

## Scott Rothstein

Disbarred lawyer's 2008 salary topped \$35 million

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By: Jordana Mishory

Disbarred lawyer Scott Rothstein made \$35.7 million in 2008, according to a recent bankruptcy filing by firm trustee Herbert Stettin.

The filing also states Rothstein's partner Stuart Rosenfeldt, the president of Rothstein Rosenfeldt Adler, earned more than \$6 million last year.

Rothstein and Rosenfeldt were 50 percent shareholders of law firm Rothstein Rosenfeldt Adler, which was thrust into bankruptcy court last month by creditors claiming they lost money in a \$1.2 billion Ponzi scheme run by Rothstein out of his law offices.

Rothstein, who was permanently disbarred by the Florida Supreme Court, was arrested Tuesday on racketeering and money-laundering charges. He remains in federal detention and faces up to 100 years in prison.

Rosenfeldt did not return call for comment by deadline. In response to questions, his attorney Bruce Lehr of Lehr Fischer & Feldman in Miami said, "All my client did at RRA was practice law and serve his clients." Lehr declined to comment further.

When told of Rothstein's eight-figure salary, his attorney and former colleague Marc Nurik said, "Guess what? I'd like to make that."

Nurik said he can't comment on the figure because he does not have access to the firm's records. "I have no idea if the information [Stettin] is providing concerning Scott is accurate or not, so I couldn't comment on it."

Nurik declined to comment on the other salary figures.

According to a government filing in the forfeiture action against Rothstein's properties, the firm's records indicated that in one year it had receivables of \$8 million while firm salaries that year were \$18 million.

"The additional \$10 million for salaries, as well as the other expenses for operation of the law firm, came from the operation of, and the funds generated, by the Ponzi scheme," the Nov. 27 filing reads. It did not specify which year the amounts pertained to.

The Dec. 3 case management summary lists the three other officers of the firm and their 2008 compensation:

v Russell Adler, who served as vice president, made \$888,000.

v Grant Smith, assistant managing shareholder, made \$335,000.

v David Boden, general counsel, made \$638,000.

Adler did not return a call for comment by deadline. Boden's attorney David Vinikoor and Smith declined to comment.

Stettin notes in his Dec. 3 case management summary that he and his advisers "have made their best efforts to prepare the most accurate filing possible," however their task was complicated by incomplete records.

The federal government seized records as part of raid on the law firm's offices early last month. In addition, the books and records are "in disarray, inadequate and do not contain the typical records that one would expect to be maintained in the normal course of business including a complete accounts payable subsidiary ledger," Stettin wrote.

Stettin noted that former firm employees have either left or refuse to talk because they are under federal investigation.



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“Given the current state of the debtor’s books and records and as a result of the federal government seizures, it is impossible to accurately state the [firm’s] gross income,” Stettin wrote.

Coral Gables lawyer Stuart Z. Grossman, who is not involved in the Rothstein Rosenfeldt Adler case, said the heads of RRA will have to prove to the legal community that their salaries were earned through the practice of law.

“I feel very comfortable stating to you that they did not earn \$35 million and \$6 million, respectively,” the Grossman Roth co-founder said of Rothstein’s and Rosenfeldt’s respective 2008 salaries.

He said the math simply doesn’t make sense based on the government’s filing of an \$8 million input, and that it had to be from other sources of income. He said in “powerhouse firms associated with terrific cases” multimillion-dollar salaries would be more understandable. RRA “was a high-profile firm but not a powerhouse firm,” Grossman said.

The firm contained 70 lawyers at its height. It had offices in Boca Raton, West Palm Beach, Miami, Tallahassee, Washington, D.C., New York and Venezuela, in addition to the main Fort Lauderdale office.

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