 Q Have you ever said that, sir?

13 A My recollection is, is I was joking around
14 with some people in here when I said "the gospel
15 according to Scott."

16 You'd have to give me the context of it so
17 it's not taken out of context.

18 Q You used that phrase, sir?

19 A Yes.

20 Q On the record?

21 A Yes.

22 Q You used other tools, tangible tools to ply
23 your trade too, didn't you?

24 A I don't understand the question.

25 Q You masterminded the use of phony lawsuits?

1 A I masterminded -- the way you're asking it,
2 yes, I utilized phony lawsuits to continue to perpetrate
3 the fraud.

4 **Q Phony court orders?**

5 A Yes, ma'am.

6 **Q Phony settlement agreements?**

7 A Yes, ma'am.

8 **Q Phony promissory notes?**

9 A Yes, ma'am.

10 **Q Forged emails?**

11 A Yes, ma'am.

12 **Q Phony case file documents?**

13 A Yes, ma'am.

14 **Q Phony flight manifests?**

15 A No, we didn't phony up flight manifests. We
16 used --

17 **Q You didn't phony up a flight manifest where**
18 **you added Bill Clinton and Prince Andrew and young**
19 **girls' names to a Jeffrey Epstein flight manifest for**
20 **purposes of showing perspective investors how the**
21 **settlement system worked and why important people might**
22 **want confidentiality in exchange for large sums of money**
23 **to be paid to the plaintiff?**

24 A My best recollection is, is we used -- I think
25 I testified to this yesterday or the day before -- we

1 used real flight manifests during that meeting with
2 the -- Mr. Scherer's clients. And I told them about
3 fake flight manifests. I don't recall that we created
4 one. If you have one, you can show it to me, that would
5 refresh my recollection, but I actually don't recall
6 that being a document that I created.

7 Q Phony bank websites?

8 A Yes.

9 Q Phony bank statements?

10 A Yes. Screen shots.

11 Q Phony opinion letters?

12 A Yes.

13 Q Phony audit letters?

14 A Yes.

15 Q Fake legal bills?

16 A Yes.

17 Q Phony court case bonds?

18 A Yes.

19 Q Fake law enforcement investigations?

20 A Yes.

21 Q Phony attorney's fees statements?

22 A Yes.

23 Q Fictitious loans?

24 A Yes.

25 Q And, of course, being a successful con means

1 you have to be a pretty good actor, right?

2 A I was.

3 Q Let's talk about you and your co-conspirators'
4 acting skills.

5 You orchestrated phony telephonic court
6 hearings, didn't you?

7 A I did.

8 Q Now, a real telephonic court hearing is where
9 a judge allows the participants to participate by
10 telephone, right?

11 A Yes.

12 Q But in your phony telephonic hearings, you
13 would have your firm's lawyers or other lawyers fake
14 like they were the participants in a real hearing,
15 right?

16 A I had Scott Goldstein pretend to be Judge
17 Marra.

18 Q And who, for example, would be attending a
19 fake hearing with a fake Judge Marra?

20 A In this case, one of my co-conspirators, Ted
21 Morse, and his father, who was an innocent, Edward
22 Morse.

23 Q And what part did you play?

24 A The lawyer.

25 Q Other times you used people to play the part

1 of plaintiffs, right?

2 A That's correct.

3 Q Steve Caputi played the plaintiff?

4 A Steve Caputi played the plaintiff, and one of
5 the firm's secretaries played another plaintiff.

6 Q I assume you played the part of an honest
7 attorney?

8 A Yes, ma'am.

9 Q You were acting, of course?

10 A I was.

11 Q Caputi also played the part of a reporter to
12 harass one of your victims, right?

13 A He did.

14 Q Another time Caputi played the banker?

15 A Several times, yes, ma'am.

16 Q And he had to dress up for that part?

17 A I asked him to put on a shirt and tie because
18 he usually dressed in jeans and a t-shirt.

19 Q And you played the honest attorney again?

20 A I did.

21 Q Another time you had Caputi pretend to be the
22 owner of 800 numbers that had sent your firm lots of
23 business?

24 A I did.

25 Q And you had a woman in your office play the

1 part of a Florida Bar official, right?

2 A I did.

3 Q You had other lawyers play the part of a case
4 and client referral sources, right?

5 A Yes.

6 Q And you would participate --

7 A A series of lawyers.

8 Q And you would participate in these little
9 scenarios with them?

10 A You mean the fake due diligence with the
11 lawyers?

12 Q Yes.

13 A Yes. I took them there.

14 Q So you were acting quite a bit during this
15 time?

16 A Myself and my co-conspirators, yes, ma'am.

17 Q And then there were the shows, what you call
18 "the shows," right?

19 A Yes, ma'am.

20 Q Where everybody had a role?

21 A Yes, ma'am.

22 Q And you had lines?

23 A It was a lot of ad lib but, yes, some specific
24 things that needed to be said and done, yes, ma'am.

25 Q These shows were coordinated?

1 A Yes, ma'am.

2 Q **And thought out?**

3 A Correct.

4 Q **You were a master of fraud, weren't you,**
5 **Mr. Rothstein?**

6 A Unfortunately, I was very good at what I was
7 doing, yes, ma'am.

8 Q **By the way, before you got caught up in all of**
9 **this, had you read up on con-artists and the tricks of**
10 **their trade?**

11 A I'm certain that somewhere along the line I
12 had read about cons but if you're asking me if I did
13 research for the role, no, I did not.

14 Q **It came naturally?**

15 A It's not that it came naturally. It's just I
16 developed, unfortunately, an ability to fool people.
17 That's what I was doing. That's what all my
18 co-conspirators were doing. That's what a fraud is
19 based upon.

20 Q **Judge Cohn, after sentencing, described your**
21 **fraud. Do you remember that?**

22 A I certainly do.

23 Q **I'm going to read you some of the things Judge**
24 **Cohn said and ask you if the judge was right. You**
25 **understand?**

1 A I can tell you right now he was right on
2 everything he said. Every single word that he said he
3 was 100 percent correct.

4 Q Judge Cohn said that your case was about
5 selling fake financial products. True?

6 A Yes.

7 Q He said, "The marketing, however, was anything
8 but simple. It was sophisticated, rivaling that of
9 Madison Avenue's advertising elite."

10 A Correct.

11 Q "It was all about image, wealth, power, and
12 influence."

13 A Correct.

14 Q WPI.

15 Is that all true?

16 A I told you two questions ago that every single
17 thing that Judge Cohn said about me and my crimes was
18 100 percent correct.

19 Q Judge Cohn, "The marketing component of the
20 fraud focused on attracting investors with deep
21 pockets."

22 Is that what you did?

23 A Yes, ma'am. That's -- I just testified to
24 that now three questions ago.

25 Q You displayed all the trappings of success:

1 The multi-million dollar homes, the expensive cars, and
2 boats, restaurants and jewelry and a 70-lawyer law firm
3 that appeared to be thriving?

4 A Yes, ma'am.

5 Q You maintained political connections
6 stretching from the Broward Sheriff's office on one end
7 of Broward Boulevard, all the way down to the Fort
8 Lauderdale Police Department on the other end of Broward
9 Boulevard, correct?

10 A Yes, and all the way out to Plantation.

11 Q To the governor's mansion in Tallahassee and
12 all the way to the United States Congress in Washington
13 and down Pennsylvania Avenue to the White House?

14 A I did.

15 Q "The local society page," Judge Cohn, "was
16 constantly adorned with photographs of you and your wife
17 arm-in-arm with sports celebrities, politicians,
18 community leaders, and socialites."

19 Is that right?

20 A That's correct.

21 Q The political contributions, which were
22 funneled through your law firm's attorneys, their wife's
23 and other employees, placed the Rothstein brand in much
24 demand?

25 A That's correct.

1 Q The philanthropy, which included donations to
2 hospitals, religious and charitable organizations
3 endeared you as one of Broward County's most prolific
4 benefactors?

5 A That's correct.

6 Q And the police security details, the dinners
7 with law enforcement, and the trips to sporting events
8 with BSO brass created an appearance of legitimacy?

9 A That's correct.

10 Q Judge Cohn, "But we now know it was all a
11 fraud."

12 A That's correct.

13 Q Let's talk about your various schemes and
14 crimes. Besides the Ponzi scheme, you and Albert Peters
15 embezzled from his employer, Silversea, right?

16 A Correct.

17 Q How much in total did you-all embezzle?

18 A I don't know. I don't recall.

19 Q More than 10 million?

20 A I don't recall.

21 Q More than ten bucks?

22 A Yes.

23 Q You and Ted Morse embezzled from Morse
24 Operations, didn't you?

25 A We did.

1 Q How much?

2 A In excess of \$59 million.

3 Q You laundered money through your law firm?

4 A I did.

5 Q You laundered money for Albert Peters?

6 A I did.

7 Q You laundered money for Ted Morse?

8 A I did.

9 Q You laundered money for the mob?

10 A I did.

11 Q You committed tax fraud?

12 A I committed the wrong kind of tax fraud. I
13 increased my taxes instead of decreasing it. I don't
14 know what you actually call that. It's tax evasion one
15 way. I guess I was tax invasion.

16 Q You lied under penalty of perjury under tax
17 forms, right?

18 A Yes, I did.

19 Q Friends -- your friends called you Robin Hood?

20 A Certain of them, yes.

21 Q And Robin Hood usually means a steal --
22 stealing from the rich to give to the poor, right?

23 A That's normally what it means. I was stealing
24 from the rich to give to the richer.

25 Q Including yourself?

1 A Yes.

2 Q And back to the tax fraud, your participation
3 in tax fraud was not necessarily only, if at all, for
4 your benefit but it was also for other folks' benefits,
5 right?

6 A Right.

7 Q You helped other people commit tax fraud,
8 right?

9 A Yes. My tax fraud was unique to me. I helped
10 other people avoid taxes.

11 Q Evade them?

12 A Avoid, evade, not pay.

13 Q You engaged in public corruption with
14 politicians?

15 A Yes.

16 Q You engage in public corruption with law
17 enforcement?

18 A Yes.

19 Q You participated in the purchase of political
20 positions?

21 A Yes.

22 Q You bribed judges?

23 A Yes.

24 Q You were involved in the --

25 ALL PRESENT: Object. Form.

1 BY MS. SPEAKER?:

2 Q -- manipulation, you say, of the judicial --

3 THE WITNESS: I'm sorry. Can you repeat
4 that?

5 BY MS. BARZEE-FLORES:

6 Q You were involved in the manipulation of the
7 judiciary?

8 A Yes.

9 Q You engaged in mob crime?

10 A I don't know what you mean.

11 MR. LAVECCHIO: Could I have a point of
12 clarification by what you mean by "mob
13 crimes"?

14 BY MS. SPEAKER?:

15 Q Sure. You've already said you laundered money
16 for the mob, right?

17 A Yes.

18 Q Were you involved in extortion?

19 MR. SCHERER: I'm sorry. Would you
20 repeat that? I didn't hear the question.

21 BY MS. BARZEE-FLORES:

22 Q Were you involved in extortion?

23 MR. SCHERER: Thank you.

24 MS. BARZEE-FLORES: You're welcome.

25 MR. LAVECCHIO: As a general crime?

1 A I was involved in extortion as a general
2 crime, yes.

3 BY MS. BARZEE-FLORES:

4 Q Did you extort anybody?

5 You're pausing, Mr. Rothstein.

6 I'm not going to ask you who if Mr. Lavecchio
7 doesn't want me to know that.

8 MR. NURIK: Let -- hold on. Hold on.

9 MR. SCHERER: Objection to form.

10 MR. NURIK: Let the record reflect that
11 the reason he's pausing is because there is
12 the anticipation of a possible objection based
13 on law enforcement privilege, so he's giving
14 the government the opportunity to decide
15 whether or not to interpose that objection.
16 No other reason.

17 MS. BARZEE-FLORES: So noted.

18 BY MS. BARZEE-FLORES:

19 Q And I know that, which is what I meant to
20 suggest to you when I said I'm not going to ask you who
21 you extorted, if Mr. Lavecchio has an objection to that
22 question.

23 But I'm asking you, not who you extorted, but
24 just admit that you did.

25 A I'm waiting to make sure there's no --

1 **Q Okay.**

2 A -- objection.

3 MR. LAVECCHIO: My objection is just
4 point of clarification. You said he
5 participated in extortion. As that is somehow
6 differentiated from extorting people, I don't
7 understand and I don't think he understands
8 it.

9 BY MS. BARZEE-FLORES:

10 **Q Did you threaten somebody that if they didn't**
11 **give you money, you would do something?**

12 THE WITNESS: Go ahead?

13 MR. LAVECCHIO: Yes.

14 A Through other people, yes.

15 BY MS. SPEAKER?:

16 **Q Did you order the people who did it to do it?**

17 A Did I order them?

18 **Q Did you ask them nicely?**

19 ALL PRESENT: Object to the form.

20 A The way that particular -- without getting
21 into any details, the people that I was involved with
22 were happy to do these things, and they did them. I
23 didn't need to order anyone to do anything.

24 I asked. I paid. They did.

25

1 BY MS. BARZEE-FLORES:

2 Q And the "did" that they did, was it in
3 exchange for the money with the threat for physical
4 violence or the threat that some crime would be exposed,
5 or what?

6 MR. LAVECCHIO: That's where I have to
7 object.

8 BY MS. BARZEE-FLORES:

9 Q You were involved in making physical threats,
10 though, were you not?

11 MR. LAVECCHIO: Again, point of
12 clarification, he's previously testified that
13 he was involved in acts that concerned certain
14 acts of violence, but as to his personally
15 participating in those, you can ask that.

16 BY MS. BARZEE-FLORES:

17 Q What did you do to involve yourself in
18 activities including the making of physical threats?

19 MR. LAVECCHIO: I have to object.

20 BY MS. SPEAKER?:

21 Q Did you threaten anybody with physical harm?

22 MR. LAVECCHIO: Personally?

23 THE WITNESS: Personally?

24 BY MS. BARZEE-FLORES:

25 Q Yeah.

1 A I may have said I was going to beat the crap
2 out of someone when they aggravated me but that's not
3 related to the criminality. That's like someone sitting
4 in a bar saying, I would like to sleep with your wife,
5 and me saying, I'll beat the crap out of you if you go
6 near her. It's not the same thing.

7 **Q Right. And certainly --**

8 A The criminality that I was involved in was
9 through other people. I did not actually get involved
10 in that.

11 **Q Sir, as you can understand, I'm really not**
12 **interested in your bar banter.**

13 ALL PRESENT: Objection to form.

14 BY MS. BARZEE-FLORES:

15 **Q I'm asking you --**

16 MR. SCHERER: Mary, we can't hear you.

17 BY MS. BARZEE-FLORES:

18 **Q Did you ever threaten to break anybody's**
19 **kneecaps, for example?**

20 A In conversations with certain people that I
21 was committing crimes with, there was discussion of
22 physical violence.

23 **Q What type of violence?**

24 MR. LAVECCHIO: Objection.

25

1 BY MS. SPEAKER?:

2 Q How many contacts in the mob did you have?

3 MR. LAVECCHIO: Objection.

4 BY MS. BARZEE-FLORES:

5 Q Let me ask you about Melissa Lewis. Melissa
6 Lewis was a lawyer in your firm, right?

7 A Yes, ma'am.

8 Q And at some point you were sleeping with her?

9 A When she was a student of mine, yes.

10 Q She was Debra Villegas' best friend, right?

11 A She was.

12 Q The same Debra Villegas that would do just
13 about anything for you if you asked her?

14 A Yes. We already discussed that.

15 Q The same Debra Villegas that knew about your
16 crimes or some of them and who participated in them with
17 you?

18 A That's correct.

19 Q At some point Debra Villegas' best friend and
20 then your former lover was murdered?

21 A That's correct. She was.

22 Q She was murdered because she knew too much,
23 right?

24 A Excuse me? Are you attempting to insinuate
25 that I had something to do with that poor girl's death?

1 Have you lost your mind?

2 Q You would deny that?

3 A I would deny it?

4 You're disgusting. Everyone knows that I
5 wasn't involved in it. That's disgusting.

6 Q How about Julie Timmerman?

7 A No. No. That is disgusting.

8 Okay. I was a criminal involved in
9 white-collar crime, involved in fraud and the like,
10 involved with the mob and corrupt politicians and
11 corrupt law enforcement. I'm paying for that.

12 Melissa Lewis was a good person. She didn't
13 know too much. She was killed by a psychopath.

14 And you're disgusting for doing that.

15 Q You gave Debra Villegas a house, right?

16 A Why drag her family through that? They're
17 going to have to read this, for your purposes, to defend
18 John Harris, who's guilty.

19 Q You gave Debra Villegas a house --

20 A You should be ashamed.

21 Q -- right?

22 THE WITNESS: I want five minutes. You
23 should be ashamed of yourself. You think I
24 should be in jail. You should be ashamed.

25 MS. BARZEE-FLORES: We'll talk about

1 Julie Timmerman when you come back.

2 THE WITNESS: You're a disgusting human
3 being. You're the only one out of this entire
4 group of lawyers. You are truly, truly a
5 disgusting human being.

6 MR. NURIK: Scott, relax.

7 (Thereupon, a recess was taken.)

8 THE WITNESS: Whenever you're ready.

9 BY MS. BARZEE-FLORES:

10 Q When did you say you had stopped manipulating
11 people?

12 A I made a conscious decision to stop being the
13 person that I was during the course of all these crimes
14 on my return from Morocco.

15 Q But you agree that even after you returned
16 from Morocco, you manipulated people?

17 A That is a very vague question that may impinge
18 on the government's privilege. I'm going to need to
19 defer to them.

20 MR. LAVECCHIO: Point of clarification.

21 BY MS. BARZEE-FLORES:

22 Q You acted in an undercover capacity?

23 MR. LAVECCHIO: Objection.

24 MS. BARZEE-FLORES: I believe that was --
25 was that not discussed at the sentencing? I

1 believe it was.

2 MR. RABIN: Absolutely, it was.

3 MS. BARZEE-FLORES: I have the sentencing
4 transcript. Let me just hand it to you, and
5 then I can come back.

6 MR. LAVECCHIO: Is that the end of your
7 question?

8 MS. BARZEE-FLORES: Yes.

9 MR. LAVECCHIO: That's the only question?

10 MS. BARZEE-FLORES: Yeah.

11 MR. LAVECCHIO: Did you participated in
12 undercover --

13 Okay.

14 BY MS. BARZEE-FLORES:

15 Q And I believe it was in your letter,
16 Mr. Rothstein.

17 MR. NURIK: We defer to the government on
18 this.

19 A I'm more than happy to answer it, if the
20 government allows me.

21 MR. LAVECCHIO: We don't have to spend a
22 lot of time on this. You can answer the
23 question yes or no.

24 THE WITNESS: Can you reask the question,
25 please?

1 BY MS. BARZEE-FLORES:

2 Q You acted in an undercover capacity after you
3 came back from Morocco?

4 A Yes.

5 Q Let me ask you about Julie Timmerman.

6 A Yes, ma'am.

7 Q She was your law clerk?

8 A She was.

9 Q And she had been a hostess at a -- or some
10 type of employee at Bova, also?

11 A I believe she was. I don't recall whether she
12 specifically was or not. I think at one point in time
13 she did work at Bova.

14 Q And in the last year --

15 A Yeah, she did. She did.

16 Q And in the last year of the Ponzi scheme, you
17 gave her four \$15,000 payments.

18 A I don't remember specifically whether it was
19 the last year, but there was a point in time when she
20 needed funds to complete law school and we gave her what
21 we had called "student loans" through the firm. It was
22 a decision that Stu Rosenfeldt and I made.

23 Q You were sleeping with her, though, right?

24 A There was a point in time when she and I had a
25 physical relationship. It was prior to her working for

1 me. It didn't continue.

2 Q And Ms. Timmerman, after the Ponzi scheme
3 imploded, is alleged to have committed suicide; is that
4 correct?

5 A It's my understanding that she did commit
6 suicide, yes.

7 Q Your bodyguard was pretty close to you, right?

8 A I believed him to be, yes. Are you talking
9 about Mr. Scandiffio?

10 Q Yes. Big Bob Scandiffio, he was close to you?

11 A That's what I just said, yes, ma'am.

12 Q And he also allegedly committed suicide after
13 the Ponzi imploded, right?

14 A My understanding from conversations with law
15 enforcement was that he did, in fact, commit suicide.

16 Q What did he know about you before he allegedly
17 shot himself in the head?

18 A Specifically, I don't recall everything he
19 knew. He was a confidante of mine who was with me
20 constantly. So I suspect he knew that I was -- well, he
21 did, in fact, know that I was committing crimes. He did
22 know that I was an adulterer.

23 Q You deny having much to do with any one of
24 those three deaths, right?

25 A I didn't have anything to do with those

1 deaths.

2 Q Every day you've been deposed, the morning has
3 started with a discussion of the oath you're taking,
4 right?

5 A A discussion? I'm put under oath each
6 morning.

7 Q Put under oath or somebody asks you are you
8 still under oath, there's always something about the
9 oath before we start questioning you, right?

10 A I think that's standard in a deposition, to
11 make my testimony be sworn testimony.

12 Q And you took an oath to tell the truth, right?

13 A Every day that I've been deposed.

14 Q And the lawyers -- when I mentioned discussion
15 before, the lawyers questioning you over these days have
16 often made a point that you're under oath or reminding
17 you that you're under oath, right?

18 A They made the point, and I made the point.
19 Remember this morning, I asked to be put under oath?

20 Q And you do that because you want folks to
21 believe that since you're taking an oath, you're saying
22 the truth, right?

23 A No, actually. I really want to not have to
24 repeat all this testimony again, and if I'm not under
25 oath, the deposition testimony can't be used. I am

1 telling the truth.

2 And yes, I do want people very much to
3 understand that I am, in fact, telling the truth.

4 Q You've violated oaths before, though, haven't
5 you, sir?

6 A In my prior incarnation, I certainly did.

7 Q You violated your oath as an attorney?

8 A I did.

9 Q You lied to judges?

10 A I did.

11 Q You put money, filthy lucre, ahead of your
12 clients' interests?

13 A Filthy lucre?

14 Q Yes. Money?

15 A Yes. I know what "lucre" is. I've just never
16 heard anyone use that in a question before.

17 Q It's in the oath, sir.

18 A I know it is. I remember the oath. I just --
19 "for lucre or malice," I remember that. Yes, I violated
20 that oath.

21 Q Your law firm's motto was passion, integrity
22 and commitment, right?

23 A That's correct.

24 Q That was a lie?

25 A Actually, when -- if you say that like that,

1 you're actually offending a tremendous number of really
2 good decent lawyers because the bulk of the lawyers at
3 RRA believed in passion, integrity and commitment. They
4 were really good and decent people.

5 **Q Not you, though?**

6 A No. I was a very, very bad person. I think
7 we've established that, and I think I've clearly
8 admitted that.

9 **Q You violated the oath of your marriage?**

10 A I definitely did, yes. I already told you
11 that.

12 **Q How many times did you do that?**

13 A Too many to count.

14 **Q You have perjured yourself?**

15 A Prior to returning from Morocco, I certainly
16 did.

17 **Q You have been known as the "Prince of
18 Darkness."**

19 A Yes. That was a name given to me back when I
20 was a young lawyer.

21 **Q Mr. Rothstein, during the time of your
22 criminal enterprise, you would agree you've been
23 charming?**

24 A I think some would say I was charming; I think
25 some would say I was a flaming A-hole.

1 Q How about narcissistic?

2 A I definitely had a narcissistic personality,
3 yes.

4 Q You repeatedly committed criminal acts?

5 A Yes. I'm confident that that's clearly
6 established.

7 Q Repeatedly lied or conned people?

8 A I did.

9 Q You rationalized your having stolen from some
10 people?

11 A I did, along with my co-conspirators,
12 absolutely.

13 Q And you know, sir, that these are the classic
14 clinical symptoms of sociopathy?

15 A I'm sorry. I don't understand your question.

16 Q Have you heard of the word "sociopathy"?

17 A I certainly have.

18 Q You've heard people use the word "sociopath"?

19 A I certainly have.

20 Q And you know that these symptoms that I just
21 went over with you, charming, narcissistic, repeatedly
22 committing criminal acts, repeatedly lying or conning
23 people and rationalizing --

24 A You're asking me to diagnosis myself?

25 Q Well, you're seeing -- you have seen a

1 **psychiatrist, have you not, sir?**

2 A For acute anxiety disorder.

3 **Q You've had this discussion with your**
4 **psychiatrist, have you not?**

5 A I have not.

6 **Q You've been prescribed sertraline?**

7 A For acute anxiety disorder.

8 **Q Do you know it is prescribed for sociopathy,**
9 **sir?**

10 A No, actually, I didn't, until you just told me
11 that.

12 **Q How do you know the prison doctor isn't just**
13 **telling you it's an anxiety disorder to put that in your**
14 **prison file so the government can use you as a witness?**

15 A I've actually never --

16 ALL PRESENT: Objection.

17 A No, no --

18 MR. NURIK: Hold on. First of all, there
19 is a privilege with his doctors.

20 A Without waving any medical privilege, I have
21 never -- the entire time I've been incarcerated -- ever
22 seen a prison psychologist or psychiatrist or an outside
23 psychologist or psychiatrist, ever.

24 BY MS. BARZEE-FLORES:

25 **Q You have --**

1 A The sertraline was prescribed to me by a
2 medical doctor.

3 **Q For anxiety?**

4 A That's what it's used for, yes. It was
5 actually the only drug, other than Paxil, that ever
6 worked for it.

7 **Q You have no intention of dying in prison?**

8 A I certainly hope not to.

9 **Q You've always had a "plan B," haven't you?**

10 A The only plan that I had is the plan I would
11 suggest your clients and the other people in here who
12 are guilty use, and that is come clean, talk to the
13 government, tell them what you did, pay for your crime,
14 hope that you get out while you still have a life to
15 live and go and be a productive member of society.
16 That's the suggestion I have for all the people that are
17 sticking their heads in the sand, including your
18 clients.

19 **Q Southern Grant -- I'm sorry. Southern Grout
20 and Mortar, do you remember that?**

21 A I do.

22 **Q And I think we've heard the story about you
23 had a lawyer in your firm that botched some aspect of a
24 lawsuit on behalf of the owner of that company.**

25 A Yes.

1 **Q And having had the problem of the botched**
2 **lawsuit, you had a "plan B," right?**

3 A Well, I don't now if I had a "plan B."

4 **Q You paid off the yacht, right?**

5 MR. NURIK: Well, let him finish.

6 A Let me finish the answer.

7 My "plan B" was the fact that the owner of the
8 company is a criminal, okay, and it was very easy to fix
9 what we needed to fix. I paid money to him so that his
10 ex-wife wouldn't know what was going on and so that his
11 daughter and his CFO would not know what was going on.

12 It's not a "plan B." When you're doing
13 business with criminals, you don't need to have a
14 "plan B"; you just do.

15 BY MS. BARZEE-FLORES:

16 **Q Well, how about in the Morse cases, when Ed**
17 **and Carol Morse had a lawsuit and there was some problem**
18 **going down with that, didn't you have a "plan B" where**
19 **you had to create fake court orders to get out of it?**

20 A You're misstating all of my prior testimony.
21 It's not a "plan B."

22 I had Ed Morse's son, who is the CEO and
23 president of the company, Ted Morse, involved in
24 criminal acts was me, including assisting me in stealing
25 from his father. I didn't need to have a "plan B." I

1 needed to talk to Ted and figure out what -- for lack of
2 a better phrase, what crime we were going to commit next
3 and do what it was. You call it "plan B"; I call it a
4 continuation of a criminal enterprise.

5 **Q In late 2009, when you were afraid that your**
6 **Ponzi was going to implode without a big infusion of**
7 **cash, wasn't "plan B" to threaten the doctrine of mutual**
8 **destruction?**

9 A Yes, along with other criminals, that's
10 correct. If you want to call it a "plan B" -- you're
11 trying to say that I -- if one thing wasn't working, I
12 tried something else, the answer is yes.

13 **Q All right. And when the Ponzi scheme did**
14 **finally implode, your "plan B," rather than face the**
15 **failure, was to either flee to Morocco or kill yourself?**

16 A It's not a "plan B." I don't think you're
17 listening to my testimony.

18 At some point in time, all these crimes were
19 going to be exposed. I made a conscious decision to
20 find a nonextradition country and flee to it.

21 While I was in the nonextradition country
22 sitting with plenty of money, as well as things that
23 could be sold for plenty of money, I made the
24 then-conscious decision -- maybe one of the only
25 decisions in my life I am truly, truly proud of, I made

1 the decision to return to the United States, despite the
2 fact that I was in a nonextradition country, to turn
3 myself in, knowing that I was going to go to prison.

4 Q Once you were in Morocco --

5 A Something I suggest your clients and the other
6 guilty people do before it's too late.

7 Q Once you were in Morocco, you talked to your
8 lawyer, Mr. Nurik, right?

9 A I'm sorry?

10 Q Once you were in Morocco, you talked to your
11 lawyer, Mr. Nurik?

12 A I think we established on the 30th or the
13 31st, just prior to me deciding to come back, I spoke to
14 Mr. Nurik.

15 Q And you communicated with some of your
16 co-conspirators?

17 A I did.

18 Q By email, correct?

19 A Some by email, some by text.

20 Q What --

21 A Some by phone.

22 Q What email addresses were you using?

23 A I don't recall.

24 Q You had more than the Scott Rothstein law firm
25 email address?

1 A No. You're saying what email addresses I was
2 using. That would mean email addresses I was writing
3 to, as well.

4 I used SRothstein@RRA-law.com.

5 **Q You did not write from any other email**
6 **address?**

7 A I don't think I had any other email addresses.

8 **Q While you were there, your plan became to come**
9 **back to the United States, right?**

10 A My plan? It was a conscious decision I made
11 to turn myself in.

12 **Q But it wasn't just to turn yourself in and do**
13 **your time, right?**

14 A I made a decision to come back, turn myself
15 in, go to prison and tell the government everything I
16 knew about everyone else that had committed crimes.

17 **Q Right. So you did --**

18 A And everything about my crimes.

19 **Q So you didn't just decide to come back and,**
20 **like a Bernie Madoff, take your sentence and spend the**
21 **rest of your life in jail --**

22 A Are you --

23 **Q -- that wasn't your plan?**

24 A Whoa, whoa, are you suggesting that Bernie
25 Madoff, who worked to help other people that were in the

1 know get away with his crime, that I'm the same?

2 You're not even close. You're not even close.

3 Mr. Madoff should have taken me, and I'm proud to say
4 this, as an example as to what you do when you want to
5 do the right thing. He did the wrong thing. Because if
6 you think he did that by himself, then you don't know
7 anything about how these crimes work.

8 **Q The point is, Mr. Madoff came back -- I mean,**
9 **Mr. Madoff got his sentence and is serving it; but**
10 **that's not what your plan was, right? Your plan was to**
11 **get a sentence and hopefully reduce it, right?**

12 A At the time that I decided to come back, I had
13 no idea what was going to happen to me. The discussions
14 I had with my wife and other people that I was talking
15 to who were counselling me, revolved around the fact
16 that when I stepped back on U.S. soil, I could very
17 likely die in prison. Despite the fact that I knew that
18 it was a very real possibility, I came back.

19 **Q Before you got on that plane in Morocco to**
20 **return to the United States, you had decided that you**
21 **were going to begin cooperating with the government in**
22 **the hopes of reducing your sentence?**

23 A I had made a decision to come back and tell
24 the truth about everything I was involved in.

25 I had already been -- without getting into

1 anything that would waive attorney-client privilege,
2 okay, and my spousal privilege, okay, I was under the
3 belief that I could die in prison, regardless of what I
4 told anybody.

5 So I made a decision to leave what I believed
6 was a safe haven to come back to this. Okay.

7 Do I now hope that I will get a reduction? Of
8 course I do. Every single person in prison hopes they
9 will get out someday.

10 **Q What sentence did you think you were facing?**

11 A 100 years.

12 **Q Before, before you left Morocco.**

13 A Before I left Morocco?

14 **Q Yes.**

15 A Life.

16 **Q But you believed at that point that you would**
17 **have enough information on other people that your**
18 **sentence might be reduced to a point where you would be**
19 **able to get out of jail?**

20 A I didn't have any conscious decision about
21 that one way or the other. I hoped that my cooperation
22 would yield a reduction in my sentence --

23 **Q At what point did you decide --**

24 A -- but -- but --

25 **Q Oh, go ahead.**

1 A -- but --

2 **Q I apologize.**

3 A -- given the fact that I had practiced law for
4 some time, I also knew that it was a possibility, as I
5 do know sitting here right now, that I could end up
6 dying in prison. That is the fact of the matter.

7 **Q And you don't want that to happen?**

8 A No, ma'am. I do not wish to die in prison.

9 **Q At what point did you decide to start**
10 **assisting the trustee and Mr. Scherer in this case?**

11 A In order to answer that question, I would have
12 to give you attorney-client-privileged information, and
13 I'm going to --

14 THE WITNESS: Do you want to make this
15 objection?

16 MR. NURIK: You already did for me, but
17 that's okay.

18 BY MS. BARZEE-FLORES:

19 **Q At what time --**

20 MR. NURIK: That's your privilege.

21 THE WITNESS: I'm invoking
22 attorney-client privilege. That's your
23 answer.

24 BY MS. BARZEE-FLORES:

25 **Q I'm not asking you what your lawyer told you;**

1 I wouldn't ask you that.

2 I'm asking at what point did you decide to
3 start helping the Trustee and Mr. Scherer? Was it
4 before you left to Morocco?

5 A No.

6 Q It was after that, right?

7 A Well, it would have to be after that
8 because --

9 Q Was it before your sentence --

10 A Hang on. Wait. I'm answering.

11 When I left to Morocco, there was no Trustee;
12 and even when I came back, I didn't know there was going
13 to be a trustee. I had no idea what was going to happen
14 on the civil side of this. It was not something I was
15 thinking about.

16 I had -- I had one goal: come back, tell the
17 government everything I know, make sure the innocent
18 investors got their money back. That was it.

19 Q But then, at some point, you believed or came
20 to believe that if you helped the Trustee and
21 Mr. Scherer, you might get some credit for that for a
22 sentence reduction.

23 A Actually, you're 100 percent wrong.

24 My understanding is that while they're
25 certainly allowed to talk about anything that I've

1 helped happen, that my cooperation is evaluated based
2 upon my cooperation in criminal investigations and
3 criminal prosecutions. I don't think the Rule 35
4 statute says anything about civil anything.

5 My purpose in cooperating with Mr. Scherer and
6 Ms. Van Vliet and Mr. Lichtman and everyone else
7 representing innocent parties, is to make sure that, my
8 wish, that the innocent investors get all their money
9 back, actually comes to fruition.

10 Q You talked about Ponzi-speak. Let's talk
11 about prison-speak, since you're talking about Rule 35.

12 A I --

13 Q Now, you know that the government is the one
14 that files the Rule 35 motion, right?

15 MR. SCHERER: Object to form.

16 A Yes.

17 BY MS. BARZEE-FLORES:

18 Q And, in fact, it did, right?

19 A Yes.

20 Q And the Rule 35, as you just suggested, is a
21 motion that is filed when the government, in its own
22 estimation, has determined that you have provided
23 substantial assistance, right?

24 A I understand that's what the rule says.

25 Q Right. And that's what you were just trying

1 to cite to me a minute ago, right, what the rule or the
2 statute says, right?

3 A Cite to you? I was telling you what my -- you
4 asked me what my understanding was. I gave you my
5 understanding.

6 Q Okay. But you know, sir, that once the
7 government has filed the Rule 35 and you get back in
8 front of a judge, anybody can get up and talk about how
9 wonderful you are in the hopes that that might get the
10 judge to reduce your sentence, right?

11 A I believe it's up to the judge.

12 Q Right.

13 And it's up to the judge, just like it was up
14 to the judge the last time you were before him, right?

15 A It is completely in his hands.

16 Q Right.

17 And the last time you were before him,
18 although it was totally in the judge's hands, you had
19 somebody get up and speak on your behalf, did you not?

20 A I'm sorry, who spoke on my behalf, other than
21 me?

22 Q Mr. Nurik spoke on your behalf, did he not?

23 A He's my lawyer.

24 Q Okay. And he was there and he spoke on your
25 behalf, right?

1 MR. NURIK: I would hope so.

2 A If he got up and said things that were not on
3 my behalf, that would have been a little problematic,
4 right? He's my lawyer. His job --

5 BY MS. BARZEE-FLORES:

6 Q And the --

7 A Hang on. I'm answering questions, and I know
8 you want to stay on your roll, but I want to make sure
9 the record is clear.

10 He got up representing me. Okay. And make no
11 mistake about it, Mr. Nurik was furious with me.

12 Q And the reason he got up and argued on your
13 behalf was to attempt to convince the judge that what
14 you deserved was a sentence of 30 years not 40 years
15 like Mr. Lavecchio was asking?

16 A Yes.

17 BY MS. BARZEE-FLORES:

18 Q Okay. And you had a letter from Herb Stettin
19 that was presented to the judge, right?

20 A I don't recall.

21 Q Do you know who Herb Stettin is?

22 A I do.

23 Q And you don't recall him having written Judge
24 Cohn a letter for you?

25 A It's kind of a blur. I remember my mom wrote

1 a letter. My sister wrote a letter. I remember now,
2 because we talked about it earlier in testimony,
3 Mr. Scherer wrote a letter.

4 **Q And the point --**

5 A I remember that there was a really -- now,
6 because I hadn't seen it before -- nasty letter written
7 by Coquina.

8 **Q The point of all those letters, the good and**
9 **the nasty, were to influence the judge in the judge's**
10 **sentencing determination, right?**

11 A I believe the purpose is to properly educate
12 the judge so he can make as informed decision as
13 possible, yes.

14 **Q So, now that the government has filed a**
15 **Rule 35, you'll have another sentencing hearing before**
16 **Judge Cohn, right?**

17 A I don't know. I don't know if there's going
18 to be a hearing or not.

19 I understand it could be done by the Court; it
20 could be done without me there. I don't know what will
21 happen.

22 **Q Do you hope to have a hearing?**

23 A I hope to get a Rule 35 reduction for my
24 substantial assistance --

25 **Q You want somebody to tell the judge what you**

1 **did?**

2 A Why are you cutting me off? Just let me
3 finish, please.

4 I hope to have a Rule 35 substantial
5 assistance reduction. How we get there, that's up to
6 the judge and the government; it's not up to me.

7 **Q Don't you hope that there's a hearing that**
8 **Mr. Lavecchio gets up, asks and tells the judge about**
9 **how much you've done?**

10 A If that is going to help educate the Court,
11 then yes, I hope there's a hearing. If the Court
12 doesn't require that information or to hear from me or
13 to hear from other people, then that's what will happen.

14 **Q And you hope that at such a hearing, your**
15 **lawyer will have an opportunity to tell the judge what**
16 **you've done and how you deserve to have your sentence**
17 **reduced?**

18 A I hope that all the information about
19 everything that I've done since my return from Morocco
20 is presented in full to the Court; and I hope that he's
21 fair with me, that he considers everything that I've
22 done before and after and comes to a fair determination
23 for me. That's my hope.

24 **Q And you hope Herb Stettin provides the judge**
25 **with information that the judge might find favorable to**

1 **you?**

2 A I think I've answered this over and over.

3 I hope that every single person that has
4 something to offer about anything positive that I have
5 done since my return from Morocco is heard so that the
6 judge can make a fair decision based upon everything
7 that he should consider to determine whether or not I'm
8 entitled to a reduction.

9 **Q And you believe that the more the judge hears**
10 **that's favorable about you, the more likely it will be**
11 **that the judge will reduce your sentence?**

12 MR. SCHERER: Object to form.

13 A I don't know that it's like a "more" thing. I
14 think it's the -- an examination of my cooperation. I
15 don't know that it's like you stack all the cooperation
16 up. It's based upon the quality of my cooperation.

17 BY MS. BARZEE-FLORES:

18 **Q Let's talk about that, Mr. Rothstein.**

19 **When you talk about the quality of your**
20 **cooperation and the quantity of your cooperation,**
21 **certainly, if your cooperation entails nothing more than**
22 **advising the government about somebody who had passed a**
23 **fake check once at a bank, you could not expect a**
24 **sentence reduction as large as you might expect if you**
25 **provided information that led to the indictment of five**

1 **people, including a politician or a judge, including a**
2 **lawyer or a doctor, correct?**

3 A Or a banker.

4 ALL PRESENT: Object to form.

5 A I believe that that is a fair statement, that
6 the judge -- that the government, first, will evaluate;
7 and then the judge will evaluate it, based upon the
8 quantity, but more importantly, the quality of my
9 cooperation.

10 BY MS. BARZEE-FLORES:

11 **Q And certainly, if Judge Stettin (sic) and**
12 **Mr. Scherer and Mr. Lichtman come in and say to the**
13 **judge, not only did he help the government, but he**
14 **helped us, and he helped our clients, who deserve to be**
15 **helped, that that may help you get your sentence reduced**
16 **further?**

17 A Assuming that the Court wishes to consider
18 that, that would be helpful; but I can't guess as to
19 what he's going to consider or not consider.

20 **Q But you can tell us --**

21 A The only thing I know about --

22 **Q -- what you hope.**

23 A Yes, I hope he considers everything that I've
24 done, sure.

25 MR. SCHERER: Object to form.

1 BY MS. BARZEE-FLORES:

2 Q Who bought the clothes you've been wearing
3 these last two weeks?

4 UNKNOWN SPEAKER: Object to fashion.

5 A I bought the sneakers. My wife bought me the
6 watch. I bought my underwear. Mr. Nurik loaned me my
7 belt, and he brought me a pair of jeans and this shirt.

8 BY MS. BARZEE-FLORES:

9 Q You've had more than one shirt --

10 MR. NURIK: Which, for the Court, I will
11 add to my bill.

12 BY MS. BARZEE-FLORES:

13 Q You've had more than one shirt; Mr. Nurik
14 bought you the shirts you've been wearing?

15 A Three.

16 MR. NURIK: Target.

17 BY MS. BARZEE-FLORES:

18 Q You said you bought your sneakers; is that
19 with money out of your commissary account?

20 A It's money I earned, actually, in prison,
21 teaching.

22 Q Does anybody put money in your commissary
23 account?

24 A Yes.

25 Q Who?

1 A My wife. My parents. My sister.

2 Q How old are you?

3 A 49.

4 Q And you've been in for a couple of years,
5 right?

6 A Two years this past December 1st.

7 Q Assuming you have the opportunity to get up
8 before Judge Cohn for a resentencing, what do you hope
9 for?

10 A Say this again? I lost you.

11 Q Assuming you have the opportunity to get up
12 before Judge Cohn for resentencing, what do you hope to
13 get?

14 A I don't -- I don't know what a resentencing
15 is. Are you talking about --

16 Q A second sentencing, sir; you've been
17 sentenced once, have you not?

18 A Yeah, but I don't think it works that way. I
19 think that there's a Rule 35 hearing, and then he enters
20 an order on the Rule 35.

21 I don't think -- I've read some of the case
22 law. I don't think you actually go through a
23 resentencing.

24 Q What do you hope the sentence is --

25 A As a matter of fact, I think there's case law

1 that says it's not a resentencing because that would
2 trigger certain other things that they don't want to
3 trigger.

4 **Q What do you hope your sentence is?**

5 A Whatever is fair. I mean, I would love to get
6 out as soon as possible. Prison is a very bad place.
7 Okay. I know there's a lot of talk about where I am and
8 stuff, and I can't talk about that; but make no mistake
9 about it, I'm in prison, okay. It's a very bad place,
10 and I can tell you with 100 percent certainty there is
11 nobody in there that does not want to go home today.

12 I would like to go home today. That is wholly
13 unrealistic. Okay. I would like to go home today.

14 **Q Before your incarceration, you lied for money,**
15 **right?**

16 MR. SCHERER: Object, form.

17 A Yes.

18 BY MS. BARZEE-FLORES:

19 **Q And you used a pitch to get what you wanted?**

20 ALL PRESENT: Object, form.

21 A Yes.

22 BY MS. BARZEE-FLORES:

23 **Q Your hope to get out of prison today is a**
24 **reason for you to lie, isn't it?**

25 MR. SCHERER: Object to form.

1 A You apparently are not paying attention to
2 what Judge Cohn is all about, the magnitude of my crime
3 and what I'm facing. You're -- you've got to pay
4 attention to what's going on. Okay.

5 My hope to get out is solely, solely based
6 upon my telling the truth about everything I know.

7 MR. SCHERER: Withdraw my objection.

8 BY MS. BARZEE-FLORES:

9 **Q You have --**

10 MR. LICHTMAN: We object to that
11 question.

12 BY MS. BARZEE-FLORES:

13 **Q You have at least 50 reasons to lie, don't**
14 **you?**

15 ALL PRESENT: Object to form.

16 A In prison we actually count it by days.

17 BY MS. BARZEE-FLORES:

18 **Q How many days have you got?**

19 A I don't know. A lot. A lot. Over 10,000, I
20 think.

21 **Q So over 10,000 reasons to lie?**

22 MR. SCHERER: Object to form.

23 A No. You, again --

24 MR. NURIK: Just answer.

25 A The answer is no. I have the opposite of what

1 you're saying. Okay. I have every reason,
2 10,000-something reasons, okay, to tell the truth.

3 MS. BARZEE-FLORES: Nothing further.

4 THE WITNESS: Sam, do you mind if we take
5 five minutes?

6 MR. RABIN: No, that's fine.

7 (Whereupon, a recess was had.)

8 MR. SCHERER: This record closes at
9 12:00.

10 MR. NURIK: Let's go. I'm going to ask a
11 few questions at the end just to clarify some
12 points so -- but we -- go ahead.

13 FURTHER DIRECT EXAMINATION

14 BY MR. RABIN:

15 Q Okay. Good morning again, Mr. Rothstein.

16 A Good morning, Mr. Rabin.

17 Q All right. First I just want to pick up on a
18 few points. Then I want to go into a completely new
19 area.

20 You said in response to questions this morning
21 that you were amazed that people would write so many
22 incriminating things in emails, correct?

23 A Yes.

24 Q All right. Was it your conscious desire to
25 try to avoid writing incriminating things in emails?