

The driver survived this.



Too bad the hospital killed him.

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DAILY BUSINESS REVIEW

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Fight Over Big Estate Draws Fire for Running Up Legal Fees

by Samantha Joseph
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There's nothing sweet about Dr. Sam Sugar's relationship with his wife's siblings, who spent years battling him and their sister in a court fight over their mother's multimillion-dollar estate.

The Third District Court of Appeal last Wednesday upheld a 2011 settlement agreement between the opposing sides, but that's not likely to stop the bitter legal wrangling between Sugar and his in-laws.

The case has dragged on for five years, creating landmark decisions that sparked legislative changes in Florida and other states. It pitted Sugar and his wife, Judy, against her sisters, Joyce Genauer, Rochelle Kevelson and Tikvah Lyons—with each side accusing the other of siphoning millions from their widowed

mother, Idelle Stern.

"The lessons to be learned from this are really straightforward," Sugar told the Daily Business Review. "If you've got a family dispute about money or power, you better solve it before the lawyers get involved. ... Lawyers don't stop until they drain the estate."

Sugar said Stern's \$12 million estate has dwindled to about \$6 million on mounting legal fees and court costs.

"Hopefully this decision will bring finality and stop the bleeding of legal fees from what we thought were baseless claims," said Sugar's attorney, Michael Schlesinger of Schlesinger & Associates in Miami.

Opposing counsel suggested the Sugars were to blame for the conflict. "For Dr. Sugar to complain about the family wanting to protect their

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Lawyer Michael Schlesinger said he hopes the Third DCA's ruling will "stop the bleeding of legal fees from what we thought were baseless claims."

Clerks Fear Delayed Justice With Latest Cuts

by Samantha Joseph
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Brace yourself for unpleasant surprises at courthouses in Palm Beach County due to state budget cuts as docketing delays stretch to as long as eight days.

Instead of same-day or one-day turnaround, the clerk's office is struggling to add filings to the court system, resulting in an eight-day cycle in circuit civil courts and four days for county civil cases.

The result is missing court files, undocketed cases, delays in issuing summonses and a slowdown in setting hearings as the office juggles a backlog of 16,340 civil documents awaiting docketing.

"Judges will be on the bench but won't be able to get dockets," attorney Cindy Guerra, chief operations officer in the clerk's office, said at a media briefing Tuesday.

Before the cuts announced Monday, the clerk's office offered docketing turnaround far above the



LINKEDIN

Attorney Cindy Guerra of the Palm Beach clerk's office fears docketing delays leave judges on the bench without access to dockets.

three days allowed by state law for existing cases and two days for new.

But staff reductions mean things aren't likely to speed up any time soon—a development most readily felt in custody fights, evictions and domestic violence cases.

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Ex-TD Bank Exec to Plead Guilty in Ponzi

by Julie Kay
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Frank Spinoso, a former TD Bank executive accused of being ex-attorney Scott Rothstein's most helpful banker in his \$1.2 billion Ponzi scheme, has agreed to plead guilty to fraud conspiracy and faces up to five years in federal prison.

The plea bargain reached Monday with federal prosecutors came about two weeks before Spinoso was set for trial before U.S. District Judge Beth Bloom. The plea change is set for Oct. 8.

Originally charged with six counts, the Spinoso former banker was facing a potential 20-year sentence per count. Instead, he was charged in a superseding indictment with one count of conspiracy to commit



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SPINOSA

wire fraud, with prosecutors citing the improper transfer of \$2.4 million. He is also facing a potential \$250,000 fine.

Rothstein, the former chairman of the 70-attorney Rothstein Rosenfeldt Adler law firm in Fort Lauderdale, is serving a 50-year prison sentence for masterminding the settlement financing fraud.

Spinosa, a former regional vice president at TD Bank, was accused of being Rothstein's point man at the bank where most of the fraud money was deposited.

Defense attorney Sam Rabin of Miami did not return calls or emails by deadline. However, he has said his client was just another person duped by Rothstein.

In civil depositions, Rothstein said Spinosa produced so-called "lock letters" informing investors their money would be held safely at the bank until they authorized the release of funds. Meanwhile, Rothstein was cleaning out the accounts.

Rothstein testified he bribed Spinosa with \$50,000 cash and handed over the money in a paper bag at a bank branch parking lot.

Rothstein recruited investors during road shows at TD Bank branches to induce them to put money into what they thought was a legitimate business buying confidential court settlements at discount rates from plaintiffs who wanted quick cash.

The indictment said the lock letters signed by Spinosa and given to at least seven groups were essential to attracting more than \$250 million. Spinosa was accused of using scripts provided by Rothstein to reassure investors their accounts held millions of dollars when they often had been drained.

The fraud collapsed on Halloween 2009. Spinosa was fired by TD Bank in December 2009 shortly after refusing to cooperate without a lawyer present during the bank's internal investigation.

He was barred from the banking and securities industry by the Securities and

Exchange Commission in January, following the approval of a consent agreement by U.S. District Judge Kenneth Marra in West Palm Beach.

Miami attorney David Mandel, who won a \$67 million award against TD Bank for a group of money-losing Texas investors, called it "a pretty good deal for Spinosa."

"When Spinosa finally pleads guilty, his and TD Bank's guilt for their critical role in the Rothstein Ponzi scheme will be conclusively established, once and for all," said Mandel of Mandel & Mandel. "That being said, this sounds like a pretty good deal for Spinosa and a tribute to his highly skilled defense lawyer. With a five-year prison cap, Spinosa is only being held to account for a relatively small fraction of the damage he inflicted. If he went to trial and lost, the court just might have locked Spinosa up and thrown away the key."

About two dozen people were charged with crimes associated with Rothstein's Ponzi scheme. Only one defendant went to trial. Rothstein's former law partner Christina Kitterman was convicted and sentenced to five years.

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