

FLORIDA LAW REVIEW

Mutual Benefits principal guilty but partner walks

by John Pacenti
jpacenti@alm.com

Steven Steiner said he knew President Bill Clinton and Phil Donahue, and all he wanted to do with his viatical company Mutual Benefits Corp. was help the dying live their last days with dignity.

A federal jury didn't buy it. The nine-woman, three-man panel found Steiner guilty of 16 counts of conspiracy to commit money laundering and obstruction of justice. He was acquitted of 38 counts.

In contrast, the jury acquitted his longtime domestic partner, Henry Fecker III, of all 54 counts to the wonderment of prosecutors.

Steiner, a Mutual Benefits vice president, will be sentenced May 8 by U.S. District Judge Kathleen Williams in Miami but faces another trial centered on the alleged \$1.1 billion fraud at Mutual Benefits.

The company bought life insurance policies from terminal-



J. ALBERT DIAZ

U.S. District Judge Kathleen Williams wouldn't let the prosecution ask jurors why they acquitted one defendant. "Some things are forever a mystery," Williams said.

Ill people, many with AIDS, at a discount and then cashed them in for the full value when the policy sellers died.

But medical breakthroughs stymied the business model as people with HIV and AIDS lived longer as treatment im-

proved. Federal regulators took over Mutual Benefits in 2004, claiming it turned into a Ponzi scheme when the policy sellers beat the odds.

Steiner's co-defendants in the second trial are his brother, Joel Steinger, and attorney Anthony

Livotti Jr. The trial was pushed back to May to determine Joel Steinger's competency to stand trial.

Deliberations spread over four days in the trial that concluded Thursday. Steiner and Fecker were accused of plotting to funnel \$11 million from Mutual Benefits through a consulting business and hiding assets from a court-appointed receiver recouping assets for cheated investors. The couple had been domestic partners for 17 years before the 2011 indictment.

Testimony was full of drama. A defendant Steiner broke down crying on the stand and several times verbally jostled with Fecker's attorney, Valentin Rodriguez of West Palm Beach.

At one point during Steiner's testimony, Williams reminded everyone to behave, saying, "This is a courtroom."

Rodriguez portrayed Fecker almost as a trophy wife, living off the riches of his spouse without knowing anything about his business or investments. Fecker,

rosary beads in hand, collapsed in his attorney's arms after the lengthy verdict was read and the jury was dismissed.

Steiner admitted on the stand forging Fecker's signature on a number of key documents. Rodriguez said his clients' legitimate signature on trial documents did not show any intention to break the law.

"Henry was just an innocent dupe who was told to sign here. I called it the sign here, honey," defense, Rodriguez said.

Steiner's attorney, Joaquin Mendez, left the courtroom without comment.

Assistant U.S. Attorney Dwayne Williams told the judge the government was "curious" about why Fecker was acquitted and wanted to talk to the jurors privately.

Judge Williams, who is not related to the prosecutor, briefly considered the request but said, "Some things are forever a mystery."

John Pacenti can be reached at (305) 347-6638.

Court sides with online firms in tax dispute

by Bill Kaczor
The Associated Press

A divided three-judge panel sided with online travel

15-member district court, or a Supreme Court appeal.

"This is the kind of case that ultimately has to be decided by a crowd bigger than



and not just the rental portion, Padovano concluded. Padovano wrote that under the majority's interpretation, hotels could set up their

TAX ON GUNS WOULD GO TO MENTAL HEALTH TREATMENT
A 4 percent fee would be imposed on dealers' sale of guns and ammunition with the money to go to mental health treatment, under a bill filed by a Tampa

LEGAL BRIEFS