

Federal Judge: Evidence Shows TD Bank Knew About Rothstein Ponzi



11th Circuit Court Judge Lanier Anderson
Zach Porter/Daily Report

Frank Spinosa, a TD Bank officer allegedly bribed by law firm chairman Scott Rothstein in pursuit of his Ponzi scheme, was front and center during appellate arguments Thursday on the bank's challenge to a \$67 million verdict won by money-losing investors.

The Cherry Hill, N.J.-based bank wants the court to reverse the award to Texas-based Coquina Investments LLC, which poured \$32 million into Rothstein's scam. At the hearing in Miami before the U.S. Court of Appeals for the Eleventh Circuit, Coquina's attorneys argued Spinosa shouldn't have been allowed on the stand during the trial.

Spinosa invoked his Fifth Amendment right not to incriminate himself 193 times before U.S. District Judge Marcia Cooke in Miami. He has not been charged in Rothstein's fraud and has proclaimed his innocence.

Bank attorney Lawrence Robbins, a partner at Robbins Russell Englert Orseck Untereiner & Sauber in Washington, said Spinosa's appearance allowed Coquina's attorney to put into the record Rothstein's deposition claim that he paid Spinosa a \$50,000 bribe.

"There is a not a whisper of corroborating evidence, not a whisper," Robbins said.

Judge R. Lanier Anderson, one of three jurists on the panel, didn't seem to buy into Robbins' argument, saying, "There is overwhelming evidence that TD Bank knew of the fraud."

Spinosa has not been charged with a crime and has claimed his innocence through his attorneys.

Video FraUd

During trial, Coquina's lawyer, David Mandel, zeroed in on Spinosa, telling jurors, "Frank is the bank." He offered up evidence that Spinosa wrote "lock letters" to Rothstein's investors giving them empty assurances about the safety of their money in Rothstein Rosenfeldt Adler accounts.

Rothstein, serving a 50-year prison sentence, also used TD Bank branches to conduct investor shows to keep money flowing to his \$1.2 billion fraud.

Renowned appellate attorney Miguel Estrada, a partner at Gibson Dunn in Washington, represented Coquina. He said Mandel asked questions of Spinosa in good faith and backed them up with emails and other documents.