



#37

\$67,000,000

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# THE TOP 100 VERDICTS OF 2012

RANK	AMOUNT	TYPE	NAME/COURT/DATE	LEAD PLAINTIFFS' ATTORNEY(S)/FIRM(S)	LEAD DEFENSE ATTORNEY(S)/FIRM(S)
37	\$67,000,000	Fraud	Coquina Investments v. Scott W. Rothstein and TD Bank N.A., No. 10-cv-60786-MGC	David S. Mandel and Nina Stillman Mandel, Mandel & Mandel, Miami	Mark P. Schnapp and Holly R. Skolnick, Greenberg Traurig, Miami

MANDEL  
& MANDEL LLP  
attorneys at law

# Plaintiff: TD Bank, 'Ponzi scheme' stole millions of dollars

**VERDICT** \$67,000,000

**CASE** Coquina Investments v. Scott W. Rothstein and TD Bank N.A., No. 10-cv-60786-MGC

**COURT** U.S. District Court, Southern District, FL

**JUDGE** Marcia G. Cooke

**DATE** 1/18/2012

**PLAINTIFF  
ATTORNEY(S)**

David S. Mandel and Nina Stillman  
Mandel, Mandel & Mandel LLP,  
Miami, FL

**DEFENSE**

**ATTORNEY(S)** Mark P. Schnapp, Greenberg Traurig, P.A.,  
Miami, FL (TD Bank N.A.)

Holly R. Skolnick, Greenberg Traurig, P.A.,  
Miami, FL (TD Bank N.A.)

**\*FACTS & ALLEGATIONS** Plaintiff Coquina Investments brought claims of RICO violations, conspiracy, fraudulent misrepresentation, and aiding and abetting fraud against Scott Rothstein and TD Bank.

Coquina alleged that it was one of hundreds of victims of an enormous Ponzi scheme engineered by Rothstein, a lawyer, chairman and chief executive officer of Rothstein Rosenfeldt Adler P.A., with the pivotal participation of TD Bank.

Coquina claimed that what appeared to be legitimate short-term opportunities to purchase structured settlements, turned out to be an extensive fraudulent enterprise. Coquina alleged that TD Bank officers met personally with many victims, including Coquina, and made false representations to create the appearance of a legitimate enterprise, all the while knowing about and benefitting from the illegitimate scheme.

Coquina claimed that beginning in April 2008, and continuing through October 2009, hundreds of millions of dollars were deposited into and transferred between Rothstein Rosenfeldt Adler's TD Bank accounts and transferred to and from TD Bank and accounts at other banks. Coquina claimed that TD Bank ignored numerous classic red flags of fraud.

According to Coquina, TD Bank provided a verification method to investors through TD Bank employees' conducting what they called "investor shows" at TD Bank branches. Coquina alleged that at investor shows TD Bank employees would provide Rothstein and investors with fraudulent account balance statements purporting to show millions in accounts which actually contained little or no funds. Coquina claimed that TD Bank Regional Vice President Frank Spinosa made false statements in person

and on the telephone regarding the safety and amount of Coquina's funds.

Coquina claimed that in late October 2009, TD Bank wire-transferred \$16 million to Morocco for Rothstein's benefit. Shortly thereafter, Rothstein allegedly fled the United States, but Spinosa reportedly told Coquina there was nothing to worry about, although Spinosa knew the Ponzi scheme was crashing. Rothstein, who is serving a 50-year federal prison sentence, testified in a deposition that he paid Spinosa \$50,000 in cash for his assistance in the fraud.

At trial, TD Bank argued that the investment scheme was obviously "too good to be true," and that investors should have known that it was a fraud because of the exorbitantly high returns. The bank also asserted that its money-laundering program was reasonable, and that it cannot be blamed for failing to detect Rothstein's criminal conduct.

**INJURIES/DAMAGES** Coquina sought \$32 million in compensatory damages and \$140 million in punitive damages, which represented one-half of one percent of TD Bank's net worth in 2011.

**RESULT** The jury found in favor of Coquina Investments' claims of fraudulent misrepresentation and aiding and abetting fraud on counts one and two and against TD Bank. Coquina Investments was awarded \$67 million.

Coquina Investments \$17,500,000 punitive damages for count one

\$16,000,000 compensatory damages for count one  
\$17,500,000 punitive damages for count two  
\$16,000,000 compensatory damages for count two  
\$67,000,000

**TRIAL DETAILS** Trial Length: 24 days

Trial Deliberations: 4 hours

Jury Vote: 7-0

**PLAINTIFF**

**EXPERT(S)** Catherine A. Ghiglieri, bank policies & procedures, Austin, TX

Maria Yip, C.P.A., forensic accounting, Miami, FL

**DEFENSE**

**EXPERT(S)** Ivan Garces, C.P.A, bank policies and procedures, Miami, FL

**POST-TRIAL** The court entered sanctions against TD Bank for substantial discovery violations. TD Bank has appealed the judgement and the sanctions order in the Eleventh Circuit Court of Appeals.

**EDITOR'S NOTE** This report is based on court documents and information that was provided by plaintiff's counsel. Defense counsel did not respond to the reporter's phone calls.