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FIRST JUDICIAL DISTRICT OF PENNSYLVANIA, Honorable Chief Justice Ronald D. Castille, Trustee ad Litem, City Hall, Room 395 Philadelphia, PA 19107,

COURT OF COMMON PLEAS PHILADELPHIA COUNTY

November Term, 2011
No. _____

Plaintiff,

v.

JEFFREY B. ROTWITT, ESQUIRE,
1056 King of Prussia Road
Radnor, PA 19087,

-and-

OBERMAYER REBMANN MAXWELL & HIPPEL LLP, a Pennsylvania limited liability partnership,
One Penn Center, 19th Floor
1617 John F. Kennedy Boulevard
Philadelphia, PA 19103-1895,

-and-

DEILWYDD PROPERTY GROUP FC LLC, a Pennsylvania limited liability company,
1056 King of Prussia Road
Radnor, PA 19087,

Defendants.

COMPLAINT

(Legal Malpractice (and related claims) – 4L)

Introduction

In February 2006 the First Judicial District of Pennsylvania (“FJD”), at the direction of Supreme Court Justice Sandra Schultz Newman, engaged the law firm of Obermayer Rebmann Maxwell & Hippel LLP (“Obermayer”), through the then-Chairman of Obermayer’s Business and Finance Department, Jeffrey B. Rotwitt, Esquire (“Rotwitt”), to assist the FJD in acquiring a much-needed new facility for its Family Court Division. Although the construction of a modern, safe, and unified Family Court facility to serve victims of domestic abuse, children and juvenile offenders had been among the FJD’s highest priorities for decades, city budgetary constraints and related challenges had always proven to be insurmountable.

At all times relevant and material hereto, Obermayer and Rotwitt were legal counsel to the FJD and the FJD’s liaison Justice on the Supreme Court of Pennsylvania, and owed them the duty of undivided loyalty. From and after February 15, 2007, the FJD’s liaison Justice has been Chief Justice Ronald D. Castille (“Chief Justice Castille”). At the time of its engagement, Obermayer agreed to represent the FJD at no cost to the FJD with the understanding that its fees would be paid by the provider of the new facility. However, as described below, once involved in the project, Obermayer, through Rotwitt, induced the FJD to begin paying it and others involved in the project substantial amounts of the FJD’s own funds from a dedicated account by misleading the FJD into believing that the project to develop the new facility would be jeopardized unless funding was begun immediately.

Moreover, in early 2007, while purporting to represent the FJD’s interests in this public endeavor, Rotwitt began preliminary discussions with Donald W. Pulver (“Pulver”), a Conshohocken-based developer who owned the air rights to a promising

location for a new Family Court facility at 15th and Arch Streets in Philadelphia, Pennsylvania (“the 15th & Arch Site”). By July 2007, while the FJD was still evaluating potential sites, Rotwitt had secretly negotiated a “50/50” fee-splitting deal with Pulver that would funnel millions of dollars into Rotwitt’s own pocket – but only if the facility was built at the 15th & Arch Site.

From that point forward, in abject breach of his duty of undivided loyalty to the FJD, Rotwitt continuously guided his client toward the 15th & Arch Site. In furtherance of his scheme, Rotwitt used his influence with former Pennsylvania State Senator Vincent Fumo to amend the 2007-2008 Capital Budget legislation to require, as a condition of \$200 million in state funding for the project, that the facility be built at the 15th & Arch Site which was the subject of Rotwitt’s secret fee-splitting deal with Pulver.

When Governor Rendell delayed the release of the funds for the Family Court project (hereafter referred to as the “Project” or “Family Court Project”) following the enactment of the Capital Budget in July 2008, Rotwitt took advantage of the delay by repeatedly and falsely warning the FJD’s liaison Justice, Chief Justice Castille, that, if the FJD did not immediately begin paying for past and future services, Rotwitt and his team would be forced to abandon the Project, thereby causing the Project to fail.

Persistently using this threat, Rotwitt induced Chief Justice Castille and the FJD to execute a series of interim funding agreements which funneled large monthly payments of public funds (held in a restricted account funded by filing fees, the FJD Family Court Facility Fund) to himself and Obermayer, to Pulver, with whom he had the secret fee-splitting deal, and to the design and other professionals working on the Project. Rotwitt falsely advised Chief Justice Castille that these payments were customary, reasonable and necessary to keep the Project alive when, in fact, a large portion of the funds were secretly funneled to a newly created

company that Rotwitt set up to receive the proceeds of the corrupt deal he had struck with Pulver more than a year earlier.

Rotwitt went to extraordinary lengths to conceal his secret fee-splitting scheme from Chief Justice Castille and the FJD. He ignored admonitions by another attorney involved in the Project to obtain formal FJD approval of the secret fee-splitting deal with Pulver and to disclose it to Chief Justice Castille; he refused to forward to Chief Justice Castille disclosure documents prepared by the attorney who was warning him to disclose; and he even deleted explicit disclosure language from documents prior to sending them to Chief Justice Castille and the FJD. Moreover, Rotwitt abused his position as an attorney on whom the FJD and Chief Justice Castille were relying for advice, by misrepresenting the contents of documents he had materially altered to his benefit without advising Chief Justice Castille or the FJD that the documents had been materially altered by Rotwitt.

These actions by Rotwitt clearly evidenced his belief that Chief Justice Castille and the FJD would not have condoned such self-dealing and would have terminated Rotwitt's role in the Project had they known of the secret fee-splitting agreement. Unaware of Rotwitt's secret fee-splitting deal, Chief Justice Castille and the FJD relied unwaveringly – and they now know to their detriment – on his advice, believing that he was acting in their best interests as his professional and fiduciary duty obligated him to do.

Through his carefully orchestrated scheme, Rotwitt secretly pocketed at least \$825,000 of public money between October 2008 and May 2010 when *The Philadelphia Inquirer* exposed the secret fee-splitting agreement. Rotwitt could have pocketed at least \$2,615,000 under the secret fee-splitting agreement had the FJD not cancelled its interim funding agreement after the *Inquirer* exposed his secret fee-splitting deal with Pulver. These sums were in addition to the more than

\$1,500,000 that the FJD paid to Obermayer for Rotwitt's and its other lawyers' services during the same period.

This action is brought to recoup the millions of dollars wrongfully appropriated by the defendants, as well as the additional unnecessary expenses that arose from the defendants' unlawful conduct, and to otherwise hold them fully accountable for their personal and professional acts of infidelity. In support of its Complaint, the FJD states as follows:

Jurisdiction and Venue

1. This Court has jurisdiction of the claims brought in this Complaint. *See* 42 Pa.C.S. § 761(b) (authorizing common pleas jurisdiction over all civil actions or proceedings brought by the "Commonwealth government," including any officer thereof, acting in his official capacity).¹

2. Venue is proper in this Court because the FJD's claims arose in the City and County of Philadelphia and are based on transactions and occurrences that took place in the City and County of Philadelphia. Pa.R.Civ.P. 1006(b)-(c).

The Parties

3. Plaintiff FJD is part of the Commonwealth's Unified Judicial System responsible for the administration of the Philadelphia Court of Common Pleas, including the Court's Family Division. The FJD brings this action in its own right, through its Trustee ad Litem, Chief Justice Castille, and maintains a business address at City Hall, Room 395, Philadelphia, Pennsylvania.

4. Defendant Rotwitt is an attorney licensed in Pennsylvania, who resides at 1056 King of Prussia Road, Radnor, Pennsylvania. Rotwitt at all relevant times was a partner in, and employed by, defendant Obermayer and served as one of three members of Obermayer's Executive Committee.

¹ The Judicial Code defines the term "Commonwealth government" to include "the courts and other officers or agencies of the unified judicial system." 42 Pa.C.S. § 102.

5. At all times relevant and material hereto, Rotwitt held himself out as a specialist in real estate, real estate development, and corporate-related law, who possessed the skill, diligence, and knowledge of similar legal practitioners in these legal fields.

6. Defendant Obermayer is a full-service Pennsylvania limited liability partnership law firm that provides legal services to clients by and through its more than 100 lawyers, and maintains a principal office at One Penn Center, 1617 John F. Kennedy Boulevard, Philadelphia, Pennsylvania.

7. At all times relevant and material hereto, Obermayer claimed to enjoy a long-standing reputation for excellence in the business and legal communities based on its lawyers' relentless pursuit of the twin goals of unmatched legal advice and an exceptional level of service when guiding clients through any business opportunity or legal challenge. Based on this alleged relentlessness, Obermayer claimed to have successfully served its clients and built lasting, trust-based relationships since 1904. Moreover, Obermayer claimed to have one of the most prominent real estate practices on the East Coast, employing lawyers who were the most experienced in all aspects of real estate law and who routinely handled sophisticated real estate transactions.

8. At all times relevant and material hereto, Obermayer was acting through its agents, ostensible agents, representatives, servants and/or employees, including Rotwitt, who were acting within the scope of their authority, under the control of or right to control of Obermayer, and in furtherance of Obermayer's business.

9. At all times relevant and material hereto, Rotwitt was acting as an agent, ostensible agent, representative, servant and/or employee of Obermayer, and

was acting within the scope of his authority, in furtherance of Obermayer's business, and under Obermayer's control or right of control.

10. Defendant Deilwydd Property Group FC LLC ("Deilwydd") is a Pennsylvania limited liability corporation that Rotwitt caused to be formed on November 25, 2008 for the purpose of receiving the unlawful proceeds of Rotwitt's self-dealing described below. Deilwydd's registered address is 1056 King of Prussia Road, Radnor, Pennsylvania, which is also Rotwitt's home address.

11. At all times relevant and material hereto, Deilwydd was acting through its agents, ostensible agents, servants and/or employees, including Rotwitt, who were acting within the scope of their authority, under the control of or right to control of Deilwydd, and in furtherance of Deilwydd's business.

12. At all times relevant and material hereto, Rotwitt was acting as an agent, ostensible agent, representative, servant and/or employee of Deilwydd, and was acting within the scope of his authority, in furtherance of Deilwydd's business, and under Deilwydd's control or right of control.

Factual Allegations

13. The FJD operates by and through an Administrative Governing Board, which acts under and is subject to the authority of the Supreme Court of Pennsylvania.

14. In addition, under long-standing custom and practice, the FJD's administration is supervised by a "liaison" Justice of the Pennsylvania Supreme Court who is appointed by the Supreme Court of Pennsylvania, acts under the authority of the Supreme Court of Pennsylvania, and serves as a link to the Supreme Court.

15. From 2002 until her retirement from the Court in December 2006, Justice Sandra Schultz Newman was the Justice appointed by the Supreme Court of Pennsylvania to serve as the FJD's liaison Justice.

The Family Court Project During Justice Newman's Tenure

16. Since the early 1980s, Philadelphia's Family Court was inefficiently and uneconomically divided between a City-owned facility at 1801 Vine Street, which houses the Juvenile Court facility, and other locations in Center City Philadelphia, most recently in an outmoded facility at 11th and Market Streets, which contains the Family Court's Domestic Relations Division. For decades, acquiring a modern, safe and unified Family Court facility has been among the FJD's highest priorities.

17. In early 2003, Justice Newman began exploring various options and locations for a new, unified Family Court facility to be located in Philadelphia, Pennsylvania.

18. Given the magnitude and complexity of the project for a new, unified Family Court facility for the FJD, Justice Newman sought to retain the services of a specialist in such public projects upon whom the FJD and Justice Newman could fully and completely rely for, *inter alia*, legal and real estate advice and other related services in pursuing the feasibility and eventual completion of this important public project.

19. Upon information and belief, sometime in December 2005 Justice Newman was introduced to Rotwitt by her son, Jonathan Newman, an attorney who was affiliated with Obermayer.

20. At all times relevant and material hereto, Rotwitt represented to the FJD that he had extensive legal and professional experience in real estate development and was a senior partner at Obermayer. He further claimed to be the

Chairman of Obermayer's Business and Finance Department and also claimed that he was acknowledged perennially as one of Philadelphia's premier lawyers. Rotwitt also claimed to practice corporate and real estate law at Obermayer for over 30 years. He claimed extensive experience providing counsel to the nation's largest firms in sophisticated and substantial investments and acquisitions. Rotwitt further claimed to have received a Bachelor of Arts degree, *magna cum laude*, from the University of Pennsylvania; a Master of Business Administration degree with a concentration in Finance from the Wharton School of the University of Pennsylvania; and the degree of Juris Doctor from the University of Pennsylvania's School of Law, where he had also served as an adjunct professor teaching classes in entrepreneurship.

21. By February 2006, Justice Newman, impressed with Rotwitt's personal and professional credentials and accomplishments, concluded that he and Obermayer were ideally suited to provide, *inter alia*, the legal and real estate guidance the FJD needed to successfully pursue and complete the complex Family Court Project.

22. On February 10, 2006, at Justice Newman's direction, the FJD entered into a legal services agreement with Obermayer under which Obermayer, by and through Rotwitt, agreed to represent the FJD "as it relates to the acquisition of a Philadelphia Family Court facility." A true and correct copy of this February 10, 2006 letter is attached hereto and incorporated herein as Exhibit "A."

23. The retention agreement between the FJD and Obermayer, *per* Rotwitt, also set forth the parties' "mutual understanding that your fee will be satisfied by the party(ies) providing the facility." Significantly, Obermayer's fee was to be calculated on a commission basis to be paid by the seller and/or lessor of the facility ultimately selected -- not by the FJD.

24. On information and belief, the terms of the February 10, 2006 retention agreement were approved by Obermayer's Executive Committee, which then consisted of defendant Rotwitt, Martin Weinberg, Esquire, and Thomas A. Leonard, Esquire.

25. Following Obermayer's retention by the FJD on February 10, 2006, Rotwitt began investigating various potential sites to locate the proposed Family Court Project.

26. By December 31, 2006, when Justice Newman retired, no site for the proposed Family Court Project had yet been selected by the FJD, although several locations had been considered and some rejected.

27. On or about February 15, 2007, following Justice Newman's retirement, the Pennsylvania Supreme Court appointed Chief Justice Castille, at that time a Justice of the Pennsylvania Supreme Court, to assume the role of the FJD's liaison Justice.²

28. At varying times relevant and material hereto, even before being sworn in as Chief Justice and in addition to serving as the FJD's liaison Justice, Chief Justice Castille was also responsible for preparing the annual operating budget for the Unified Judicial System of Pennsylvania, which is approximately \$300 million, and for guiding the judiciary's budget through the Pennsylvania General Assembly's appropriation process to ensure funding sufficient for the judicial system to fulfill its mission. In that capacity, then-Justice Castille worked extensively with the General Assembly and the Governor's office on budgetary matters in addition to his other duties as a justice of the Supreme Court.

29. Upon being sworn in as Chief Justice of Pennsylvania on January 14, 2008, Chief Justice Castille assumed responsibilities for the administration of

² Justice Castille was sworn in as Chief Justice of Pennsylvania on January 14, 2008.

Pennsylvania's Unified Judicial System. Under the Constitution of Pennsylvania, as leader of the seven member Supreme Court of Pennsylvania, Chief Justice Castille's administrative responsibilities, along with the other members of the Supreme Court, extend to the entire judicial system in Pennsylvania, which includes: 539 magisterial district judges, 446 common pleas judges, 212 senior judges, 26 judges of Philadelphia Municipal Court, 7 judges of Philadelphia Traffic Court, 15 judges of the Superior Court, 9 judges of the Commonwealth Court, 400 employees of the Supreme Court's administrative arm (the Administrative Office of Pennsylvania Courts), approximately 542 employees in the administrative and filing offices supporting the three appellate courts, and 193 district and deputy court administrators from Pennsylvania's 60 judicial districts. Chief Justice Castille's administrative responsibilities extend to the management of the Supreme Court's docket of approximately 284 annual appeals, 2,383 filed petitions for allowance of appeal ("allocatur petitions"), 500 filed miscellaneous petitions, and 2,902 ancillary filings. Chief Justice Castille presides at all Supreme Court sessions, hearing argument, participating in decision-making deliberations and preparing opinions and orders.

The Family Court Project During Chief Justice Castille's Tenure

30. Sometime in 2007, after his appointment as FJD's liaison Justice, Chief Justice Castille met with Rotwitt to discuss the status of the Family Court Project.

31. Like Justice Newman before him, Chief Justice Castille, who had no prior significant professional, personal, or social interactions with Rotwitt, found that Rotwitt gave the impression of being a competent and trustworthy attorney for purposes of providing, *inter alia*, legal and real estate advice to the FJD and the Chief Justice about all aspects of the Family Court Project.

32. Chief Justice Castille considered Rotwitt's assigned task of undertaking and completing the Family Court Project to be a herculean challenge, but was nevertheless impressed by what he perceived to be Rotwitt's seemingly unwavering and energetic interest in, and commitment to, the successful completion of the Project.

33. Indeed, prior to April 2010 (when, as discussed below, Rotwitt's unethical and secret fee-splitting agreement was publicly disclosed), Chief Justice Castille relied upon and, virtually without exception, followed Rotwitt's legal advice, professional assurances, and legal recommendations about the Family Court Project because he fully trusted Obermayer and Rotwitt (in part because he was an Obermayer attorney), and valued the services provided by them.

34. Prior to April 2010, Chief Justice Castille did not know that Rotwitt had betrayed his trust by, as discussed below, concealing and withholding material information relative to his professional services, despite admonitions by another attorney involved in the Project for Rotwitt to make a forthright disclosure of such information to Chief Justice Castille and to the FJD and numerous opportunities for Rotwitt to do so.

35. Prior to April 2010, because of Rotwitt's concealment and withholding of such information (which, upon information and belief, was aided and abetted by other high-ranking members of the Obermayer firm), Chief Justice Castille was misled into believing that, as his and the FJD's attorney, Rotwitt's advice and counsel was based solely on the FJD's best interests when, as explained below, it was in fact in many critical aspects based on Rotwitt's and Obermayer's own interests which were in direct conflict with the interests of the FJD, to the severe detriment of the FJD.

36. As explained in greater detail below, Rotwitt, Obermayer, and Deilwydd, and potentially others, conspired among themselves to deprive the FJD and Chief Justice Castille of the honest services of their counsel and to cause the FJD to expend public funds for the conspirators' own benefits and to the FJD's detriment.

A. 15th & Arch Site

37. In 2007, based on the recommendation of the Philadelphia Parking Authority ("PPA"), the FJD began to consider a new potential site for the Family Court Project, a parcel located at the 15th & Arch Site.

38. The 15th & Arch Site was property owned by the PPA, on which the PPA operated a surface parking lot.

39. Although the PPA owned the land, the 15th & Arch Site was subject to a development agreement under which an entity operating as "Northwest 15th Street Associates" ("Northwest") owned the air rights above the surface parking lot. In substance, under an air rights agreement and associated documents, the PPA conveyed to Northwest the above-ground development rights for the 15th & Arch Site in consideration for Northwest's agreement to construct a 250-car underground parking garage for the PPA beneath the 15th & Arch Site.

40. Northwest was owned and controlled by Pulver, a Conshohocken-based real estate developer, by and through the Oliver Tyrone Pulver Corporation, the general partner of Northwest.

41. By mid-2007, the FJD was giving serious consideration to the 15th & Arch Site as the site at which the new Family Court building would be built.

B. Rotwitt's Secret Fee-Splitting Agreement with Pulver

42. On April 4, 2007, after learning that the 15th & Arch Site was under serious consideration by the FJD for the Family Court building, Rotwitt wrote to

Pulver (on Obermayer letterhead) identifying himself as "the tenant representative for Family Courts," and expressing interest in the 15th & Arch Site for the construction of the new Family Court building:

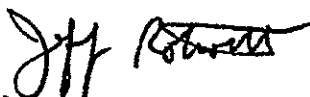
Dear Don:

I am the tenant representative for Family Courts in their search for new facilities of approximately 500,000 SF in Philadelphia.

One of the excellent alternatives we are investigating is 15th and Arch Streets, Philadelphia. We expect to be in close contact with you over the next several months as we reach a decision.

No choice will be made unless and until a legally binding agreement is negotiated and signed by both parties.

Sincerely,



Jeffrey B. Rotwitt

A true and correct copy of this April 4, 2007 letter is attached hereto and incorporated herein as Exhibit "B."

43. On July 3, 2007, Rotwitt met with Pulver in Pulver's Conshohocken, Pennsylvania, office. At or before that meeting, Rotwitt and Pulver entered into a secret fee-splitting agreement that was not disclosed to Chief Justice Castille or to the FJD, by which Rotwitt breached his duty of undivided professional loyalty to the FJD and placed Rotwitt's personal financial interests in direct competition with the FJD's interests. This secret fee-splitting agreement was entered into before the 15th & Arch Site was selected for the new Family Court facility.

44. Pursuant to that secret fee-splitting agreement, Pulver agreed to pay to Rotwitt, personally, 50% of Pulver's "General and Administrative" ("G&A") costs

and 50% of Pulver's "Development Fee" ("Development Fee") if the 15th & Arch Site was selected for the new Family Court facility.

45. The existence of the secret fee-splitting agreement between Pulver and Rotwitt was confirmed in an email to Rotwitt by Pulver's office on July 9, 2007, a document that reflected various proposed budget line-items for the development of a new Family Court facility at the 15th & Arch Site. Pulver's projections included budget line items of \$2,118,000 in G&A expenses, and the identical \$2,118,000 line-item amount for Pulver's Development Fee. A true and correct copy of the July 9, 2007 email is attached hereto and incorporated herein as Exhibit "C."

46. Pulver's projections demonstrated that, by no later than July 2007, Rotwitt and Pulver had reached their secret fee-splitting agreement under which Pulver would pay to Rotwitt 50% of Pulver's projected G&A costs and 50% of Pulver's Development Fee:

G&A	50/50 Jeff/Don	4.00	2,118,000
Development Fee	50/50 Jeff/Don	4.00	2,118,000

Exhibit "C."

47. Pulver's financial projections further identified an \$8,366,100 "contingency fee," of which 16.7% (approximately \$1,400,000) was allocated to Rotwitt and an equal amount to Pulver.

48. Prior to June 2010 neither the July 9, 2007 email nor its substance were disclosed to Chief Justice Castille or the FJD, despite ample opportunity and admonitions by another attorney involved in the Project for Rotwitt to have done so.

49. The secret fee-splitting agreement between Rotwitt and Pulver placed Rotwitt's interests in a direct conflict with the interests and goals of his clients, the FJD and Chief Justice Castille, thereby triggering his professional responsibility to

fully and expressly disclose the secret fee-splitting deal with Pulver in writing to his clients and seek his clients' written waiver of the conflict.

C. Rotwitt Informs Obermayer of His Unethical Plans

50. On November 14, 2007, through an internal email prepared solely for the consideration of his Obermayer partners and an Obermayer affiliated attorney, and never disclosed to the FJD, Chief Justice Castille, or any third party until Rotwitt was fired by Obermayer in May 2010, Rotwitt informed senior partners Warren Ayres, Hugh Sutherland, and John Ryan -- whose combined legal experience equals nearly 100 years -- and an affiliated attorney (Michael Weinstein) at Obermayer (who would be enlisted to assist in the representation of the FJD) that, in connection with the Family Court facility, there was to be a Developer Fee, and that "[t]he Developer for the 5 year lease will be a to-be-formed entity controlled by Don [Pulver] and me [Rotwitt]."

Rotwitt, Jeffrey

From: Rotwitt, Jeffrey
Sent: Wednesday, November 14, 2007 9:53 PM
To: Ayres, Warren
Cc: Sutherland, Hugh; Ryan, John; Weinstein, Michael
Subject: RE: Family Court - transaction structure

Warren,

A few more observations.

A (3) and (4) To better clarify the parties, the entity (John Ryan knows the name) that owns the fee title to the Air Rights Estate is controlled by Don Pulver and we should call it "Site Owner". The Developer for the 5 year lease will be a to-be-formed entity to be controlled by Don and me. Importantly, there will be a large, but very fair, Tenant Representative Fee paid to ORM&H when this closes. The timing of the payment of the Developer Fee and the Tenant Representative Fee is to be determined, hopefully when the Bond offering closes, but perhaps some then and some each month until the Construction Documents are done, priced and the GC has commenced construction some 9 months after the architects have been released to start and paid from the Bond proceeds. ORM&H will also, if I get my way, be the law firm that structures all this and does all the zoning and land development work for legal fees in addition to the Tenant Rep Fee for the real estate and lobbying work I've basically already completed. Don has used Klehr and Hanglely. The state and city will obviously have their own law firms too. I don't think the First Judicial District will, but who knows.

A true and correct copy of this November 14, 2007 email is attached hereto and incorporated herein as Exhibit "D."

51. Rotwitt's disclosure that there would be a Developer Fee and his reference to the Developer being a "to-be-formed entity controlled by Don [Pulver] and me [Rotwitt]" definitively established that Rotwitt intended to have a personal financial stake in the Family Court Project which was in direct conflict with his duty of undivided professional loyalty to the FJD and Chief Justice Castille as their lawyer.

52. The November 14, 2007 email further apprised Rotwitt's fellow Obermayer partners of his intention that Obermayer receive a large Tenant Representative's fee, as well as additional compensation for future legal work. Exhibit "D."

53. Neither the November 14, 2007 email, its contents, nor its substance was disclosed to Chief Justice Castille or the FJD by Rotwitt or Obermayer, despite numerous opportunities for Rotwitt and/or Obermayer to do so and admonitions from Pulver's attorney that the secret fee-splitting agreement be disclosed to the FJD and Chief Justice Castille.

54. Indeed, Chief Justice Castille and the FJD did not learn of the November 14, 2007 email or its contents until June 2010, after the FJD demanded the production of its client file from Obermayer.

55. The substantial monies Rotwitt projected for himself and Obermayer from the Family Court Project were contingent on the Project receiving, or likely receiving, substantial funding from the Commonwealth of Pennsylvania.

56. As a result, Rotwitt turned his attention to securing the commitment of the Commonwealth of Pennsylvania to fund the Family Court Project, with that commitment to be contingent upon the new Family Court facility being built at the 15th & Arch Site, which location was the subject of Rotwitt's secret fee-splitting deal

with Pulver and the source for significant future financial remuneration for Obermayer, as discussed above.

D. The 2007-2008 Capital Budget

57. In late 2007, in an effort to secure public funding for the Family Court Project, Rotwitt had multiple meetings and telephone conversations with then-Pennsylvania State Senator Vincent J. Fumo and Senator Fumo's staff that pertained to the potential funding of the Project through the Commonwealth's Capital Budget for the fiscal year 2007-2008.

58. The earliest printed versions of the 2007-2008 Capital Budget legislation (House Bill 1589) did not include any reference to the Family Court Project.

59. On November 13, 2007, however, the Senate Appropriations Committee reported out of conference proposed amendments to House Bill 1589 authorizing \$200,000,000 for the "ACQUISITION OF SITE, DESIGN, CONSTRUCTION, INFRASTRUCTURE AND OTHER RELATED COSTS FOR THE FIRST JUDICIAL DISTRICT FAMILY COURT BUILDING." A true and correct copy of this amendment in relevant part is attached hereto and incorporated herein as Exhibit "E."

60. This November 13, 2007 version of House Bill 1589 further authorized the Commonwealth's Department of General Services ("DGS"), "TO CONSTRUCT THE FAMILY COURT BUILDING ITEMIZED IN SECTION 3(7)(IV)(E) BY CONTRACT AWARDED BY THE DEPARTMENT OF GENERAL SERVICES OR TO ACQUIRE THE FAMILY COURT BUILDING BY MEANS OF A LEASE WITH AN OPTION TO PURCHASE." *Id.* at § 21.

61. On December 4, 2007, the Senate Appropriations Committee reported out of conference a proposed 2007-2008 Capital Budget bill that *required* the

proposed new Family Court building "TO BE LOCATED AT 15TH AND ARCH STREETS." A true and correct copy of this amendment in relevant part is attached hereto and incorporated herein as Exhibit "F."

62. On information and belief, Rotwitt personally drafted or caused to be drafted the proposed statutory language that locked the FJD into the 15th & Arch Site and advocated for its insertion into the bill. *See, e.g.*, email dated December 4, 2007, a true and correct copy of which is attached hereto and incorporated herein as Exhibit "G."

63. Unaware of the extent to which Rotwitt had operated in his own and Obermayer's interests and contrary to the FJD's interests, Chief Justice Castille and the FJD were greatly impressed by the ability of Obermayer and Rotwitt to advance the Family Court Project by arranging state funding for the proposed Family Court facility to this point, which elevated the professional stature of Rotwitt and Obermayer in the view of both the FJD and Chief Justice Castille.

E. Rotwitt's First Recommendation For the FJD to Fund Activities Prior to the Enactment of the Capital Budget

64. In early 2008, before the Capital Budget was passed, Rotwitt recommended to Chief Justice Castille and the FJD that they should agree to fund certain preliminary architectural and engineering endeavors related to the Family Court Project from the FJD's Family Court Facility Fund.³ Unknown to the FJD and Chief Justice Castille, Rotwitt's recommendation was based on Rotwitt's and Obermayer's interests and not the FJD's interests, to the severe detriment of the FJD. Rotwitt initially recommended that about \$2 million be expended from that fund for such purposes.

³On July 7, 2006, the Pennsylvania General Assembly authorized the FJD to impose a surcharge on civil filing fees to be available to the FJD "to fund the lease, purchase and maintenance of appropriate family court facilities and for related purposes." Funds collected pursuant to this legislation are deposited into the Family Court Facility Fund, a restricted account within the FJD.

65. Because the Capital Budget had not yet passed and, until its passage, the Family Court Project could not be considered economically viable, Chief Justice Castille and the FJD rejected Rotwitt's proposed expenditure of such a large sum from the Family Court Facility Fund.

F. Rotwitt's Second Recommendation for the FJD to Fund Activities Prior to the Enactment of the Capital Budget

66. Undeterred, in April 2008, and before the Capital Budget was enacted, Rotwitt made a second recommendation to Chief Justice Castille and the FJD to utilize the FJD's Family Court Facility Fund to provide interim funding for the Family Court building. Unknown to the FJD and Chief Justice Castille, Rotwitt's second recommendation was still based on Rotwitt's and Obermayer's interests and not the FJD's interests, to the severe detriment of the FJD. In his second recommendation, Rotwitt advised that the necessary interim funding was \$11.6 million, rather than \$2 million.

67. Rotwitt made his second recommendation in an April 23, 2008 email sent from his Obermayer account signed **Jeffrey B. Rotwitt, Esquire** over the full name of his law firm **Obermayer Rebmann Maxwell & Hippel LLP**, all in bold typeface, along with the firm's address and contact information. Attached to Rotwitt's email, for the FJD's execution, was a draft "Agreement to Develop and to Lease" the 15th & Arch Site. A true and correct copy of this email and accompanying document is attached hereto and incorporated herein as Exhibit "H."

68. The "Agreement to Develop and Lease" had originally been drafted by attorneys for Pulver and had contained an express conflict of interest section entitled "JEFFREY B. ROTWITT" that disclosed Rotwitt's secret fee-splitting deal with Pulver and sought a waiver from the FJD of the conflict of interest Rotwitt had with his client, the FJD. A true and correct copy of this draft is attached hereto and incorporated herein as Exhibit "I."

69. The conflict of interest provision in this draft stated the following:

5. Jeffrey B. Rotwitt. Tenant and Landlord acknowledge that Jeffrey B. Rotwitt has assisted and may continue to assist Tenant in the process of selecting the site for the Courthouse. Tenant further understands that Mr. Rotwitt, directly or indirectly, may own an interest in Tenant or another entity involved in the ownership, development and operation of the Project. Tenant and Landlord, being sophisticated, hereby waive any conflict of interest with regard to Mr. Rotwitt's participation in these matters as recited herein. Tenant and Landlord further waive

any claim against one another based upon the facts and circumstances outlined in this Section 5.

70. Upon information and belief, a representative for Pulver circulated the draft "Agreement to Develop and to Lease" to Rotwitt for his review on behalf of his clients, the FJD and Chief Justice Castille.

71. After Rotwitt's review, but before transmitting the document to the FJD or Chief Justice Castille with his second recommendation for interim funding, Rotwitt removed, or caused to be removed, this specific conflict of interest paragraph and inserted into the document's preamble a vague and innocuous reference to the "tenant representative," calling himself a "consultant" and ambiguously stating several paragraphs later that the consultant had become a "constituent partner" in the landlord. Exhibit "H."

72. The "constituent partner" provision stated:

G. As part of the Development Services, Consultant has become a constituent partner in Landlord and will co-develop the design, development and construction of the Garage and the Courthouse (together the "Building" and the overall development thereof, the "Project"); and

73. At no time did Rotwitt ever advise the FJD or Chief Justice Castille of the proposed conflict of interest provision, of the removal of that proposed provision, of his modification of the preamble, or otherwise alert his clients to his secret fee-splitting deal with Pulver.

74. As they had with Rotwitt's first recommendation for funding, Chief Justice Castille and the FJD rejected Rotwitt's second proposed expenditure of the Family Court Facility Fund because the Capital Budget had not yet passed and, until its passage, the Family Court Project could not be considered economically viable.

G. Rotwitt's Third Recommendation For the FJD to Fund Activities Before the Governor Authorized the Project

75. In July 2008, the Legislature approved, and Governor Rendell signed, the 2007-2008 Capital Budget which, per the December 4, 2007 Senate amendment, included \$200 million funding language for the development and construction of a new Family Court facility at the 15th & Arch Site.

76. The Commonwealth's expenditure of these funds nonetheless remained "subject to executive approval and authorization" and Governor Rendell did not immediately authorize the expenditure of funds for the Family Court Project.

77. In August 2008, Rotwitt advised Chief Justice Castille that the EwingCole architectural firm, whose services Rotwitt had secured in 2006 without compensation on a speculative basis to prepare preliminary design and concept plans for a new Family Court facility, would cease work unless the FJD began compensating EwingCole for continuing its architectural services. Rotwitt further advised Chief Justice Castille that unless EwingCole continued work on the design plans, other third parties providing uncompensated services in support of the Family Court Project would be unable to meet critical deadlines to the detriment of the Project.

78. Unaware of Rotwitt's self-dealing with Pulver, Chief Justice Castille had full faith and trust in Rotwitt's professional advice and believed that, as his and the FJD's lawyer, Rotwitt's assessment and advice were given only in the FJD's best interests.

79. Accordingly, on or about August 26, 2008, based on Rotwitt's assessment, advice and presumed fidelity, Chief Justice Castille authorized FJD Court Administrator David Lawrence to sign an agreement under which Northwest, the entity owned and controlled by Pulver, would be reimbursed for costs incurred by EwingCole for its continuing design and architectural services ("Agreement I"). Capped at a maximum expenditure of \$250,000, and subject to a three (3) day right of unilateral termination by the FJD, this agreement's term was only 90 days. A true and correct copy of Agreement I is attached hereto and incorporated herein as Exhibit "J."

80. Rotwitt's August 2008 representations to Chief Justice Castille about EwingCole were false inasmuch as EwingCole had no intention of abandoning work on the Family Court Project, whether compensated or not, and thus no other deadlines were at risk of being missed. Chief Justice Castille and the FJD did not learn until 2010 that these representations by Rotwitt were false.

81. Through his deceit, Rotwitt fraudulently obtained the FJD's agreement to tap its Family Court Facility Fund to fund the Family Court Project before any Commonwealth funds from the Capital Budget were available and without any assurance of reimbursement. This precedent set the stage for the massive and lucrative scheme by which the defendants profited at the FJD's expense.

H. Rotwitt's Fourth Recommendation For the FJD to Fund Activities Before the Governor Authorized the Project

82. As the 90-day expiration period for Agreement I approached, Rotwitt again besieged Chief Justice Castille with dire warnings that, without additional continued interim funding, EwingCole, as well as other participants, would abandon the Family Court Project.

83. Even though Governor Rendell had not yet authorized the Family Court Project, and even though it was entirely unclear whether the

Commonwealth's Department of General Services ("DGS") would allow or retain private development services in any form or capacity for the Project, Rotwitt urged Chief Justice Castille to authorize the FJD's execution of another interim funding agreement that vastly expanded the FJD's financial obligations to the team Rotwitt had selected, yet failed to secure the FJD any guaranteed deliverables such as ownership of the Site including ownership of the architectural plans for the Family Court building.

84. While continuing to conceal his secret fee-splitting agreement with Pulver, Rotwitt advised Chief Justice Castille to direct the FJD's execution of a draft interim funding agreement, dated as of October 6, 2008 and fully executed on November 10, 2008, that required the FJD to pay to Northwest all pre-development expenses, along with certain fixed line item budget amounts ("Agreement II"). A true and correct copy of Agreement II is attached hereto and incorporated herein as Exhibit "K."

85. These fixed line items included the FJD's proposed payment to Northwest for a "Land Cost" in the amount of \$1,775,388 – despite Agreement II's failure to effect any transfer or lease of land, "air rights" or any other property rights – together with separate budget items identified as a "Developer Fee" in the amount of \$2,615,000, and an undefined "G&A" line item expense in the identical \$2,615,000 amount.

86. Since, under the July 2007 secret fee-splitting agreement with Pulver, Rotwitt was to receive 50% of the G&A and Developer Fee paid to Northwest, Rotwitt stood to secretly enrich himself by \$2,615,000 (50% of the \$2,615,000 G&A plus \$2,615,000 of the Developer Fee) if he could induce Chief Justice Castille and the FJD to approve Agreement II.

87. Under Agreement II, the FJD also would be required to pay Northwest for each of the undocumented line items specified, in fixed monthly installments. Specifically, Agreement II required that, beginning on October 1, 2008, the FJD would pay Northwest \$55,000 each month for Northwest's "Developer Fee" budget item, \$27,500 each month for the undocumented "G&A" expense line item, and \$50,000 each month for the "Land Cost" budget item.

88. Agreement II also included a provision under which it could be terminated by either party on three (3) days notice, which provision Rotwitt misrepresented to the FJD and Chief Justice Castille would serve as a check-and-balance control over the Project, all the while knowing that he (Rotwitt) would never recommend that his clients exercise the provision as it would terminate Rotwitt's receipt of payments under his secret fee-splitting agreement with Pulver.

89. As before, Rotwitt proposed that the FJD pay the fixed, monthly amounts under Agreement II, with its substantially increased scope of expenditures and no guaranteed deliverables to the FJD, from the FJD's Family Court Facility Fund.

90. Agreement II also included a "balloon" provision, under which the FJD was required to pay Northwest the total amount of the Land Cost line item, and 50% of the G & A line item, upon the earlier of: (a) execution of a development agreement or lease that effected "a transaction"; (b) the Commonwealth's commencement of funding of the Family Court Project; or (c) July 1, 2009.⁴

91. Nothing in Agreement II as crafted by Rotwitt and Obermayer required Northwest to provide any services in exchange for these substantial payments of public funds, nor even purported to explain what these proposed budget items represented. Indeed, with respect to the Developer Fee and the G & A

⁴ In contrast to the Land Cost, G&A, and Tenant Representative Fee line items, the Developer Fee would "balloon" on the "substantial completion" of construction of the new Family Court facility.

line items, these amounts represented nothing more than disguised profits which Pulver (Don) and Rotwitt (Jeff) would, unbeknownst to the FJD split "50/50," *see supra* Paragraph 46.

92. Agreement II as crafted by Rotwitt and Obermayer likewise included a significant modification of Obermayer's compensation. In contrast to the legal services agreement dated February 10, 2006 (Exhibit "A") under which Obermayer would be paid "by the party(ies) providing the facility," Agreement II required the FJD to pay Obermayer a fixed aggregate fee of \$3,976,000 in \$55,000 monthly installments, with half the \$3,976,000 amount ballooning upon the same events as the G&A line item, and the balance payable in full on completion of construction. Significantly, the \$55,000 monthly payment to Obermayer for the Tenant Representative Fee equaled the \$55,000 monthly payment to Northwest for the Developer Fee and later caused confusion when it was first reported that Rotwitt and Pulver were partnering in a "50/50 deal" (*see* Paragraph 126).

93. In urging the FJD and Chief Justice Castille to fix Obermayer's compensation at \$3,976,000, Rotwitt misled Chief Justice Castille to believe that the total compensation Obermayer and Rotwitt would be paid for their combined legal and professional services in connection with the Family Court Project would be the fixed aggregate fee of \$3,976,000 when Rotwitt knew that this was not the case.

94. In addition, Rotwitt falsely represented to Chief Justice Castille that the fixed aggregate compensation for Obermayer/Rotwitt in Agreement II as crafted by Rotwitt and Obermayer was a customary and reasonable fee for comparable legal and professional services provided in such projects.

95. Under the Agreement II structure proposed and advocated by Rotwitt and Obermayer, the FJD would commit to monthly payments to Northwest totaling

\$132,500 for the Land Cost, Developer Fee, and G&A budget items, of which 50% of the Developer Fee and G&A would be paid secretly to Rotwitt under the fee-splitting arrangement, unbeknownst to the FJD and Chief Justice Castille. These interim payments would be in addition to the FJD's monthly payment of \$55,000 to Obermayer and to Northwest for all expenses that Northwest purportedly incurred in connection with the Family Court Project, including ongoing pre-construction design work, legal fees, permitting fees, real estate taxes, and insurance.

96. On information and belief, and unknown to Chief Justice Castille and the FJD, the fixed budget line items in Agreement II structured by Rotwitt and Obermayer— which collectively totaled \$8,756,276 through June 30, 2009, including balloon payments – were without any relation to the value of the services to be provided by Northwest or Obermayer, but were instead set by Rotwitt to exhaust the available balance of the FJD's Family Court Facility Fund, which over that same period would total about \$8,900,000.

97. In complete breach of his duty of undivided loyalty to Chief Justice Castille and the FJD, Rotwitt never informed the FJD or Chief Justice Castille that the fixed Developer Fee and G&A budget items included in Agreement II were the very budget items that Rotwitt and Pulver, in July 2007, secretly agreed to split “50/50.”

98. For Rotwitt's and Obermayer's own personal enrichment from public funds, Rotwitt used his role as the lawyer for the FJD and Chief Justice Castille to implement this agreement contrary to the FJD's interests.

99. On November 10, 2008, based on Rotwitt's advice and recommendation as the lawyer for the FJD and Chief Justice Castille, and without knowledge of Rotwitt's material misrepresentations and omissions of material facts discussed

above, Chief Justice Castille directed the FJD to execute Agreement II as crafted by Rotwitt and Obermayer.

100. After November 10, 2008, the FJD began to make the monthly payments called for under Agreement II.

I. Rotwitt Creates Deilwydd to Receive the Monthly Payments From the Secret Fee-Splitting Agreement with Pulver

101. On November 25, 2008 – fifteen days after Rotwitt convinced Chief Justice Castille and the FJD under false pretenses to execute Agreement II, Rotwitt created Deilwydd for the sole purpose, on information and belief, of receiving the funds generated by Rotwitt’s secret fee-splitting agreement with Pulver. Corporate filings establish that the “organizer” of Deilwydd was a paralegal employed by Obermayer and, accordingly, defendant Obermayer, by its agents, employees, and representatives, knew or should have known that Rotwitt’s plan to profit at the expense of his clients, through self-dealing and deceit, as laid out in the internal firm email of November 14, 2007 (Exhibit “D”), was now reaching fruition.

102. In accordance with the July 2007 secret fee-splitting agreement between Rotwitt and Pulver, beginning in 2008, Pulver issued monthly checks to Deilwydd for sums that reflected the 50% financial interest Rotwitt held pursuant to their unlawful scheme. One such check is below:

NORTHWEST 15TH STREET ASSOCIATES
FIVE TOWER RIDGE
300 BARR HARBOR DR STE 750
CONSHOHOCKEN, PA 19428

1114

DATE May 14, 2010 3-5010
148

PAY TO THE ORDER OF Deilwydd Property Group SC LLC \$ 41,250⁰⁰
\$41,250.00 DOLLARS

PNC BANK
PNC Bank, N.A. 020
Philadelphia, PA

FOR May 10 Gas/dovel fee Robert D. [Signature]

⑆001114⑆ ⑆031000053⑆ 861177819⑆

A true and correct copy of the May 14th, 2010 monthly check is attached hereto and incorporated herein as Exhibit "L."

J. Rotwitt Secretly Negotiates For Northwest – Not the FJD – to Own the Architectural Designs for the Family Court Project

103. On April 7, 2009, Northwest and EwingCole executed an architectural services agreement under which EwingCole would perform all design and architectural services required for the development and construction of the new Family Court facility at the 15th & Arch Site. A true and correct copy of this agreement is attached hereto and incorporated herein as Exhibit "M."

104. The AIA⁵ form contract (although modified) identified Northwest as the Project's "Owner" and, on full payment of EwingCole's \$6,370,000 fixed fee, vested ownership of EwingCole's plans and designs for the proposed Family Court building in Northwest rather than in the FJD, which was paying for EwingCole's professional services under Agreement II as crafted by Rotwitt and Obermayer.

105. Rotwitt never informed the FJD or Chief Justice Castille of this contract, its terms, or about the potential serious and deleterious consequences to the FJD resulting from Northwest's ownership of the EwingCole architectural plans even though the plans were paid for by the FJD from the FJD's Family Court Facility Fund.

106. On information and belief, Rotwitt and Obermayer specifically negotiated the terms of the EwingCole contract to benefit the interests of Northwest and, because of the secret fee-splitting agreement, Rotwitt, himself, while knowingly undermining the interests of their clients, the FJD and Chief Justice Castille.

⁵ American Institute of Architects.

K. Rotwitt's Fifth Recommendation For FJD to Fund Activities Before the Governor Authorized the Project

107. Approaching the date on which balloon payments would become due under Agreement II, in an email dated April 30, 2009, counsel for Pulver sent Rotwitt a draft amendment to Agreement II, stating:

I agree with Jeff [Rotwitt] that an amendment is better than a whole new agreement. I have also taken pains to explain how nice we're being that we could have asked for the whole loaf now but are happy to take it in slices. I can beef that up or change it 'round as much as you'd like.

Also, in the interest of full disclosure, I think it's pretty important for you guys to have an official Fee Sharing agreement and for that agreement to be blessed by the Chief [Chief Justice Castille]. Probably, it could be done simultaneously with the amendment.

(Emphasis added). A true and correct copy of this April 30, 2009 email and accompanying documents are attached hereto and incorporated herein as Exhibit "N."

108. Attached to the April 30, 2009 email from counsel for Pulver was a draft fee sharing agreement that included a proposed waiver form to be executed by the FJD (Exhibit "N"). The relevant fee sharing language stated as follows:

2. **Sharing of Fees.** Developer hereby agrees that fifty percent (50%) of the difference of (a) all Developer Fees, as hereinafter defined, less (b) Allowable Costs, as hereinafter defined, shall be delivered to Co-Developer when and as received by Developer.

109. The proposed waiver in the same attachment stated as follows:

CONSENT AND WAIVER

FIRST JUDICIAL DISTRICT hereby consents to the foregoing Fee and Savings Sharing Agreement. First Judicial District acknowledges that it has no objection to Co-Developer's performing the services described in the Fee and Savings Sharing Agreement or being paid in accordance with this Agreement, notwithstanding that Jeffrey Rotwitt is a principal of Co-Developer and has provided other services to the First Judicial District related to this same general matter, either directly or through his law firm, Obermayer Rebmann Maxwell & Hoppel.

FIRST JUDICIAL DISTRICT

By: _____
Name:
Title:

110. Rotwitt never shared the April 30, 2009 email, its contents, or its substance with the FJD or Chief Justice Castille, who did not learn of its existence until after June of 2010.

111. Moreover, notwithstanding the April 30, 2009 explicit professional urging by Pulver's counsel of "full disclosure," Rotwitt intentionally refused to disclose, either to the FJD or Chief Justice Castille, the existence of his secret fee-splitting agreement with Pulver, and never sought or obtained Chief Justice Castille's "blessing" of the fee-splitting arrangement.

112. Under Agreement II, as crafted by Rotwitt and Obermayer, on July 1, 2009, the FJD would have been required to make a balloon payment to Northwest in excess of \$2,600,000, and a balloon payment to Obermayer of \$1,988,000. Exhibit "K."

113. On June 18, 2009, in order to avoid these balloon payments, the FJD exercised its right to terminate Agreement II effective June 21, 2009. A true and correct copy of the June 18, 2009 termination letter is attached hereto and incorporated herein as Exhibit "O."

114. Concerned that the termination of Agreement II would negatively affect his financial interests under his secret fee-splitting agreement with Pulver, Rotwitt began to strongly advocate that Chief Justice Castille and the FJD, his clients, execute another similar agreement based on Rotwitt's purported concern that the Family Court Project would otherwise be in jeopardy.

115. On June 12, 2009, in an email to Chief Justice Castille transmitting a revised draft extension of Agreement II, Rotwitt misrepresented that, other than two minor changes which he described specifically, the document was "identical to the Agreement that has governed us the last 9 months." Instead, Rotwitt had materially altered the draft by inserting "Deilwydd Property Group FC LLC" into the first paragraph as a co-developer of the Project with Northwest. The inserted language did not identify that Deilwydd was an entity formed and controlled by Rotwitt. A true and correct copy of the June 12, 2009 email is attached hereto and incorporated herein as Exhibit "P."

116. Rotwitt knowingly and intentionally failed to disclose to Chief Justice Castille that he had inserted Deilwydd into the document and deliberately misled Chief Justice Castille into believing that the document did not require review because calling attention to the insertion of Deilwydd would have forced him to disclose that he was owner of Deilwydd thereby exposing his secret business interest in the Project.

117. On information and belief, Rotwitt's purpose in inserting Deilwydd into the draft extension was to create a document that he could later point to as evidence that he had disclosed his business relationship with Pulver in the event that his actions were ever challenged.

118. On July 15, 2009, based on Rotwitt's urgings and misrepresentations and purported concern that the Family Court Project would otherwise be

jeopardized, Chief Justice Castille directed the FJD to execute a new agreement (“Agreement III”), which continued the FJD’s payments to Northwest and Obermayer at the same levels set forth in Agreement II. A true and correct copy of Agreement III is attached hereto and incorporated herein as Exhibit “Q.”

119. After Agreement III as crafted by Rotwitt and Obermayer was executed, again subject to the same right of termination on three (3) days notice which Rotwitt knew he would never recommend that his clients exercise, the FJD made the monthly payments to Northwest and Obermayer called for under Agreement III each and every month until May 5, 2010.

120. As with Agreements I and II, as crafted by Rotwitt and Obermayer, Rotwitt never disclosed to Chief Justice Castille or the FJD, his clients, his secret fee-splitting agreement with Pulver, which would continue to be funded from the FJD’s Family Court Facility Fund in accordance with Agreement III, again, as crafted by Rotwitt and Obermayer.

121. In early 2010, certain actions by Rotwitt caused officials of the PPA to suspect that an impermissible business relationship existed between Rotwitt and Pulver.

122. Confronted in person by PPA officials, Pulver emphatically denied that he had any business relationship whatsoever with Rotwitt.

123. Directed to memorialize his answers in writing, Pulver, on March 5, 2010, sent a carefully crafted letter to both the PPA and the FJD that was far more narrow in its representations than the oral answers he had given to PPA officials. The letter, although technically accurate, was intentionally misleading, stating in pertinent part:

As you are aware, Northwest 15th Street Associates (“Northwest”) is working with Jeff Rotwitt on the referenced project [the Family Court Project]. To avoid any potential misunderstanding or possible uncertainty,

please note that Mr. Rotwitt does not have an ownership interest in or control over Northwest. He is not an agent for Northwest and has no power to bind or speak on behalf of the entity.

A true and correct copy of each March 5th letter is attached hereto and incorporated herein as Exhibit "R."

124. Rotwitt was aware that Pulver transmitted the letter to the FJD and the Parking Authority, as he was copied on the letter and, on information and belief, may have had a role in drafting it.

125. Pulver's misleading letter attesting to the absence of a business agreement between him and Rotwitt was transmitted to Chief Justice Castille on March 23, 2010.

L. Public Disclosure of Rotwitt's Self-Dealing

126. On April 9, 2010, The *Philadelphia Inquirer* published a column about the Family Court Project in which it was publicly reported for the first time that "Pulver is partnering with attorney Jeffrey Rottwitt [sic] in a 50-50 deal." A true and correct copy of the April 9, 2010 column is attached hereto and incorporated herein as Exhibit "S."

127. Due to the press of Supreme Court business, April 20, 2010 was the first opportunity Chief Justice Castille had to have any discussion with Rotwitt after reading the April 9, 2010 column.

128. On April 20, 2010, Rotwitt called Chief Justice Castille and stated that the April 9, 2010 column was inaccurate and recommended that a response be issued, which he would prepare. Rotwitt also requested to meet with Chief Justice Castille the next day to review Rotwitt's draft press statement.

129. Having read Pulver's letter of March 5 attesting to the absence of a business relationship between Pulver and Rotwitt, and believing that Rotwitt and Obermayer, as counsel to the FJD, were acting in the FJD's best interests, Chief

Justice Castille trusted Rotwitt's representations and agreed to meet with J. Rotwitt to review the draft press statement per Rotwitt's request.

130. Rotwitt drafted a press statement for Chief Justice Castille ("Press Statement Draft I") in which Rotwitt wrote:

2008 and thereafter brought the advent of the development phase of the Project. These development efforts were conducted by Northwest 15th Street Associates and Deilwydd Property Group FC LLC pursuant to a contract with the First Judicial District terminable on 3 days notice by either party.

A true and correct copy of Press Statement Draft I is attached hereto and incorporated herein as Exhibit "T."

131. On April 21, 2010, Rotwitt met with Chief Justice Castille in Philadelphia, Pennsylvania, and provided a copy of Press Statement Draft I for Chief Justice Castille's review prior to its public issuance.

132. Significantly, at their April 21, 2010 meeting, Rotwitt did not disclose to Chief Justice Castille (a) his secret fee-splitting agreement with Pulver; (b) Deilwydd's monthly receipt from Pulver of Rotwitt's share from this secret fee-splitting arrangement; (c) Rotwitt's ownership interest in Deilwydd; or (d) Rotwitt's split of the ill-gotten monies paid to Deilwydd by Pulver.

133. At the conclusion of their short meeting on April 21, 2010, and unaware of the misrepresentations and omissions of material facts by Rotwitt, Chief Justice Castille authorized Rotwitt to inform FJD personnel to issue Press Statement Draft I (with the addition of the single word "other" in Chief Justice Castille's handwriting) as a press statement in Chief Justice Castille's name. A portion of the statement states:

2008 and thereafter brought the advent of the development phase of the project. These development efforts were conducted by Northwest 15th Street Associates and Deilwydd Property Group FC LLC pursuant to a contract with the First Judicial District terminable on 3 days notice by either party. The First Judicial District retained Ballard Spahr Andrews & Ingersoll, LLP and outside construction and design consultants to advise it during the development process.

Other

134. Following their April 21, 2010 meeting, Rotwitt returned to his Obermayer office and materially and substantively revised Press Statement Draft I before it was forwarded for issuance to the press. Rotwitt altered Press Statement Draft I to now read:

2008 and thereafter brought the advent of the development phase of the Project. These development efforts were and are being conducted by both Northwest 15th Street Associates (**controlled by Donald Pulver**) and Deilwydd Property Group FC LLC (**controlled by Jeffrey Rotwitt**) pursuant to a contract with the First Judicial District terminable on 3 days notice by either party.

(Additions by Rotwitt highlighted). A true and correct copy of this altered statement ("Press Statement Draft II") is attached hereto and incorporated herein as Exhibit "U."

135. The additions made by Rotwitt to Press Statement Draft I were not reviewed or approved by Chief Justice Castille prior to publication. Indeed, Chief Justice Castille did not learn until late in September 2011 about Rotwitt's unilateral and unauthorized changes to Press Statement Draft I.

136. Additionally, the April 21, 2010 email prepared by Rotwitt which accompanied Press Statement Draft II does *not* disclose or reference any changes having been made to Press Statement Draft I in order to alert the recipient of the email (in particular Chief Justice Castille) to review any such changes for accuracy. Rotwitt's email instead states:

Attached is a factual statement that the Chief and I just prepared that we believe Stu [Ditzen] should send to Inga [Saffron] [architectural critic for *The Philadelphia Inquirer*] now on behalf of the FJD so that she has a clear statement of the facts. I also would recommend that Stu be the single point of contact with Inga henceforth since she obviously is motivated by some malice towards the Project and seems to be trying to play 'whisper down the lane' and claiming different things are being said by different parties. Jeff

A true and correct copy of Rotwitt's April 21, 2010 email is attached hereto and incorporated herein as Exhibit "V."

137. Rotwitt's representation in his April 21, 2010 email that Press Statement Draft II "is a factual statement that the Chief and I just prepared that we believe Stu should send to Inga" was a gross prevarication by Rotwitt intended to mislead its recipients and to deter them from learning about the material and unauthorized additions Rotwitt unilaterally made to Press Statement Draft I.

138. Rotwitt unilaterally changed Press Statement Draft I to give the entirely false impression that Chief Justice Castille was aware of and sanctioned Rotwitt's role as co-developer of the Family Court Project, which was utterly false.

139. Based on Rotwitt's misrepresentation that Chief Justice Castille had approved Press Statement Draft II, Stuart Ditzen (the Administrative Office of Pennsylvania Courts' Assistant for Communications) released the document to Inga Saffron as representing Chief Justice Castille's "statement" when, in fact, Rotwitt knew it was not. When Ditzen released Press Statement Draft II, he was unaware of the changes to Press Statement Draft I by Rotwitt that were made without Chief Justice Castille's knowledge or permission.

140. On Friday, May 21, 2010, the Philadelphia Inquirer published an article by investigative reporters Joseph Tanfani and Mark Fazlollah under the caption "Lawyer Plays Dual Role in Family Court Deal" with the subheading "Chief Justice said he did not know adviser was also a developer in \$200 million project."

The article described Rotwitt's secret fee-splitting deal with Pulver and quoted Rotwitt as saying "It was all open and above board."

141. On May 25, 2010, acting at Chief Justice Castille's direction and exercising its contractual right to terminate on three (3) days notice, the FJD terminated Agreement III. A true and correct copy of the written notice of termination is attached hereto and incorporated herein as Exhibit "W."

142. On May 27, 2010, Obermayer fired Rotwitt and expelled Rotwitt from Obermayer's partnership.

143. On June 1, 2010, the FJD and Chief Justice Castille terminated Obermayer's representation. A true and correct copy of this termination letter is attached hereto and incorporated herein as Exhibit "X."

The FJD's Damages

144. But for the above discussed deceit by Rotwitt, acting on his behalf and at all relevant times on the behalf of Obermayer and Deilwydd, the FJD would not have executed or made payments under Agreements I, II, and III as crafted by Rotwitt and Obermayer.

145. Because the FJD executed Agreements I, II, and III as crafted by Rotwitt and Obermayer based on Rotwitt's deceit and self-dealing from October 1, 2008 through the June 1, 2010 termination of Obermayer's representation, the FJD:

- a. Paid Obermayer a monthly Tenant Representative Fee of \$55,000, which monthly fees totaled **\$1,100,000**;
- b. Paid Obermayer at least an additional **\$440,551** for purported legal services that should not have been reimbursable under any agreement;

- c. Paid Northwest a monthly Developer Fee of \$55,000, and a monthly G&A expense of \$27,500, which monthly fees collectively totaled **\$1,650,000**, for which no service was performed;
- d. Paid Northwest a monthly fee of \$50,000 for "Land Cost," which monthly fees totaled **\$1,000,000**; and,
- e. Paid legal fees purportedly incurred *by Pulver* in the approximate amount of **\$200,000**.

146. Deilwydd, for the personal benefit of Rotwitt, collected 50% of the FJD's payments to Pulver for Northwest's Developer Fee and G&A expense, netting Deilwydd **\$825,000** as a result of Rotwitt's secret fee-splitting agreement.

147. On June 23, 2010, Pulver caused Northwest to file a Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Eastern District of Pennsylvania, docketed as *In re Northwest 15th Street Assocs.*, Bkrcty. No. 10-15129 ELF.

148. In that bankruptcy proceeding, and relying on the AIA contract secretly negotiated by Rotwitt to Northwest's advantage and to the disadvantage of the FJD, Northwest claimed ownership of EwingCole's architectural plans. Because EwingCole's architectural plans were critical for the development and construction of the Family Court facility, the FJD was compelled to retain bankruptcy counsel and to intervene in Northwest's bankruptcy matter in order to protect its rights to the architectural plans.

149. In connection with Northwest's bankruptcy proceeding and to secure use of EwingCole's plans, the FJD was required to pay EwingCole **\$350,000**.

150. In connection with Northwest's bankruptcy proceeding and to protect its rights jeopardized by Rotwitt's negotiation of the contract terms prejudicial to

the FJD for EwingCole's architectural plans, the FJD incurred legal fees and expenses totaling **\$443,860**.

151. As part of its investigation and review of Rotwitt's self-dealing and misappropriation of public funds, the FJD retained the services of a corporate risk and investigative consulting firm. To date, the FJD has paid this firm the sum of **\$780,540** for its necessary services, which services are ongoing.

152. The FJD incurred each of the fees, costs, and expenses identified in the foregoing paragraphs, as well as other fees, costs, and expenses, as a proximate result of Rotwitt's and/or Obermayer's breach of their duty of undivided loyalty to the FJD and Chief Justice Castille; as a result of Rotwitt's gross violations of Chief Justice Castille's trust; and because of Rotwitt's and Obermayer's misappropriation of public funds for their personal benefit.

COUNT I - LEGAL MALPRACTICE
(Breach of Duty of Undivided Loyalty)
FJD v. Rotwitt

153. The FJD incorporates by reference paragraphs 1 through 152 of this Complaint in their entirety.

154. From the beginning of his representation of the FJD in February 2006 through May 25, 2010, Rotwitt owed the FJD and Chief Justice Castille a duty of undivided loyalty.

155. Absent full disclosure and a written waiver, Rotwitt was prohibited from entering into any transaction with any third party in which Rotwitt's personal interest in that transaction was either adverse to or in competition with his clients' interests.

156. Rotwitt concealed from both the FJD and Chief Justice Castille his fee-splitting agreement with Pulver, and failed to seek or obtain the FJD's written waiver of Rotwitt's conflict of interest.

157. By entering into the secret fee-splitting agreement with Pulver, Rotwitt breached his duty of undivided loyalty to the FJD and Chief Justice Castille.

158. As a proximate result of Rotwitt's breach of his duty of undivided loyalty, the FJD suffered economic damages including, but not limited to, those specified above.

159. Rotwitt's conduct as described above was outrageous and warrants the imposition of punitive damages.

WHEREFORE, the First Judicial District demands judgment in its favor and against defendant Jeffrey B. Rotwitt, Esquire, in an amount in excess of \$100,000, plus prejudgment interest and the costs that the FJD has incurred in bringing this action, including reasonable attorneys' fees, punitive damages, and such other relief as this Court deems appropriate.

COUNT II - LEGAL MALPRACTICE
(*Respondeat Superior* and Vicarious Liability)
FJD v. Obermayer

160. FJD incorporates by reference paragraphs 1 through 159 of this Complaint in their entirety.

161. Under well-settled Pennsylvania law, Obermayer is liable for Rotwitt's misconduct and breach of Rotwitt's duty of undivided loyalty to the FJD and Chief Justice Castille under the doctrine of *respondeat superior*.

162. Additionally, as set forth in Paragraphs 50 through 52 hereof, Rotwitt notified Obermayer senior partners and a staff attorney of his conflict of interest.

163. Rotwitt engaged in the misconduct and breaches of duty of loyalty described above, including the secret fee-splitting agreement with Pulver, within the scope of his employment with Obermayer, and with full authority to act on behalf of Obermayer with respect to the Family Court Project.

164. As a proximate result of Rotwitt's breach of his duty of undivided loyalty (aided and abetted by Obermayer), the FJD suffered economic damages including, but not limited to, those specified above.

165. Obermayer's conduct as described above was outrageous and warrants the imposition of punitive damages.

WHEREFORE, the First Judicial District demands judgment in its favor and against defendant Obermayer Rebmann Maxwell & Hippel LLP in an amount in excess of \$100,000, plus prejudgment interest and the costs that the FJD has incurred in bringing this action, including reasonable attorneys' fees, punitive damages, and such other relief as this Court deems appropriate.

COUNT III – FRAUD
FJD v. Rotwitt, Obermayer, and Deilwydd

166. The FJD incorporates by reference paragraphs 1 through 165 of this Complaint in their entirety.

167. In order to induce the FJD to execute Agreements I, II and III, Rotwitt, on behalf of himself, Deilwydd, and Obermayer, made materially false misrepresentations of fact with actual knowledge of their falsity, or in reckless disregard of their truth or falsity, and likewise engaged in intentional omissions of material facts necessary to make the statements made not misleading.

168. In reasonable reliance upon the material misrepresentations and omissions by Rotwitt, made on his own behalf and on behalf of Deilwydd and Obermayer, FJD entered into Agreements I, II, and III.

169. The FJD would not have entered into and/or made payments under Agreements I, II, and III but for the material misrepresentations and omissions made by Rotwitt on his own behalf and on behalf of Deilwydd and Obermayer.

170. Obermayer is liable for the fraudulent misrepresentations and omissions of Rotwitt, its partner, within the course and scope of his relationship with, employment by, and in furtherance of the business of, Obermayer, and/or which Obermayer aided or abetted.

171. Likewise, Deilwydd is liable for the fraudulent material misrepresentations and omissions of Rotwitt, its owner, within the course and scope of his relationship with and in furtherance of the business of Deilwydd.

172. As a proximate result of the fraudulent material misrepresentations and omissions of Rotwitt, made on his own behalf and on behalf of Deilwydd and Obermayer, the FJD suffered economic damages including, but not limited to, those specified above.

173. The conduct of Rotwitt, Obermayer, and Deilwydd as described above was outrageous and warrants the imposition of punitive damages.

WHEREFORE, the First Judicial District demands judgment in its favor and against defendants Jeffrey B. Rotwitt, Esquire, Deilwydd Property Group FC LLC, and Obermayer Rebmann Maxwell & Hippel LLP in an amount in excess of \$100,000, plus prejudgment interest and the costs that the FJD has incurred in bringing this action, including reasonable attorneys' fees, punitive damages, and such other relief as this Court deems appropriate.

COUNT IV – CONSPIRACY
FJD v. Rotwitt, Obermayer, and Deilwydd

174. The FJD incorporates by reference paragraphs 1 through 173 of this Complaint in their entirety.

175. Defendants, or any of them, acting in concert, have conspired to defraud the FJD into entering into Agreements I, II, and III to unlawfully enrich themselves, and to commit other unlawful acts and/or commit lawful acts by unlawful means as set forth herein above.

176. As a proximate result of defendants' unlawful and improper conspiratorial conduct as discussed in the foregoing paragraphs, the FJD suffered economic damages including, but not limited to, those specified above.

177. The conduct of Rotwitt, Obermayer, and Deilwydd as described above was outrageous and warrants the imposition of punitive damages.

WHEREFORE, the First Judicial District demands judgment in its favor and against defendants Jeffrey B. Rotwitt, Esquire, Deilwydd Property Group FC LLC, and Obermayer Rebmann Maxwell & Hippel LLP in an amount in excess of \$100,000, plus prejudgment interest and the costs that the FJD has incurred in bringing this action, including reasonable attorneys' fees, punitive damages, and such other relief as this Court deems appropriate.

SPRAGUE & SPRAGUE

/s/ Richard A. Sprague
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Dated: November 1, 2011