

Scott Rothstein

Rosenfeldt received \$500,000 after Rothstein fled to Africa

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By: John Pacenti

The day after Scott Rothstein flew to Morocco as his law firm was about to collapse, partner Stuart Rosenfeldt received a \$500,000 bonus, according to financial reports filed by the firm's bankruptcy trustee.

Rosenfeldt's attorney said Wednesday that money was earmarked to pay taxes for the firm, Rothstein Rosenfeldt Adler, and was returned immediately when investors voiced suspicions that Rothstein was running a Ponzi scheme out of his opulent Fort Lauderdale office.

The bonus was listed in papers filed Tuesday night by the trustee, Herbert Stettin, giving the clearest picture to date of the finances at a firm at the heart of Rothstein's alleged \$1.2 billion fraud.

Documents also list a "regular salary" this year for members of Rothstein's and Rosenfeldt's families. The two were 50 percent equity partners in the 70-lawyer firm.

The [report](#) on the defunct firm lists \$1.4 billion in liabilities and \$42.9 million in assets. The asset list includes two handguns for which ownership has not been determined, 20 million American Express points and office furnishings including a 72-inch television.

Stettin listed potential real estate, cars and boats purchased by Rothstein through his companies but couldn't determine if the firm had a stake in them.

Rothstein is jailed in Miami on federal racketeering and fraud charges, accused of recruiting investors for nonexistent structured settlements.

Rosenfeldt's bonus was paid Oct. 27, according to records obtained by Stettin. Rothstein flew to Morocco the day before, apparently ready to flee authorities until he had a change of heart and returned six days later.

Rosenfeldt said he discovered over the Halloween weekend that Rothstein had absconded with millions of dollars from the firm's trust account.

Bruce Lehr, Rosenfeldt's attorney, said the bonus money was never meant for Rosenfeldt.

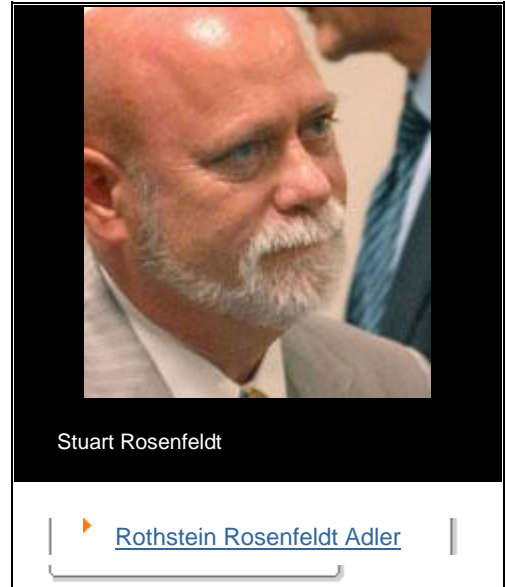
"It was to pay taxes, and Rosenfeldt knew nothing was wrong until the 30th," said Lehr of Lehr Fischer & Feldman in Miami.

"As soon as he learned what was going on, he immediately returned the money to the firm and made sure the receiver was aware of it."

UNCASHED CHECKS

In an odd note, the receiver wrote Rothstein received payroll checks totaling \$846,158 since Dec. 22, 2008 but didn't cash them.

But the records show nepotism at RRA, Members of Rothstein's family took nearly \$130,000 in salaries this year. His wife, Kimberly, was paid \$46,153.



Rothstein's sister, Ronni, was paid \$25,384, while his father, Harvey Rothstein, received \$24,000 and his mother, Gay Rothstein, got \$33,600.

Rothstein's attorney, Marc Nuric, said the family members worked at the office and "performed valuable services for the firm. I'm not familiar what the details of their jobs were."

Lehr said members of Rosenfeldt's family also worked for RRA and were compensated legitimately. Records show Joseph Rosenfeldt, the attorney's father, received \$14,000 in 2009 and daughters Lydia and Madeline received about \$5,000 in what is listed as regular salary.

"All three were legitimately employed by the firm and worked well for the firm, and those were their legitimate paychecks," Lehr said.

The other name partner in the firm, Russell Adler, received \$575,000 in loans plus about \$20,000 in reimbursements this year.

Federal prosecutors say bonuses and reimbursements were used by Rothstein to compensate staff for illegally funneling political campaign contributions.

Bonuses and unpaid loans may be the most compelling case yet for Stettin to go after name partners to return money in so-called clawbacks for creditors and investors who claim they were cheated, said attorneys familiar with the bankruptcy proceedings.

"We will be closely looking at every payment to any lawyer in the firm that goes beyond regular base salary," said one of Stettin's attorneys, Chuck Lichtman of Berger Singerman in Fort Lauderdale.

All extraneous cash distributed to attorneys at the firm as well as cash given to "insiders" would be scrutinized, he said.

"To the extent that inappropriate or improper payments were made to RRA insiders or family members, we will absolutely be scrutinizing all of the payments," Lichtman said.

Rosenfeldt has insisted Rothstein alone controlled the firm's purse strings and would let him know only minor details, often false, about its finances.

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