



## Jury: TD Bank on hook for \$67 million to Rothstein investment group

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A Miami federal jury leveled a \$67 million verdict against TD Bank on Wednesday, finding that bank officials assisted Ponzi schemer Scott Rothstein as he defrauded a group of Texas investors.

Jurors needed about four hours of deliberations to find TD Bank liable for \$32 million in compensatory damages for Coquina Investments and an additional \$35 million in punitive damages. The quick verdict came after a trial that began in early November.

TD Bank not only had knowledge that Rothstein was making false representations to investors, but "provided substantial assistance to advance the commission of the fraud against Coquina," the jury found.

Rothstein, 49, orchestrated a \$1.4 billion Ponzi scheme from the Fort Lauderdale offices of his law firm Rothstein Rosenfeldt Adler. He is now serving a 50-year prison sentence for the largest financial fraud in South Florida history.

In a lengthy deposition he gave last month, Rothstein said he couldn't have pulled off his scheme without bankers being in his pocket. Rothstein, who had roughly two dozen accounts at TD Bank, said he paid off the bank's regional vice president, Frank Spinosa, so he could falsify his bank balances.

David S. Mandel, the lead attorney for Coquina Investments, said Wednesday's verdict sends a clear message to TD Bank.

"The bank was integral to the fraud and the fact is that it could not have succeeded without their active participation in the Ponzi scheme," Mandel said. "They were Rothstein's partner-in-crime."

Spinosa invoked his Fifth Amendment right against self-incrimination 160 times when he testified at the trial, Mandel said.

A TD Bank spokeswoman issued a statement shortly after the verdict, saying the bank is disappointed with the verdict and "is considering all of its options."

"We still maintain that we were Rothstein Rosenfeldt Adler's bank and that it was Scott Rothstein who defrauded investors," said Rebecca Acevedo, a TD Bank spokeswoman. "We will continue to defend the bank against claims of wrongdoing."

Spinosa's attorney, Sam Rabin, has denied his client ever received money from Rothstein or knew of the fraudster's criminal activities.

"What's lost here is because of a federal investigation, Frank Spinosa was taking the Fifth Amendment on his attorney's advice and this was exploited in the civil case when they asked him loaded questions for which they had no good-faith factual basis," Rabin said.

Coquina Investments, which is based in Corpus Christi, is composed of 27 investors, primarily from three families, Mandel said.

The verdict heartened attorneys representing a group of 55 other Rothstein investors who are suing TD Bank and other defendants for \$200 million in losses.

"The federal lawsuit of Coquina was sort of the canary in the coal mine for everyone and as a result of the verdict today, the canary died as far as TD Bank is concerned," said William Scherer, who is representing the investors known as the Razorback group.

The Razorback case is scheduled to go to trial on March 5 in Broward Circuit Court.

[jburstein@tribune.com](mailto:jburstein@tribune.com), 954-356-4491 or twitter [@jkburstein](https://twitter.com/jkburstein)